

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 31, 1983

The 13th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol, by Senator Himsl, Chairman at 8:08 a.m. Roll call was taken with all members present, except Senator Stimatz.

CONSIDERATION OF HOUSE BILL 447: Senator Himsl said that the bill before you is the major appropriation bill. We are not going to conduct a public hearing on the items in the budget. Presentations were made in the subcommittees and the Senate Committee attended those, and in addition presentations were made before the full Appropriation Committee. We will honor the request of the Department Heads if some particular change was made since leaving those committees. We are not opening it up to the general public hearing again. With that I will ask the Honorable Representative Bardanouve if he will present his bill.

REPRESENTATIVE BARDANOUE: This is the major appropriation bill for the government operation for the biennium and it contains \$672.2 million in general fund. This is a little over 15% increase over the 1981 biennium. It does not include the school foundation program nor the pay plan. Also the Local Government Bill is not in here. It allows very little modified services. In most cases it is not replacing federal dollars, except for a few places where it was felt very vital. There is one area where there is a funding increase and we felt the Legislature has not faced this issue before, but sort of swept it under the rug. \$5.5 million increase in the Department of Revenue, and this is considerable. There is \$4.96 million for the completion of the property reappraisal that has been hanging over our heads. It seems the Department has its House in order and hopefully this will complete the job. There is \$265,000 in general fund money to audit the Natural Resource & Conservation. There is a lot of money floating around in oil etc. that we do not have a handle on. The District Court raised \$375,000 which is now increased and above by \$900,000. \$1.8 million, or about a 16% increase. There was a large increase in the AFDC load. When we have a case load increase in AFDC we have a corresponding increase on the side of medicaid. This was one of the most controversial areas of all. We settled on 6,800 cases which is higher than even in the Governor's budget or the LFA. We put in a contingency fund and language which allows almost \$5 million to be used in areas where the impact will most likely occur. Originally we figured a 6% inflation factor and this was amended down to 5%. Institutions was probably the least controversial budget we had. This time we seemed to do very well, a little over 10% general fund increase. There were two major changes, the Youth treatment center will come into operation in December 1984 so the budget will

be a larger transfer to Billings from Warm Springs. It is 100% qualified for medicaid reimbursement. It will cost a lot to operate, but get a lot back from medicaid. \$1.8 million is put in to operate the budget. There is another new item--a new wing to the Veterans' home in Columbia Falls. This will be 36 new beds and replacement of 14 beds that were considered substandard. This will be \$440,000 a year. One area we changed, we consolidated the kitchen at Warm Springs and Galen. Some of the people claim that the food will not be as desirable or as convenient for special patients that have to have special food during the day. A new prison industry program and education budget for the University were increased. There is some controversy on U. of M. It seems with the finance as it was they would have trouble at U of M. They did not fit into the formula because of problems within the institutions, late enrollment in final year of biennium, and a higher percentage of faculty with more tenure than other Universities.

Representative Bardanouve said after the subcommittees had met and we found the budget was too high I suggested a 1% cut across the board. We decreased the budget by \$1.4 million but did not include utilities and medicaid in the 1% cut. I would say the budget is a very fair budget, there are a few areas you may hear some trouble on, but over all it is very fair. It is not a bare bones nor is it an austere budget. There was a letter of complaint from the Department of Health because of loss of Federal dollars. We added some to help alleviate this loss.

SENATOR HIMSL: You have your big book. I would like to compliment the LFA on this. There is a work sheet, subcommittee to appropriation to house, etc so that you can track the appropriation for the special programs. I think this is a step forward in helping us to know where the money is going to go.

REPRESENTATIVE BARDANOUVE: There is more information on every agency than we have ever had.

SENATOR HIMSL: Before we start, I have a couple of amendments suggested from the Budget and Planning people. Page 2, line 12, to insert the word "final". There are also three amendments on page 3--line 1, line 23 and line 24. (These amendment suggestions are attached as amendment 1, 2, 3 and 4). I would like to ask Mr. Lewis to address this briefly.

DAVE LEWIS, Director, Office of Budget and Planning, said The points you made Mr. Chairman, were exactly what we are suggesting here. With the press of time in the Appropriations Committee we never get time to see the boiler plate until it is ready to pass.

SENATOR DOVER: I would like you to elaborate on #2. There is a tremendous difference between a 5% increase or decrease in changing something. What is encompassing in this? Lewis: It depends on how the budget is written, but within the Department each agency is a separate budget.

SENATOR DOVER: You could have instances where you could take 5% of the whole agency and put it into the whole program? Lewis: Yes. There used to be no line item for agencies. There was not a program break down. We think the language in the bill is almost unworkable. We feel we need this amendment.

SENATOR ETCHART: I move the amendments be adopted.

SENATOR VAN VALKENBURG: Could we have a comment from LFA?

CURT NICHOLS, LFA, This is the first time I have seen the amendments. I have had no chance to look at them to see what the impact is. I would like to have some time to look at them.

SENATOR AKLESTAD: This 5%. You take 5% of the SRS budget and you are looking at a lot of dollars. I think this should be evaluated. We don't need to pass on the boiler plate at this time anyway.

SENATOR SMITH: This is the first time we have ever allowed the Executive to have this lee-way.

SENATOR HIMSL: Before, they had it all the way.

