

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION  
March 1, 1983

The House Appropriations Subcommittee on Education met at 8:00 a.m. on Tuesday, March 1, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present except Sen. Tveit, who was excused. Executive action was taken in the following areas, as regarded the University System budget: Enrollment estimates, and revenues, including tuition and fees, land grants, indirect grants, other.

The Chairman referred the Committee members to a handout which showed Executive action taken thus far by the Committee; see Exhibit "A."

Mr. Curt Nichols, LFA, and Tom Crosser, OBPP, then addressed enrollment estimates; see Exhibit "B."

Mr. Nichols said that the OBPP figures were based on the original estimates made by the Commissioner of Higher Education in September 1982; the Commissioner's estimates were the revised estimates made in December 1982, and the LFA figures were revised figures based on the current enrollment levels. He submitted that there was no statistical difference between the three estimates. Mr. Crosser said it was the OBPP's intent to use whatever projections were used by the Task Force on Enrollment. Mr. Nichols said that, regarding the breakout per unit, the LFA figure was a system-wide estimate and was, in percentage terms, identical to the one used by the Board of Regents. In response to Rep. Bengtson, he said that when the LFA revised its estimates, it came up with 160 more in 1984 and 400 more in 1985, than the original estimates of the total enrollment.

Mr. Jeff Morrison, Chairman of the Board of Regents, pointed out that both the LFA and the OBPP estimates were lower than the Regents' most current estimates, and urged that the OBPP figures be considered as a compromise. He added that the track record in the past had shown the OBPP, LFA, and the Regents' estimates to be low.

Mr. Nichols acknowledged that a 2% or 3% difference in enrollment estimates meant a \$2 or \$3 million impact in a \$100 million budget, which was substantial. However, he submitted that there was no attempt to bias the estimates either high or low, on the part of the Regents or the LFA. He pointed out that the current methodologies involved in making enrollment estimates were improvements over the past, and the chances of the estimates being high were as good as the chances of the estimates being low. In response to Rep. Bengtson, he said he used a similar approach in arriving at his enrollment figures, but while the Task Force used class progressions, he based his estimates on age progressions. He said he did not feel uncomfortable with the Task Force's enrollment estimates.

The Chairman said it had been the Committee's wish to come as close as possible to the enrollment estimates which the units had arrived at, and if adjustment was needed, it would be based on the percentage of the peer average that could be budgeted.

Rep. Peck wanted to know if the LFA figures differed significantly by unit, from the Regents' or the OBPP estimates. Mr. Nichols said his estimate was a system-wide one, and any difference between the units would be nonexistent if looked at in percentage terms. He added that the margin of error might be higher than the system-wide percentage of 4%, on the individual units, however. Rep. Bengtson pointed out that the distribution amongst the units was up to the Commissioner's Office, and the Committee was only concerned with the total amount. Mr. Nichols said that in the past, the shifting had been allowed if done with the Committee; once the appropriation is set in law, no more shifting is allowed.

Rep. Donaldson moved that the Committee accept 27,000 each year of the biennium as the projection for enrollment, using the by unit breakdown proposed by the Commissioner of Higher Education's office.

Sen. Haffey asked Dr. Irving Dayton, Commissioner of Higher Education, if he agreed that 27,000 was within the range and was representative of the enrollments expected. Dr. Dayton pointed out that it had been cut at about 90% in the direction of the LFA. He submitted that if the figures were split evenly down the middle, the difference would be about 1% on each side.

Sen. Haffey rose in support of Dr. Dayton's suggestion to split the difference evenly. Sen. Hammond wanted to know where Mr. Jeff Morrison, Chairman of the Board of Regents, felt the figures should be. He replied that he really didn't know, and the past record showed that no one had mystic powers in this area. He said that a subjective decision had to be made, because all the objective points had been made.

The Chairman rose in support of coming up with the best and most accurate basis for enrollment projections. She also was in support of taking the average.

Mr. Crosser stated that one of the reasons that \$2 million had been earmarked in the OBPP budget as a contingency fund for the Board of Regents was because of the fact that there was a fluctuation between what the Task Force had originally developed and what the fall enrollments did to that estimate. They changed their Work Study modification request to a contingency, for both the Work Study Program and to cover enrollment fluctuations.

Sen. Haffey suggested that an average be taken of the CHE and the LFA estimates, excluding the OBPP estimates, due to the approach the latter had taken.

It was brought out that the averages would be: 27,210 in 1984 and 27,343 in 1985. Rep. Donaldson withdrew his motion. Sen. Hammond moved the above figures; motion carried unanimously.

Tuition was then addressed. Mr. Nichols explained his hand-out; see Exhibit "C."

Mr. Crosser said that the OBPP budget, because of time constraints, used the original request to the Regents from the Commissioner's Office. Since that time the figures had been adjusted.

Tuition had not been changed in 1985, Mr. Morrison explained, because the Regents took a higher factor than had been recommended by either the Commissioner's Office of the University Presidents for 1984. The Regents wanted to wait and see what the Legislature did before making a decision on tuition for 1985. They were extremely concerned that any further increases in tuition might be offset by a reduction in the general fund appropriation. He said the Regents were ready and willing to address the raising of 1985 tuitions by a substantial rate, as long as they were convinced that the raises wouldn't be offset by reductions in general fund.

The Chairman explained that the current level tuition recommendation was at 100% of the peer average; the Regents' recommendation was 92% and the OBPP recommendation was 89%. In 1985, the Regents' recommendation was 84% of the peer average; the OBPP's was 87%; and the current level was again 100%. The out-of-State tuition percentages would be relatively the same.

Sen. Haffey wanted to know what the rate of tuition changes in the past several years had been. Mr. Noble said that in 1979-80, tuition was \$8 per credit hour. In 1981-2, it was moved to \$10.50, and from there to \$12 for the current year. The proposal for 1984 would raise it to \$13.50: over the time period from 1980-4 the percentage increase is more than 63%. He said they did look at peer averages, although they weren't the current ones, and as a result they were slightly lower in their estimates. He pointed out that while the support areas were built on 100% of the peer averages, the faculty salaries weren't; therefore, they didn't feel they were totally committed to 100% of the peer concepts in the formula, including tuition.

Rep. Bengtson wanted to know what 95% of the peer average would be for 1984 and 1985. Mr. Nichols said it would be \$550 in 1984 and \$598 in 1985, for in-State tuition, and \$2,021 for out-of-State

at UM and MSU, and \$1,508 at EMC, WMC, and NMC. He pointed out that at present, Montana was slightly above the peer averages at EMC, WMC, and NMC, on out-of-State tuition. In 1985, the figures would be, respectively, \$2,138 and \$1,590.

The Chairman said the Committee would like the Regents to raise tuition in the second year, but she did not know if the Committee could determine the amount; this was still the Regents' responsibility. Mr. Morrison said that personally, he didn't have a problem with an additional 12% increase in the second year of the biennium, provided the general funding came with it. He said he thought they would be willing to raise the out-of-State tuition at least as much; 9 - 10% would probably be the area.

The Chairman wanted to know how much of a decrease in financial aid the University System suffered in the past biennium, and what were the projections in this area. Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, Commissioner's Office, pointed out some of the changes that had affected the level of available financial aid: (1) higher restrictions on the guaranteed student loan program, (2) the Pell Grant program would probably be reduced, and (3) the Work Study program may experience an increase. He submitted that the availability of financial aid relative to the cost of education was definitely going to be high. Mr. Nichols brought the Committee's attention to his office's estimates for forthcoming financial aid; see Exhibit "D."

Rep. Donaldson moved that the Regents' tuition levels of \$585, \$2,205, and \$1,845 in 1985, times the projected enrollments be adopted as the basis for a tentative revenue figure. Motion carried unanimously.

Land Grants and Miscellaneous Revenues were then considered. See Exhibit "E." Indirect Costs were addressed first. Mr. Crosser said the amounts in the OBPP column were the amounts submitted by each unit as their estimate of what the indirect cost recoveries would be. He included the total indirect costs in the calculation for anticipated revenue. Also, expenditures were left in the operational categories, so the expenditures were inflated through the formula process. Mr. Nichols stated that all the figures on the worksheet showed the indirect costs at 100%. The current level figures reflected the actual 1982 level of revenue. Going from 1981-2, four of the units experienced a rise in revenues and two experienced a decrease.

The Chairman wanted to know why there was such a big difference between the Regents' and the Current level estimates. Mr. Noble said they felt that it was the result of the decline

in federal research contract grants, which the Regents' figures reflect and the current level does not. They see very little chance of these grants sustaining their past levels or increasing over the next two years, in light of the federal budget. Mr. Morrison said they would have no objection if the lower figure was used, if there could be a clause to revert 85% of the excess revenues back to the general fund. I.E., 85% of the revenues over \$1.9 million or whatever figure was decided on would revert.

Rep. Donaldson wanted to know where the figure of 18% as regarded the expected reduction in federal grant revenue came from. Neil Bucklew, President of the University of Montana, said that the overriding issue was that of tightening federal resources. Almost all federal agencies were having to reduce research funds. UM has received in the past a lot of support from the Forest Service Cooperative agreements. Their decision to no longer pay indirect costs will cost UM \$115,000 over the next three years.

Dr. William Tietz, MSU President, said their most recent estimates indicate that they are off about 14%, in terms of collections to date, compared to a year ago. The number of individual grants is down from 528 to 497. They estimate that they will have a hard time reaching the OBPP estimate of \$1,190,000.