SENATOR REGAN: Isn't the Governor allowed to make the transfer up to 15%? Lewis: No. The only transfer is in this bill. This is a new limitation and we would like to have it a little more flexible.

SENATOR SMITH: When we had the budgets in our subcommittee, we like to have them stay within it. When you give this kind of right to increase or transfer from one division to another, it is granting a lot of power to the Division head.

SENATOR STORY: You couldn't give SRS a contingency and also a transfer. The contingency is in case there is no improvement in the economy and this would skyrocket.

SENATOR ETCHART: I will withdraw my motion.

Senator Himsl said he would turn the section over on Education to Representative Bengtson who was the chairperson for the Education Subcommittee.

REPRESENTATIVE BENGTON, Chairman of the subcommittee on Education said she would start with the section on Higher Education if that were satisfactory with the Chairman, and would first like to introduce the other members of the committee. She said the Senate members were Senator Jacobson who is chairing the meeting across the hall, Senator Haffey, Senator Hammond and Senator Tveit. House members were Representatives Donaldson, Ernst, Peck and herself. The analysts from the Governor's office were Tom Crosser and Francis Olson; the analysts from the LFA were Curt Nichols, Pam Joeehler, and Bill Sykes.

Representative Bengton said they had very few modifieds their budget is 2% under the Executive in '84; 3% under in '85 and 2% under the LFA for '84 and '85. She asked if the committee would turn to page 81 of the blue bill, F 2 of the narrative. She said the work sheet is on page F1.

Board of Regents: Representative Bengton read the narrative and said there was no change. (F2)

Commissioner of Higher Education: Narrative (F4) read and Representative Bengton said the \$1,342 was deleted in House Appropriations. At the present time there are no additional people in the commissioners office. Travel also was reduced. The thing that caused the most trouble in the Commissioners office was the student assistance program (narrative F10 and F11). There is some \$2 million in federal funds for student assistance. There will be a cutback and this \$290,000 is what the committee and the full House put back into the bill. The Appropriations committee took out the work study program and the full House put it back in. There was another attempt to cut back on dentistry, and losing our commitment in the state. There was a proposal to take out some of the WICHE, but the full house did not see fit to take it out. WAMI okay. She read the narrative (F13) on the Federal and Private programs and said this is all federal money.

Questions on the Commissioner of Higher Education were asked, and Senator Himsel asked if the reduction from \$759,521 to \$757,876 was the result of the 1% cut taken on the floor of the House. Representative Bengton answered, Yes, this was the bargaining agent position that was taken out. They have him on board. They wanted in this position a faculty person that all the universities could work through the commissioners office. That has been taken out and those are the adjustments.

SENATOR KEATING: How many students are involved in the Student Assistance Programs? Bengton: The chart on F11 gives figures.

Community Colleges: F14 in Narrative, 83 in blue bill.

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Representative Bengtson said they have a formula for funding community colleges. They are functioning very well this year and right on the formula. The cost factor is the average of the cost the Community Colleges have for instruction and support. The state pays 53% of the cost factor. We used to be on a 65-35 formula. This is working well and is easy to compute. On Com Col we went back there and funded them at 95% of the cost factor. We also went into the university system and took it to 95 and 97%. There is a \$332,000 difference on the Community Colleges. Dawson, Miles and Flathead are already functioning on this. Dawson has been concerned but is willing to work within it. It seems they are more able to stay within the formula in the succeeding years and this gives some stability in dealing with their budgets.

Bureau of Mines: F 18-19, blue bill page 84. The narrative was read. She said the change was in the equipment budget at a general fund savings of \$8,460.

Agricultural Experiment Station: F21, narrative, page 84 of the blue bill. Representative Bengtson said there was a general fund increase of 13.4% as explained in the narrative.

SENATOR REGAN: This shows a 6% general fund increase in the Bureau of Mines. The Executive shows \$150,000 federal funds each year. The subcommittee shows that money is not there but an increase in general fund for those 2 years of the biennium. Is it because of no federal funds, or what?

Representative Bengtson referred the question to Bill Sykes, LFA. The bureau had \$297,000 plus in '82. They requested restricted funds. I took that out and inflated the 4.98%. There is \$220,000 anticipated to receive from the federal government.

SENATOR REGAN: It is not in here? Sykes: They added by budget amendment before and want to keep it out of the general budget.

REPRESENTATIVE BENGTON: The general fund does not increase. It is not reflected in that commitment.

Representative Bengtson read the narrative on the Agricultural Experiment Station, F21, F22, F23, F24 and F25. She explained the actions to the committee in regard to these changes--as in F23, 24, and 25. She then read the narrative F27 and said this was all federal and earmarked monies.

REPRESENTATIVE AKLESTAD: How many acres in the irrigated project? Bengtson: There are 2,000 acres irrigated land on the Yellowstone and this will renovate the system. It was put in in the 30's and there is 89 acres that was in irrigated. 2,089 acres total.

SENATOR AKLESTAD: I want you to be more specific. How many acres were leveled? Sykes: I would have to defer to Dr. Walsh. Dr. Walsh: There were 100 acres that were leveled. I would have to go back and look to be sure, but I think that is correct. Bengtson: That is to get more hay production.

Representative Bengtson read the narrative on page 29 which listed the modified requests. Also on page 30.

SENATOR SMITH: Were you told whether Agnet could continue to operate or would continue? I am wondering if Agnet will continue to function. Bengtson: They are going to try. We have been hopeful that user fees would support it at a better level.