Dr. Fred DeMoney, Montana Tech. President, said the Bureau of Mines, BLM, and the Department of Energy had been relied on heavily in the past, and those contracts will not be renewed any longer. They are projecting about \$125,000, as per the Regents' estimates.

Dr. Dayton pointed out that even though the entire picture federally may look satisfactory, there has been a shift in priorities to the defense area, and very little of this money gets to the Colleges and Universities.

Mr. Nichols explained the concept behind indirect costs. In the past, indirect costs had been considered as a revenue for supporting current unrestricted operations. The units felt these revenues should not be part of the formula budget. A compromise had been made with the Legislature whereby 15% would be left outside the budget, and the matter would be studied. Thus far it hasn't been studied. In other regions, there are several ways indirect costs are dealt with: some approaches don't put any of the money in the formula budget, with the federal money often being earmarked for capital projects, etc.

Sen. Haffey said there was justification for indirect

costs because it was true that some costs were absorbed by the units which wouldn't have existed if the federal program hadn't been there. Mr. Nichols pointed out that the formula was based on the level of peers with those expenditures included; i.e., there is money for the things that indirect costs cover in the support area of the formula.

In response to Sen. Haffey, Mr. Nichols said 85% would be reverted on indirect costs above 100% of the estimate.

Dr. Dayton submitted that in the past, none of the indirect costs were appropriated. Then 100% were appropriated. Now the level is 85%. In some cases, 100% of what was really collected exceeded 85% of what was projected to be collected and this caused shortfalls. He pointed out that in 1981, part of the reason for separating out 15% was for the MONTS Program. He suggested that the 15% be increased to 25% or 30%, and ultimately 50%, to support the MONTS Program. Part of the proposal for the MONTS Program grant had been that as federal funding was reduced, State matching money would increase. The increase in the percentage which the unit retains control of helps to achieve that goal. The Chairman pointed out that if increased funding from indirect costs was allowed for the MONTS Program, the units that didn't have the Program would be penalized.

It was brought out that if EMC's revised indirect cost estimate were included, the new totals for the Regents' estimates would be: \$2,005,500 in 1984 and \$2,002,500 in 1985.

Sen. Haffey moved that the Regents' figures be adopted for the indirect cost revenue estimates; the 15% concept be used, and that appropriate reversion language be written. Mr. Nichols stated that 85% of any revenues above the figures in the motion would be reverted. The question was called for; motion carried unanimously.

Other Revenues were then voted on. Mr. Crosser said the biggest difference in the estimates was with MSU. He included two federal programs which the other estimates didn't include. Without the two programs the OBPP estimate would be \$650,000.

Mr. Tom Nopper, MSU, explained that the federal programs included in the OBPP estimate had been eliminated. He also stated that MSU was below the current estimated level of land grant revenue. He pointed out that these revenues fluctuated. He said that \$300,000 would be closer than \$404,000 for land grant income. Mr. Morrison suggested that possibly the land grant portion of Other Revenues could have language so that it was treated similar

to indirect costs, so that excesses in land grant revenues would be reverted. Mr. Nichols explained how land grant revenues had been projected. He said that it was possible that MSU would be about \$45,000 short. In response to Rep. Bengtson, he said his levels could be readjusted, but he didn't think his figures would agree with what the units thought they should be.

It was brought out that \$615,000 in 1984 and 1985 would be the new figures for MSU in the LFA column, if the revised estimate was accepted.

It was brought out that the WMC figures were the money that WMC wanted to commit to the swim center. Discussion took place regarding WMC's modified request for the new swim center. No motion was made.

Rep. Donaldson said there were still substantial discrepancies between the figures for Other Revenue and suggested that action be deferred until Mr. Nichols could study the issue. UM President Bucklew said UM would be willing to accept the LFA estimate for their unit.

Rep. Donaldson moved the current level recommendation, less \$45,000 from MSU and \$157,000 for Eastern. The new total levels would be \$1,470,000 in 1984 and \$1,480,000 in 1985. The question was called for; motion carried unanimously. It was brought out that the vote did not address the modified request for a swimming center at WMC.

Mr. Nichols talked to the Committee about the estimated amount of money from millage. The original figures had been revised, mainly because of the impact of the reduction in the price of oil. His revised estimates were: \$13,074,000 in 1984 and \$13,206,000 in 1985. The estimate includes oil at \$25/barrel, but does not include any reduction in production. He added that the OBPP recommendations were also being adjusted. The Chairman said that a 10% reduction was now being requested. Mr. Nichols said a 10% reduction would reduce the 1985 figure by about \$460,000. The first year figure is already set. The Chairman rose in support of taking the \$460,000 off in 1985.

Rep. Ernst moved that the Committee accept the LFA current level projections, with a 10% reduction in production included. Motion carried, with Rep. Peck opposed and Sens. Tveit and Haffey and Rep. Donaldson absent.

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

Rep. Esther G. Bengtson Chmn  
Rep. Esther G. Bengtson - Chairman

## VISITORS' REGISTER

HOUSE APPROP - Education Sub COMMITTEE

BILL Work SessionDate March 1, 1983

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Bob Thomas	Dillon	WMC		
Allen Leavitt	Dillon	WMC		
Eric Burt	Butte	MT-Tech		
Brad DiMaggio	Butte	MT-Tech		
Monte Koch	Helena	UW		
Ken Stoltz	Missoula	U of M		
Glenn Wilcox	Missoula	U of M		
Neil Buddeau	Missoula	U of M		
Tor Nunn	Bozeman	MSU		
Bill Tracy	Bozeman	MSU		
Tom Erickson	Helena	WMC		
Bill Byars	Helena	WMC		
Lee Pardee	Bozeman	ASMSU		
CA Bryan	Missoula	UTM		
Jeanne Bourgoin	Missoula	ASUMW		
Donna Whipple	Bozeman	ASMSU		
Bruce H Carpenter	Billings	S MC		
Ken Heikes	-	-		
Jack Noble	HELENA	U. sys.	✓	
Irving Dayton	Helena	MT University System		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

## HOUSE

## COMMITTEE

**BILL** \_\_\_\_\_

Date \_\_\_\_\_

## SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Jeff Morrison	Helena			
Cat FAIRBANKS	Helen S	Montana Federation OF TEACHERS		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Table 1-A  
Education Subcommittee  
General Fund Worksheet  
As of February 25, 1983

		FY 1984		FY 1985	
		LFA Current Level	Subcommittee	Executive	LFA Current Level
Board of Public Education	\$ 129,293	\$ 97,344	\$ 127,456	\$ 124,473	\$ 96,952
Office of Supt. Public Instruction					\$ 127,255
Operation	3,123,216	2,327,178	2,341,250	3,232,654	2,216,033
School Foundation Program					2,322,644
Special Education (incl. contingency)	26,861,779	26,559,600	26,861,779	27,916,249	28,123,200
Audiological Services	795,624	718,640	-0-	843,362	761,760
School Lunch	1,119,371	659,787	659,787	1,164,382	659,787
Transportation	5,541,252	5,623,000	5,633,000	6,117,542	5,955,000
Vo-Tech Centers	5,054,492	5,048,809	4,999,632	5,136,236	5,210,106
Secondary Vo-Ed	750,000	750,000	750,000	750,000	750,000
Adult Basic Ed.	140,822	140,820	-0-	149,271	149,271
Gifted & Talented	100,000	100,000	100,000	100,000	100,000
Library Commission	625,013	445,953	567,563	655,948	422,372
Historical Society	1,085,440	852,034	1,023,760	1,084,565	850,734
Montana Arts Council	159,300	118,546	118,546	116,767	117,662
School for the Deaf & Blind					
Operations	2,046,322	1,821,624	1,943,069	2,085,106	1,822,890
Audiological Services	-0-	-0-	719,602	-0-	1,970,098
Community Colleges	2,998,607	3,265,103	3,249,960	3,123,714	3,461,494
Commissioner of Higher Ed.	3,422,101	3,049,643	2,978,392	3,265,994	2,961,917
Bureau of Mines	1,446,048	1,402,477	1,402,477	1,479,116	1,436,715
Agricultural Experiment Station	5,733,068	5,592,194	5,863,711	5,837,194	5,744,653
Cooperative Extension Service	2,288,669	2,150,822	2,180,569	2,265,525	2,134,578
Board of Regents	24,994	24,976	24,994	26,090	26,064
Six Units	72,562,727	67,014,727	72,500,423	69,434,320	
Forestry Experiment Station	706,301	668,841	678,206	721,780	677,347
Fire Services Training School	283,099	218,467	227,259	272,646	210,921
Total	\$64,434,811	\$61,635,858	\$62,451,012	\$66,468,614	\$63,889,455
	=====	=====	=====	=====	=====

The subcommittee is 3 percent under the executive recommendation for general fund in fiscal 1984 and 1985.  
The subcommittee is 1 percent over the LFA current level general fund in fiscal 1984 and 1985.