Forestry Experiment Station: page 85 of the blue bill, F33 of the narrative. Representative Bengtson said Dr. Ben Stout came in last time with a planned program for expanding the Lubrecht Experimental Forest, and we supported it and continue to support it this time.

SENATOR AKLESTAD: This forestry inventory has not been completed? Bengtson: No.

SENATOR AKLESTAD: How close?

PRESIDENT BUCKLEY: Dr. Stout indicated in the report to the subcommittee that the early stations are complete and functional, in some locations they are just starting.

SENATOR AKLESTAD: I did not learn a lot from this. How far do you have to go and where are you at? What are you dealing with? Acres, board feet, or what? Buckley: I cannot answer your question. Bill Sykes: I don't have the information with me now, but I can get it for you.

REPRESENTATIVE BENGTSON: We are concerned about this. We spent a lot of time on this. We felt it was something we could not stop at this time. Forest Products Industry, people from the private industry etc. were supportive of it.

SENATOR HIMSL: Is it fair to say that in the general fund ratio it was increased about 11 to 13% in programs --is this correct? Bengtson: Yes. 6% in each year of the biennium.

CURT NICHOLS: There was one other change in this. It is in the commissioners office, and it is covered already.

Colleges and Universities: Bengtson said there is a lot of data on enrollment and instruction budgets. Page F35 in the narrative, and 85 of the blue bill, she read the narrative on page F34, F35 and F36. She said (F35) shows the project enrollment increase. This drives the formula. It depends on what number you are going to use on enrollment.

The 27,210 in '84 and 27,451 will be the projected enrollment total for the system. F36 is the Instruction Budget Factors, and that is the formula in operation. She read the support narrative at the bottom of the page. She said this also included the high head count adjustment.

F37 narrative was read on the Operation and Maintenance of Physical Plants. She said table 4 raised the amounts because it took into account the new space. She said the new space is with the unit reports and those things that were in the budget amendment were not put into the base. They take 15% of the increased costs and put it into a designated area so that we can draw out to spend it. She read the supporting narrative on Scholarships and Fellowships.

Revenues: Representative Bengtson said that oil lost to \$24 a barrel. She read the narrative for F39, 40 and 41.

SENATOR HIMSL: In table 6 you just raised out-of-state enrollments. Do you have any figures on the out of state enrollment? Nichols: Figures by Unit? Himsl: If those are the revenues, in state is 585 for '85, and you have 1845 from out-of-state --that must be quite a figure. Is 25% in the ball park?

SENATOR THOMAS: Jack Noble is here. I think it is 15%.

CURT NICHOLS: The percentage of out of state is MSU, 14.6%; U of M, 17.47%; Eastern, 4.9%; Northern, 3.5%; Western 7.5%; and Tech 16.3%. That would represent the percentage of FTE students and out-of-state fees. I asked for the number of students at each unit.

SENATOR AKLESTAD: I would like to back up to F35. 97% of the peer average. Why does the U of M have a different figure? Rep. Bengtson: Originally for instruction we had 100% of the peer average. We needed to go back and we reduced it to 97%. At that point it became apparent that the U of M, because they are a higher percentage, they would have had to dismiss 14 faculty, and 8 support staff. They asked if we would be able to make an adjustment and raise it up to 100% for the first year of the biennium so they would have some lead time to make the adjustments. We did.

SENATOR AKLESTAD: Wasn't it the same situation last time? Bengtson: No. There were no adjustments made last time. There was more new money pumped into the units last time.

SENATOR AKLESTAD: Why not adjusted with the rest of the units? Bengtson: Because of the staffing patterns. More graduate programs and more tenure teachers.

SENATOR AKLESTAD: On F38 you have \$2.5 million for research and public service. What kind of public service are you

Curt Nichols: At MS they have theatre of repertoire, the Montana Summer Theatre, the radio station etc. He listed some at Eastern and at Northern.

SENATOR AKLESTAD: What was the funding level before? Is this a new funding level? Nichols: No. It continues the appropriated levels of last session.

MSU: F44: Rep. Bengtson read the narrative on F44.

SENATOR REGAN: Let's go back and look at 42. The Health and Education building. Are these all new buildings coming on line, or what? Bengtson: Some remodeling, repairing, etc that is completed. We added utilities etc. Nichols: MS for instance, the small animal unit can't go into operation until '84, the last year.

SENATOR HIMSL: All this general fund increase, 17.7%--this is an over all increase in the whole thing? Bengtson: yes.

U of M: F44. What is the program? We are spending \$½ million to reduce faculty? Do you buy up contracts or what? Nichols: It delays the reduction of faculty. It maintains the faculty for '84 and assuming that they have to reduce faculty for '85. Bengtson: The reducing of the formula they came up short.

SENATOR HIMSL: Then they are reducing the faculty in the second year and paying for all of them in the first.

SENATOR REGAN: FTE students that are falling. They have the people probably under contract and will have to give them a year notification.

SENATOR VAN VALKENBURG: Can Dr. Bucklew address this question?

DR. BUCKLEW: I will say that each one of us are getting a couple page description. Our situation is , in simple terms, it gives us one year delay in dealing with the reductions. We are a highly tenured system. We have obligations of notice. It takes time to work this out while keeping the best section of teachers. This is not because we have falling enrollment. In the current enrollment, it fits well. The problem is in reducing from 100% to 95% for instruction and support. That gives us the problem of dealing with reduced formula funding. The question is asked, Why the U of M when no others? All the institutions in the current biennium are serving more students than budgeted for. In our case we are closer to the number and when we reduce down then you had us first. The enrollment is shifting. The impact is having the same number of students generating less money. The students are shifting from high cost to low cost programs. The appropriation committee gave us one year to help here.

SENATOR DOVER: What is the shift? Bucklew: The formula goes

back to '78 when they took a picture of every dicipline students were being served.

SENATOR DOVER: Dicipline? Bucklew: Areas of study. Mathmetics-- this is a high student faculty area; music would be a low dicipline area--maybe 12-1 versus 30-1 in computer science. If students move into computer area for instance, it is \$500,000 in that area.

SENATOR HIMSL: You keep on placing a teacher in that low area ratio? For instance, teaching Russian with very few people. Quilici: The subcommittee asked the LFA to look at the formula again. It has only been in place 2 bienniums and talking with presidents that have worked with formulas before, it is important that we examine that periodically. Then it will not just compound the problem.

SENATOR DOVER: You have a Russian teacher, German teacher, etc. If students are not going into it do you have a problem getting rid of the teacher because of tenure? Bucklew: We have limitations in this, yes. Collective bargaining arguments are quite a process--review, assessment, a review group, recommendations to the Board of Regents, etc. It is designed to be sure it is a careful process, you can do it, but it is a slow process.

SENATOR DOVER: Do you think it is hampering you? Bucklew: Tenure is an institution obviously protecting certain rights and positions.

SENATOR DOVER: Is it hampering you from moving into other areas? Bucklew: It delays the ability to move into other areas.

REPRESENTATIVE BENGTON: On F49 we did try to address the computer needs of the University. Northern did not have the capability the other units of the system did. On a modified \$425,000 to begin with. In House Apporpropriations we lost some of the software and they did agree they could use the \$53,000 for soft ware.

SENATOR HIMSL: They have a request in Long Range Building Committee to put a building in to put a computer in. Bengtson: We gave them the computer and now they need someplace to put it.

SENATOR HIMSL: In software? Bengtson: \$53,000 for software. In trimming the budget we took out the remainder.

SENATOR HIMSL: You will give them the computer and some of the software. I want to know if they are going to have something in the building if they get it.

REPRESENTATIVE BENGTON: We almost got into a swimming pool at Western. They have a newly remodeled craft building, current level, and no modified.

Tech: No modifieds granted to Tech here, they remain at current level.

SENATOR REGAN: If no modifieds in general fund appropriation why are there general fund increases to 48.5%? Would you care to explain it? Bengtson: Enrollment probably caused some of it. Nichols: They added faculty and support areas and the enrollment is 35% above.

SENATOR REGAN: Could you get the information on this, I am interested in it. Nichols: Yes.

SENATOR HAFHEY: I think it is important if we look back at the larger schools. The message is that this is a result. One of the by-products of the formula driven process when student increases are estimated and a determination is made of enrollment then that drives the formula. The subcommittee took a good look and they tightened it down. Bengtson: We thought we had funded the formula at 100%. Last time at 97% and 100% for instruction. It did not work out that way since it did not fund the enrollment. The enrollment we are funding there at 6% inflation accounts for it.

SENATOR HIMSL: The U of M, 8.4% enrollment is up too, but before they received some special increase two years ago. In taking the increases, (he read them from the various Universities) some of them are almost shocking. The result is that you have taken a much better look at enrollment. We are striving to, as honestly as possible, to take a much better look at enrollment that is actually there.

SENATOR DOVER: What is the average increase? Himsl: The averages on the Universities differ. Bengtson: 10% enrollment average increase.

SENATOR AKLESTAD: Did you come up with what we are going to do with it? 800,000 people can only support so much. What about out-of-state? Bengtson: We are concerned. Here we are addressing value judgments about what kind of things we are to fund at the University. Perhaps graduate duties. Certainly we have to address the new cost of increased enrollment.

SENATOR AKLESTAD: 800,000 people can only support so much. We sit here and say we are going to fund it. Have you talked about capping enrollment? Bengtson: That is a whole new type of philosophy.

SENATOR AKLESTAD: There was no recommendations made to the Board of Regents? Bengtson: No.

SENATOR OCHSNER: I have been told of students paying less than it would cost them to get into an identical land grant college in their own state. Bengtson: My study is 100% of the peer. Nichols: Larger. Bengtson: In Eastern, Western and Northern we are above the peers.

SENATOR DOVER: Are we talking about out-of-state or our own state college?

SENATOR HIMSL: This will be apparently, another problem, as to whether you can discriminate against out-of-state. There is some problem of them establishing a residency here and then do nothing about it. I suspect it goes back a ways and will be no better now.

The committee took a 15 minute break and reconvened at 10:21 a.m.

SENATOR THOMAS: We passed out enrollment reports. There is an out-of-state break down by institution and years.

REPRESENTATIVE BENGTON: In passing our work study, the more money that was plugged in the tighter the amount became. S.B. 413 had 1.33 in it that would have gone to general fund and it was new money. There was some justification that this money could be used. This was \$290,000 for a year, \$580,000 total, and I don't know where Representative Bardanoue got the million dollars.