31/183

EXHIBIT "B"

## ENROLLMENT ESTIMATES

Unit	Fiscal 1984			Fiscal 1985		
	OBPP <sup>1</sup>	CHE <sup>2</sup>	LFA <sup>3</sup>	OBPP <sup>1</sup>	CHE <sup>2</sup>	LFA <sup>3</sup>
MSU	10,748	10,834	10,640	10,748	10,834	10,550
UM	8,176	8,356	8,290	8,106	8,284	8,070
EMC	3,519	3,582	3,520	3,581	3,645	3,550
NMC	1,588	1,637	1,610	1,613	1,663	1,620
WMC	869	875	860	869	875	850
MCMST	<u>2,158</u>	<u>2,167</u>	<u>2,130</u>	<u>2,395</u>	<u>2,405</u>	<u>2,340</u>
Total	27,058	27,451	26,970	27,312	27,706	26,980
	=====	=====	=====	=====	=====	=====

<sup>1</sup>CHE September Estimates<sup>2</sup>CHE Revised Estimates<sup>3</sup>Revised; Total Estimated by LFA distribution based upon CHE pattern.

The enrollment estimates are all based upon historical patterns of students entering the six units, the historical retention as groups progress through college and separate treatment of certain minor groups (summer school students, graduate students). In this sense, the estimates are more sophisticated and comprehensive than methods used in the past. There are, however, factors which can and will affect enrollments which are not recognized in these formulas. Such factors include tuition rates, availability of student financial aid, employment opportunities, etc. Because of these factors the estimates can be expected to have a margin of error, probably in the range of 4 percent for the system as a whole, possibly higher for an individual unit. Because of this margin of error and the fact that all the estimates are within this margin of each other, the estimates could be regarded as not differing.

*Ed. Subcomm.  
3/1/83  
EXHIBIT "C"*

February 28, 1983

TO: Education Subcommittee  
FROM: Curtis M. Nichols, Principal Analyst  
SUBJECT: Tuition & Fees

The tuition and fee levels requested by the university system, the Governor, and reported in the current level analysis are reported below for comparative purposes.

Tuition Comparisons

Units	-----1984-----			-----1985-----		
	Regents	Governor	Current Level	Regents	Governor	Current Level
In-state						
All units	\$ 531	\$ 513	\$ 579	\$ 531	\$ 549	\$ 630
Out-of-state						
MSU, UM, MCMST	2,007	1,953	2,127	2,007	2,061	2,250
EMC, WMC, NMC	1,647	1,593	1,587	1,647	1,701	1,674
				1,3845		

The current level is calculated to maintain Montana at the average of the peers given the following stipulations.

- (a) The peer average increases 6 percent per year from fiscal 1983.
- (b) In-state tuition will be the same at all units.
- (c) Out-of-state tuition will be the same at EMC, NMC, and WMC and also at MCMST, MSU, and UM.

The following page lists tuition and fees at peer schools.

Table 1  
Tuition and Required Fees of Peer States

<u>College or University</u>	<u>In-State</u>	<u>Out-of-State</u>
Northern Arizona University	\$ 710	\$2,750
University of Idaho	816	2,816
Idaho State University	805	2,705
University of Nevada - Reno	930	2,930
University of Nevada - Las Vegas	930	2,930
University of New Mexico	757	2,441
New Mexico State University	798	2,482
Utah State University	852	2,367
University of Wyoming	616	2,076
University of North Dakota	804	1,572
North Dakota State University	732	1,500
University of South Dakota	1,056	2,021
South Dakota State University	1,139	2,005
Average of Peers	\$ 842	\$2,353
Montana State University	\$ 740	\$2,180
University of Montana	825	2,265
Montana Average	\$ 782	\$2,223
Colorado School of Mines	\$2,272	\$6,060
New Mexico Inst. of Mining & Technology	734	2,418
South Dakota School of Mines	1,111	2,201
Average of Peers	\$1,372	\$3,560
Montana College of Mineral Science & Tech.	\$ 626	\$2,066
Eastern New Mexico University	\$ 698	\$1,985
Western New Mexico University	531	1,816
Boise State University (Idaho)	801	2,701
Lewis & Clark State College (Idaho)	740	2,640
Kearny State College (Nebraska)	856	1,400
Chadron State College (Nebraska)	786	1,296
Wayne State College (Nebraska)	821	1,331
Peru State College (Nebraska)	820	1,330
Minot State College (North Dakota)	570	1,131
Valley City State College (North Dakota)	707	1,267
Mayville State College (North Dakota)	702	1,263
Dickinson State College (North Dakota)	735	1,296
Northern State College (South Dakota)	925	1,740
Black Hills State College (South Dakota)	1,011	1,856
Dakota State College (South Dakota)	1,046	1,922
Southern Utah State College	735	1,971
Average of Peers	\$ 780	\$1,684
Eastern Montana College	\$ 678	\$1,758
Northern Montana College	627	1,707
Western Montana College	633	1,713
Montana Average	\$ 646	\$1,726

The figures reported in Table 1 include student building fees, activity fees, health fees and other miscellaneous fees. The table below illustrates the shares of these fees at each unit in fiscal 1983.