SENATOR STORY: The bill you are referring to, it does not increase taxes. It prepays them by a year. It just moves it back. The bill allows only 70% where they used to pay 100%.

E 3, OTHER EDUCATION: Board of Education: REPRESENTATIVE BENGTON: Same number of FTE. The Board of Education has been very active in the last few years. With the home school controversy, sex education in schools, etc. They have established the accreditation standards. They had asked for an administrative manager. We did not put it in there. We had increased travel in there and threw it out.

The Board of Education supports the fire school. We went for a new car since the old car had over 100,000 miles and leasing was not cost effective. They are essentially current level. We did not cut back on the education program. We did not allow an instructor at Western.

E 7. School for the Deaf and Blind. REPRESENTATIVE BENGTON read the narrative on E7. We picked up general fund for Title 1 and replaced the federal funds in VI-C with general fund. The audiological contract is about \$1 1/2 million. This is used primarily with Easter Seal to screen the pre-school children.

SENATOR AKLESTAD: Did you say a kind of contract with them?

REPRESENTATIVE BENGTON: Yes.

SENATOR AKLESTAD: Is this a part of the Health Department too?

REPRESENTATIVE BENGTON: No. Now it was sent to the school for the Deaf and Blind to deal with it. It has been switched to the school for the Deaf & Blind. They are moving into one of the new cottages.

We appropriated money last time for 2 cottages. They wanted a cottage life coordinator. We gave them a cottage life attendant and a half time necessary aid. She also read the language on E 11.

SENATOR AKLESTAD: On E 9, we really got an increase in general fund in this area. What is the actual in 82 compared to the subcommittees? They have \$1,4 million more here in FY 84.

REPRESENTATIVE BENGTON: That is the \$1 million coming in from OPI for the audiological program. It is shifted from OPI to here. E 7 lists the transfer.

SENATOR HIMSL: Can they transfer it by Legislative action or does it need a bill?

REPRESENTATIVE BENGTON: By an appropriation process, I believe. When we transferred from Public Health to OPI we had a bill. That is within the same department.

SENATOR HIMSL: OPI is not the same as the school for the Deaf and Blind.

REPRESENTATIVE BENGTON: We better look to see if we are legal. Working the budget here on Health was hard--there were so many programs.

SENATOR AKLESTAD: You did reduce OPI this amount then?

REPRESENTATIVE BENGTON: Oh yes. As we went back into the bill we tried to pick out anything we could. She said E 15 was not much different, E 17 deletes the braille terminal. She said she would make a comment in regard to E 18, that the education program is the clearest increase there. OPI--there are 6 separate programs within OPI. We decreased travel expenditures from the Title VI-C Program. We have taken out contracted legal services. There is just no room for any additional cuts in this program.

REPRESENTATIVE BENGTON skimmed the narrative section to E 25 and read the summary there. E 27. She said the committee made a couple of changes here. She read the summary, and the language on E 28. She said in Vocational Education the committee did reduce the out-of-state travel by 25%. She said they reduced the replacement of federal funds from the last biennium. Job Service training is going to be putting some money into this area. About \$42,000 into OPI. In the Build Montana program we felt it appropriate to have the job training monies come into the job training programs in our budget to use the programs already in place. That amendment was rejected. The OPI budget is extremely complicated. A lot of federal money in there, general fund money, etc. On E 40 and E 41 within that there are about 12 different programs. Not much general fund but extremely difficult to work with and go through.

W 42 and 43. This is all general fund money. She said it used to be that the cooperatives would have to go through the local school districts and there was a lot of extra paper work to have to be completed. She read the comments on special education. Special Ed was a 4% increase. It was pretty much status quo.

SENATOR AKLESTAD: Why at first 13.7?

PAM JOEHLER, LFA said this was a comparison from 83-85. 83 actual and 85 appropriated. They spent \$22 million versus a \$26 million and \$27 million budget.

SENATOR HIMSL: It will throw us off.

PAM JOEHLER: It was our standard of comparing.

SENATOR HIMSL: If you are taking the figure actually spent in 82, it was not what was spent for 82-83 in the biennium figures. We ought to be careful in using their figures to know where the base is.

SENATOR AKLESTAD: We had an actual in 81. 82 is fairly close. Why now suddenly the higher figure?

SENATOR BENGTON: I don't understand it either. That is way more than the inflation there.

SENATOR ETCHART: Costs were inflating so much the last session. The 2nd year probably reflected the actual costs better.

PAM JOEHLER: The budgets were averaged at 8 1/2 to 9% general inflation in operating costs. I think it would be more appropriate to compare what was actually spent in 82.

SENATOR HIMSL: You used the biennium figure for one appropriation. This in 81 and another in 83, but those percentages are going to be different than using the 82 actual expenditures in these figures. We have to know what base we are operating from.

PAM JOEHLER: It was not specifically recommended to OPI. The subcommittee maintained general fund replacement on a couple of programs that were started in 81. It was not necessarily inflated in 82.

SENATOR AKLESTAD: You are increasing the general fund. The federal funds are down all the way through. The general fund is higher and the earmarked is higher. What are you basing that on? Where are you figuring on this revenue?

PAM JOEHLER: Some has to do with the fund structure change.

Some with the increase in indirect cost increases. Your indirect costs are considered state and those rates have gone up.

SENATOR HIMSL: That changed the language and the fund structure where the reimbursement costs were in federal and private. They moved into the special state revenue account.

REPRESENTATIVE BENGTON: When we see the presentation of increase and knowing we did not put any more money into anything--it is hard to make sense out of it. I asked about this. It was a very difficult thing to do.

SENATOR VAN VALKENBURG: I would like to make a comment. When you compare 82 with 84 you see a much bigger thing than comparing 83 with 84 and that is left out in the determination of this comparison thing.

SENATOR HIMSL: We have to be careful when we talk about the presentations we have to talk about comparisons against actual and actual or appropriated and appropriated.

CURT NICHOLS: Our policy is to determine what is the maximum spent in the present year and project it from that.

SENATOR KEATING: I have a question on secondary Vo Ed--E44. What is it?

REPRESENTATIVE BENGTON: High school. It has been 1.5 since its inception.

SENATOR DOVER: 42--school lunch. Last time the executive was bigger. You come back now and use a lower figure.

REPRESENTATIVE BENGTON: I asked for an amendment to qualify for a federal match. There was a request in the Governor's for \$1 million, LFA was somewhat nearer what we put in and there was a cutback in school lunch.

REPRESENTATIVE BENGTON: Adult education is at the current level. They will not be able to put on additional adult faculty. It was not the intent to change philosophy, but to come up with additional money. We hope they will be able to operate at the current level. Our intent is to use that coal tax for this every year so that they have a base to count on.

SENATOR ETCHART: E 42. In FY 85, \$1 1/2 million for 84 all for one year?

REPRESENTATIVE BENGTON: Yes. All in the beginning.

REPRESENTATIVE BENGTON: Vo Tech E 46: This is also a formula. We had a cost of 1848 students in 84 and 1862 in 85. They used to use 750 student hours for an FTE and they have now increased it to derive our enrollment. 613% increase in enrollment.

E 47. They seem to work better together as system between the university and between the Vo Techs. OPI is giving a good job of supervising the Vo Techs.

SENATOR DOVER: On these caps--how funded? Do you have to fund the maximum. 8.25% is no more than 8.25--actually, it has to be funded doesn't it?

CURT NICHOLS: The formula causes a redistribution between the funds. This says that they could get 8.25 and no more.

SENATOR HAFLEY: Calculations as to what the budget will be.

SENATOR DOVER: No school will get more than 8.25.

SENATOR HIMSL: Based on the appropriation and not on the expenditures.

REPRESENTATIVE BENGTON: We know there is a county levy and every county has done that. The mill levy and the tuition provide the money.

E 50. We also increased tuition in all the centers. It is now \$150 and they set it at \$165 in '84 and \$180 in '85. There is tuition increases throughout and they seem to be in line. House Bill 105 gave us some money that reflected in the general fund reserve. That is in low and will be an ongoing source of revenue for the Vo Techs.

SENATOR KEATING: Back on page E 48 with regard to the 1.5 county mill levy. Is that in each county in the state?

REPRESENTATIVE BENGTON: Just in the counties that have the Vo Tech centers.

SENATOR KEATING: The 1.5 county mill levy is in the county where the facility is situated? Ans. (from the OPI) Yes.

SENATOR KEATING: Other children are coming in from different areas and they are charged a different rate? Ans: The method of funding would be through the general fund. Lewis and Clark has a 1.5 mill levy to fund the Vo Tech and students that come from other areas are paying the same tuition.

REPRESENTATIVE BENGTON: When the 5 centers were located in a town. There is some advantage to having a state institution in our midst. I believe in Billings most of the students are from there. In Lewis & Clark about 65% are from out the county. In

Billings about 35% are from other parts of the state.

SENATOR VAN VALKENBURG: My understanding is it would make up any difference in staff salary.

REPRESENTATIVE BENGTON: Many are up in staff salary. There is some feeling we should go to a state wide system rather than levying the 1 mill levy. In studying it over in the interim it was not unanimous. We are getting quite a bang for our buck.

SENATOR ALKESTAD: E 47, and then on E 51--Billings has an increase in FTE, on page 63 a decline in FTE and E 47 one of the highest increase in students. How do you address that?

REPRESENTATIVE BENGTON: Missoula has over staffed. A lot of counselors. Their staffing patterns are different and we are trying to get them in line with one another.

SENATOR ALKESTAD: The increase in general fund and enrollment-- I don't understand.

PAM JOEHLER: Billings operated for a much lower cost per student than appropriated. The cost per student was much higher in Missoula. They had a lower student faculty ratio.

REPRESENTATIVE BENGTON: E 67. The Montana Arts Council. They wanted to move from Missoula to Helena at a cost of about \$34,000. That is still one of their requests. The subcommittee did not choose to allow this move and they said they wanted to be near the Historical Society and etc. They do the reviewing of all the cultural and aesthetic programs.

SENATOR DOVER: Why is the earmarked funds being zeroed out? Did the subcommittee choose not to have an earmarked fund?

PAM JOEHLER: Those are funds that in the current biennium were administered by the Historical Society.

SENATOR DOVER: And not maintained?

PAM JOEHLER: Not in the Society. The Arts Council--cultural and aesthetic funds that were granted to the Arts Council that are not current. They have to be regranted each session.

SENATOR DOVER: Would it be included in the budget and then taken away from the general fund?

PAM JOEHLER: An addition to what the subcommittee has approved.

SENATOR HIMSL: Does it require a budget amendment if they are given a grant?