Table 2  
Breakdown of Tuition and Fees - FY 1983

	<u>MSU</u>	<u>UM</u>	<u>EMC</u>	<u>NMC</u>	<u>WMC</u>	<u>MCMST</u>
Building Fees	\$ 130	\$ 60	\$ 78	\$ 60	\$ 51	\$ 66
Activity Fees	45	54	60	60	75	40
Health Fees	88	156	45	---	30	8
Other Student Fees	---	78	18	30	---	35
Registration & Incidental <sup>1</sup>	<u>477</u>	<u>477</u>	<u>477</u>	<u>477</u>	<u>477</u>	<u>477</u>
In-state	\$ 740	\$ 825	\$ 678	\$ 627	\$ 633	\$ 626
	=====	=====	=====	=====	=====	=====
Nonresident Building Fee	72	72	72	72	72	72
Nonresident Incidental	<u>1,368</u>	<u>1,368</u>	<u>1,008</u>	<u>1,008</u>	<u>1,008</u>	<u>1,368</u>
Out-of-state	\$2,180	\$2,265	\$1,758	\$1,707	\$1,713	\$2,066
	=====	=====	=====	=====	=====	=====

<sup>1</sup>This revenue is appropriated by the legislature.

The chart on the following page illustrates the portion of total cost per student paid by the student through tuition and fees.