CURT NICHOLS: It would not be in the budget. A grant is not. Probably the only difference in this and the historical society-- 4 FTE's out and put them in the Historical Society for security guards. We approved the move and it has been taken out of the Department of Administration and put in there. They wanted to upgrade--on E 69 there is some modified and they were approved. These on page E 70, the security staff and capitol tours, came out and were contracted in the Department of Administration. The remainder is other funds--federal and those are the modified.

SENATOR BENGTON discussed the magazine Montana Western History on E 72 is subsidized. They raised the subscription rate to \$15 but every state in the union subsidizes their state magazine.

SENATOR AKLESTAD: Last session we raised the rates in a move to become self-sustaining. It was \$12 and now it is \$15. The merchandizing program has almost gone out of business over there.

SENATOR HIMSL: They shifted the personnel around from one operation to another. E 72, 4.9 FTE in 82, and now they are up to 11. They moved people down out of one program and put them in another.

PAM JOEHLER: The portions of 3 FTE transferred from the old merchandizing program. It was merged to the magazine. We reduced the merchandise effort and transferred back to the magazine program where they are associated. Business management accountant and a supervisor. Previously funded by portions of the general fund and merchandizing. One general fund. The other is the security guard.

SENATOR KEATING: P 73 #2. \$55,000 is for what?

PAM JOEHLER: One individual and the Society costs.

SENATOR KEATING: Travel, communications, etc? The development program to raise more private money for the Historical Society?

PAM JOEHLER: Yes.

REPRESENTATIVE BENGTON: We had the estimates that they have provided more funding.

SENATOR KEATING: Funding federal and private, \$55,000 and \$57,000 it seems this individual is paying their own way but not making any money for the Historical Society.

PAM JOEHLER: The intent is to raise more money to support him and raise more money.

SENATOR KEATING: The funding that is provided here is \$55,000 from federal and private in one year and \$57,000 in the other year. Don't you anticipate more than that in one year.

PAN JOEHLER: Yes, but not expended in this program.

SENATOR VAN VALKENBURG: With respects to the security guards added. The narrative on the Historical Society would indicate that 4.5 FTE are being transferred from Department of Administration. The Department of Administration indicated only 2.

PAM JOEHLER: Only 2 were transferred. Department of Administration said they had 4.5 at the present time but they felt they could not afford to give them up.

REPRESENTATIVE BENGTON: That is the total security over there. 4.5.

PAM JOEHLER: It will be when the biennium begins. E 75, 1600 in pay adjustment.

REPRESENTATIVE BENGTON: She read the narrative on page E 77, and E 79.

SENATOR AKLESTAD: At the top of E 79 in Personnel Service, we dropped 4 FTE yet general fund raised by \$3,000. You dropped 1/2 of the people and increased the revolving fund.

REPRESENTATIVE BENGTON: Some of that is the merger. They took them out of this and shifted them to another part of the budget.

SENATOR AKLESTAD: I can understand they took part of the people out but Personnel Service went up \$150,000.

REPRESENTATIVE BENGTON: I guess I would address this to Pam. Pam, why the additional \$23,000 when you have less people working?

PAM JOEHLER: I would have to come back and let you know. I would be happy to follow up.

SENATOR AKLESTAD: How much does it actually cost to put out the magazine?

SENATOR REGAN: At one time the merchandise effort was operating pretty much in the red and then it put itself on a pretty sound business position. This biennium they are phasing out pretty much. There was a lot of problems with the merchandizing. They handled and operated it. It seems to me a good way to operate it.

The committee took a break and will return at 1:30 P.M.

The committee reconvened at 1:35 P.M. with E 79, Montana Historical Society Publications program.

REPRESENTATIVE BENGTON: She said this is a merger between the previously separate magazine and merchandise, but first she would like to go back up to the extension service and explain that

we had a research program and they were going to not use the 2 FTE. They will be reducing and taking people from other areas of the agency to work there. The \$84,000 will not be reduced.

BILL SYKES, LFA said 1.22 FTE, shifted some, and the allocation from Personnel Services is all that happens.

REPRESENTATIVE BENGTON: They will be using a revolving fund in the Historical Society on the magazine now.

E 81, on historical sites, general fund increase in funding etc.

SENATOR REGAN: On E82, federal and private grants. What was the tremendous amount of money and then dropped to 50-50 match? The 82 funding pattern--\$307 thousand in 82 and dropped and we just maintain the difference?

PAM JOEHLER: Most of this was federal and private money in 82. Most of it was private grants.

SENATOR HIMSL: Something to do with the public information center at the Libby Dam. A contract to perform some services up there.

REPRESENTATIVE BENGTON: Discussed the Archives Program E83. She said she thought this was the program where they had asked for a great deal more money. A lot of material that needs preservation, etc. It was important but we did not give them any more money to do this. The base increase is nearly \$4,000. There were 83 cultural projects that were reviewed.

REPRESENTATIVE BENGTON: E 85. She said they took the capitol tour service from the Department of Administration and this made a difference in general fund appropriations here.

SENATOR AKLESTAD: In the Historical Society, why general fund now and 1.5 FTE?

REPRESENTATIVE BENGTON: That is to conduct the capitol tours. It was taken out of Administration. Pam where is that reflected in the Department of Administration budget?

PAM JOEHLER: I could not hear the question.