Percent of Average Cost Per Student  
Paid by a Full Time Student

Proposals

— Current Level

--- University system

+++ Governor

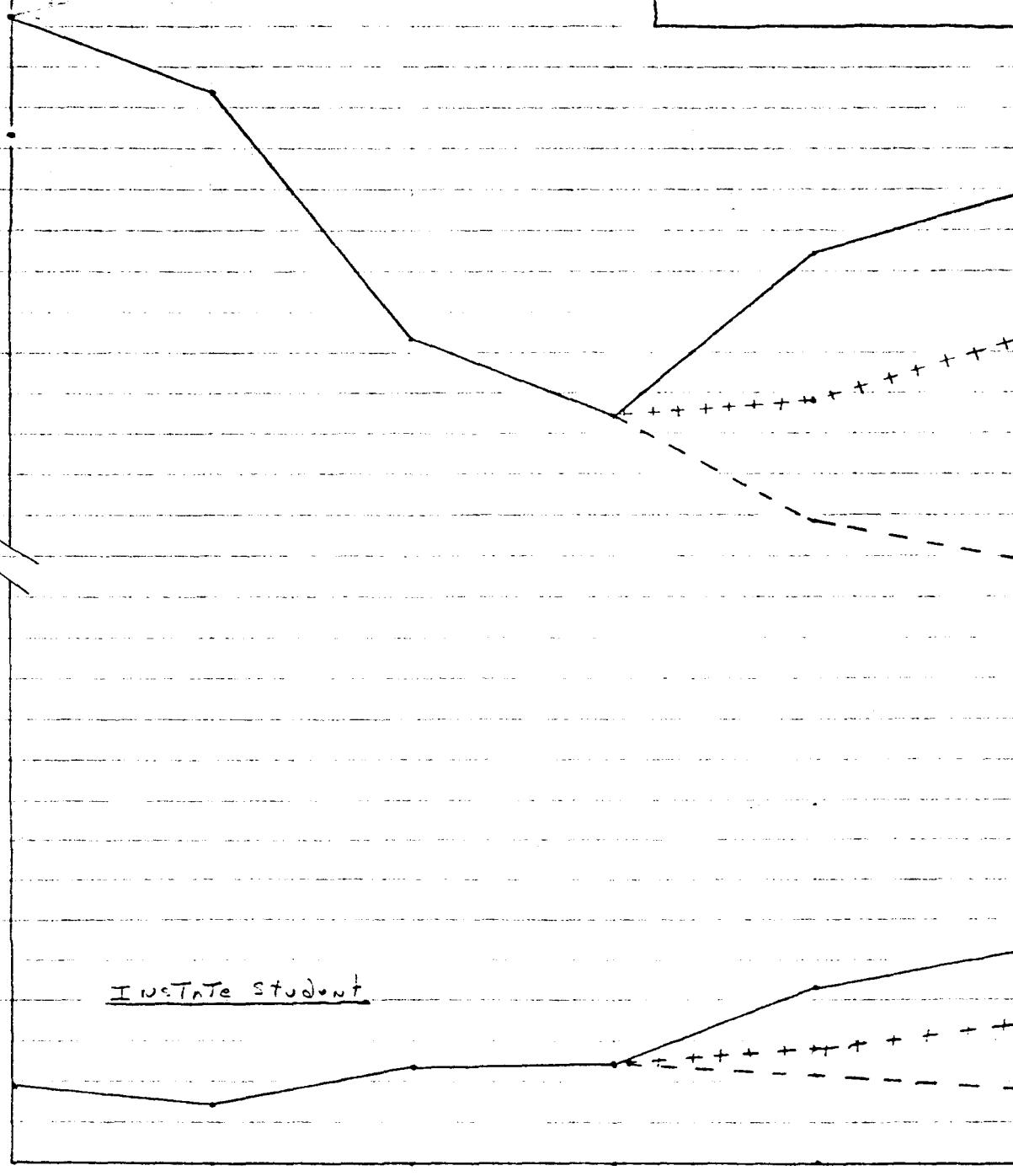
60%

OUT OF STATE STUDENT

50%

20%

10%



As the chart indicates, the percentage of cost paid by out-of-state students has fallen in recent years from nearly 60 percent to less than 50 percent. The university system's proposals for expenditures and tuition would continue this decline to the point an out-of-state student would pay less than 45 percent of the cost.

In-state students pay approximately 12 percent of the average cost per student in the university system. Under the current level analysis, this would rise to 15 percent by fiscal 1985.

The following worksheet on tuition and fees provides the estimated level of revenue from the various tuition proposals at three enrollment levels. Once the enrollment level has been determined, the applicable set of figures may be used.

Tuition and Fee Worksheet

<u>Fiscal 1984</u>		In-state <u>Enrollment</u>	Out-of-state <u>Rate</u>	<u>MSU</u>	<u>UM</u>	<u>EMC</u>	<u>NMC</u>	<u>WMC</u>	<u>MCMST</u>	<u>Total</u>
<b>Regents' Enrollment/Regents' Rates</b>										
Add for:		\$27,451	\$531	\$2,007/1,647	\$8,384,000	\$6,997,000	\$2,292,000	\$956,000	\$537,000	\$1,706,000
Governor's Rates		27,451	513	1,953/1,593	(252,000)	(204,000)	(73,000)	(31,000)	(17,000)	(50,000)
LFA Rates		27,451	579	2,127/1,587	661,000	541,000	192,000	82,000	44,000	141,000
Governor's Enroll./Regents' Rates		27,058	531	2,007/1,647	8,317,000	6,846,000	2,252,000	927,000	533,000	1,699,000
Add for:		27,058	513	1,953/1,593	(250,000)	(200,000)	(72,000)	(30,000)	(17,000)	(627,000)
Governor's Rates		27,058	579	2,127/1,587	656,000	529,000	189,000	80,000	44,000	140,000
LFA Enroll./Regents' Rates		26,970	531	2,007/1,647	8,234,000	6,875,000	2,252,000	940,000	528,000	1,677,000
Add for:		26,970	513	1,953/1,593	(247,000)	(200,000)	(72,000)	(30,000)	(17,000)	(619,000)
Governor's Rates		26,970	579	2,127/1,587	649,000	532,000	189,000	81,000	43,000	139,000
<b>Fiscal 1985</b>										
Regents' Enrollment/Regents' Rates		27,706	\$531	\$2,007/1,647	\$8,370,000	\$6,943,000	\$2,332,000	\$972,000	\$537,000	\$1,894,000
Add for:		27,706	549	2,061/1,701	252,000	202,000	75,000	32,000	17,000	56,000
Governor's Rates		27,706	630	2,250/1,674	1,343,000	1,082,000	411,000	175,000	93,000	311,000
LFA Rates		27,706	630	2,250/1,674	1,332,000	1,059,000	404,000	170,000	92,000	310,000
Governor's Enroll./Regents' Rates		27,312	531	2,007/1,647	8,304,000	6,794,000	2,291,000	943,000	533,000	1,886,000
Add for:		27,312	549	2,061/1,701	250,000	198,000	74,000	31,000	17,000	56,000
Governor's Rates		27,312	630	2,250/1,674	1,332,000	1,059,000	404,000	170,000	92,000	310,000
LFA Enroll./Regents' Rates		26,980	531	2,007/1,647	8,150,000	6,764,000	2,271,000	947,000	522,000	1,843,000
Add for:		26,980	549	2,061,1,701	245,000	197,000	73,000	31,000	17,000	54,000
Governor's Rates		26,980	630	2,250/1,674	1,308,000	1,054,000	400,000	170,000	90,000	303,000

<sup>1</sup>Current rates \$477 In-state; \$1,845 MSU-UM-MCMST Nonresident; \$1,485 EMC-WMC-NMC Nonresident.  
<sup>2</sup>MSU, UM, MCMST/EMC, NMC, WMC

EDUCATION  
SEB COMM  
3/1/83  
EXHIBIT 10

Table 8  
Actual and Projected Amounts Allocated through  
State and Federal Student Aid Programs  
Fiscal 1982-1985

<u>State Funded/Admin.</u>	<u>Actual</u>	<u>Projected</u>			<u>% Change Biennium</u>
	<u>FY '82</u>	<u>FY '83</u>	<u>FY '84</u>	<u>FY '85</u>	<u>1983-1985</u>
Scholarships	\$ 1,886,188	\$ 1,970,908	\$ 2,456,319	\$ 2,614,191	31.4
WICHE	1,510,904	1,643,800	1,746,950	1,798,567	12.3
WAMI	1,439,257	1,625,272	1,636,332	1,767,423	11.1
Minnesota Dent. <sup>1</sup>	144,000	168,000	168,000	168,000	7.7
SSIG (State Match)	175,000	175,000	175,000	175,000	0.0
NDSL (State Match)	64,420	100,000	75,000	75,000	(8.8)
Total	\$ 5,219,769	\$ 5,682,980	\$ 6,257,601	\$ 6,598,181	17.9
	=====	=====	=====	=====	====
GSL (Private Funds) <sup>2</sup>	\$15,799,617	\$16,500,000	\$16,500,000	\$16,500,000	2.2
SSIG (Private Funds)	31,953	36,502	35,000	35,000	2.3
Total	\$15,831,570	\$16,536,502	\$16,535,000	\$16,535,000	2.2
	=====	=====	=====	=====	====
<u>Federally Funded</u>					
BEOG <sup>3</sup>	\$ 6,363,449	\$ 6,549,888	\$ 6,549,888	\$ 6,549,888	1.4
SEOG <sup>3</sup>	832,198	664,854	664,854	664,854	(11.2)
Work Study <sup>3</sup>	2,334,360	2,153,911	2,153,911	2,153,911	(4.0)
NDSL <sup>3</sup>	874,680	970,465	970,465	970,465	5.1
SSIG	206,953	211,592	210,000	210,000	0.3
Total	\$10,611,640	\$10,550,710	\$10,549,118	\$10,549,118	(0.3)
	=====	=====	=====	=====	====
Total Student Aid	\$31,662,979	\$32,770,192	\$33,341,719	\$33,682,299	4.0
	=====	=====	=====	=====	====

<sup>1</sup>Support fees are paid for students attending out-of-state institutions in graduate programs.

<sup>2</sup>Included are loans to graduate and undergraduate students attending out-of-state and in-state 2 and 4-year institutions (approximately 25 percent of the loans are to students going out-of-state).

<sup>3</sup>Includes units of the Montana University System and the community colleges. Total expenditures were held constant from fiscal 1983 to 1985. Federal allocations for fiscal 1984 and 1985 cannot be determined at this time. NDSL includes loan collections that fund additional student loans.

Revenues Worksheet

Indirect Costs	Governor	Fiscal 1984		Fiscal 1985	
		Regents	Current Level	Subcommittee	Current Level
MSU	\$1,190,000	\$1,200,000	\$1,390,000	\$1,190,000	\$1,390,000
UM	550,000	550,000	620,000	550,000	620,000
EMC 1	60,000	60,000	110,000	60,000	110,000
NMC	8,500	13,000	20,000	8,500	10,000
WMC	17,000	17,500	20,000	17,000	17,500
MCMST	120,000	125,000	260,000	120,000	125,000
<b>Total</b>	<b>\$1,945,500</b>	<b>\$1,965,500</b>	<b>\$2,420,000</b>	<b>\$1,945,500</b>	<b>\$2,420,000</b>
<hr/>					
<b>Other Revenues</b>					
MSU	\$ 872,068	\$ 490,000	\$ 660,000	\$ 872,068	\$ 490,000
UM	269,000	269,000	310,000	269,000	310,000
EMC 1	120,000	120,000	160,000	120,000	160,000
NMC	-0-	2,000	2,000	-0-	2,000
WMC	134,500	114,500	131,000	134,500	114,500
MCMST	293,910	245,000	255,000	320,300	260,000
<b>Total</b>	<b>\$1,689,478</b>	<b>\$1,240,500</b>	<b>\$1,518,000</b>	<b>\$1,715,870</b>	<b>\$1,255,500</b>

1 EMC has provided information supporting Indirect Cost revenues of \$100,000 per year and Other Revenues of \$157,000 in fiscal 1984 and \$152,000 in fiscal 1985.

31/10/87  
EX-AD 17/11/87

3/1/83  
EXHIBIT 'E'

Land Grants and Miscellaneous Revenues

	<u>1984</u>	<u>1985</u>
MSU	\$440,000	\$440,000
UM	210,000	210,000
EMC	130,000	130,000
WMC	130,000	130,000

Miscellaneous

MSU	\$220,000	\$220,000
UM	100,000	100,000
EMC	30,000	30,000
NMC	2,000	2,000
WMC	1,000	1,000
MCMST	255,000	270,000

The other revenues are made up of land grants and miscellaneous fees, fines, and reimbursements. The above table separates land grants from miscellaneous fees, fines, and reimbursements, as calculated by LFA.