REPRESENTATIVE BENGTON: The \$62,000 to the general fund for tour of the capitol.

PAM JOEHLER: It was taken out of the Department of Administration budget.

REPRESENTATIVE BENGTON: On the Montana State Library, there is quite an increase in general fund. Due to the new space they are occupying. The general fund increase was 35% etc.

REPRESENTATIVE BENGTON: E 87. One thing that came out of the testimony is that about 85% of the issuance is with the state agencies. They use it more than anyone else in the state. We had a lot of testimony telling us how valuable it was to the other state agencies.

SENATOR AKLESTAD: You are saying 3%. Your Personnel Services are increasing a lot more than that. The 82 actual--10% of that would be 8,000 and you will be jumping 16.

SENATOR HIMSL: They take the actual expenditures and appropriated that amount in 83 and call that the current level and that is the basis they carry over the 1% increase in the next appropriation. If you sit down and not try to figure the increase it won't come out right. It is where you get the problem.

REPRESENTATIVE BENGTON: I know that is confusing.

SENATOR HIMSL: You are taking the 82 actual expenditures and the balance in 83 and counting it as the expenditure level. They take this figure and match the figures.

SENATOR AKLESTAD: Below 83?

CURT NICHOLS: No. We took the actual expenditure. The % increase less everything you can spend in this biennium and all you can spend in the next biennium.

SENATOR AKLESTAD: The 82 figure is the actual 82 there is nothing on the charts that show 83.

SENATE OCHSNER: From what we have heard, I don't think it is right. E 96. In 82 they had 36,711. If they don't spend all they have they carry it over?

SENATOR DOVER: What is the current level?

REPRESENTATIVE BENGTON: LFA.

SENATOR DOVER: Isn't the figure on the last appropriation?

CURT NICHOLS: Personnel Service you have an authorized FTE level and fund salary. Operating expenditures is actually 83 plus inflationary figure.

SENATOR DOVER: You are comparing biennium to biennium--82 plus current level is last biennium.

CURT NICHOLS: That might be the case. The increase may be closer than going off the 83 actual. You are budgeting between 12 and 13%.

Now we are budgeting more what we feel the actual will be, which is more like 6%.

Senator Himsl: The problem is, these sheets show a very substantial increase when it may not be the case. It depends on what figures you are using for a base. I will give you a specific example. Montana taxpayers will take what it appears we are appropriating this time. Those figures are not the same.

CURT NICHOLS: Percentage increase would have been higher if coming off the appropriated amount.

SENATOR HIMSL: No, less.

CURT NICHOLS: We are not making biennium comparisons. If you just compare the years and not the bienniums.

REPRESENTATIVE BENGTON: Sarah Parker is the new librarian. It is at about the same level as administration.

SENATOR STORY: We were told at the beginning of the session that if we took no vacancy savings they could eat any pay increases they are going to give out of vacancy savings. Our committee did not take any vacancy savings. Did you take it.

REPRESENTATIVE BENGTON: No.

SENATOR VAN VALKENBURY: What effect does this have on the University System?

CURT NICHOLS: The University system is funded through a formula. When you generate money, the vacancy savings sort of lost its identity.

REPRESENTATIVE BENGTON: There is nothing built in.

SENATOR HAFLEY: I want to make sure that is solid. Not only a built in vacancy savings the "-0-" change might fund pay increases. Our enrollment is greater than the one on which the budget is based. They will have to add part time teachers or something and there will be no money to make this.

REPRESENTATIVE BENGTON: We didn't apply the 6% to travel. I don't know what the percentage of travel will be.

SENATOR HIMSL announced there was a caucus, he thanked Representative Bengton and the meeting was adjourned until 9 a.m. Monday morning. There will be no meeting on Friday, since the legislators would get out early, and everyone would be back after Easter on Monday morning.


Finance and Claims
March 31, 1983
Page 22

The meeting adjourned at 2 p.m.

Senator Himsl

Finance and Claims
March 31, 1983
Page 22

The meeting adjourned at 2 p.m.


Senator Himsel

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

48th LEGISLATIVE SESSION - - 1983

Date 3/31/83

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart, VC	✓		
Senator Dover	✓		
Senator Keating	✓		
Senator Smith	✓		
Senator Thomas	✓		
Senator Van Valkenburg	✓		
Senator Stimatz			
Senator Story	✓		
Senator Ochsner	✓		
Senator Haffey	✓		
Senator Jacobson	✓		
Senator Regan	✓		
Senator Lane	✓		
Senator Aklestad	✓		
Senator Hammond	✓		
Senator Tveit	✓		
Senator Boylan	✓		
Senator Hims1, Chairman	✓		

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Vic Burt	MT. Tech.		✓	
Tom Crosser	Helena OBPP			
T. E. DAYTON	MT UNIV SYSTEM			
Jack Noble	" "		✓	
JEFF MORRISON	BOARD OF REGENTS			
Janne Schull	Self (family planning)		✓	
Like Speckie	ASMSU		✓	
Theresa Monac	ASMSU			
Edward Linn	Human Rights Comm.			
Anne MacIntyre	Human Rights Comm.			
P. A. Boye	Univ of MT	447	-	
Terry Minow	Mt. Fed of Teachers	447	✓	
Maey Flaherty	Women's Lobbyist Fund			
Bob Thorne	Western Montana College	447	✓	
Glen Leavitt	Western Montana College	447	✓	
Michael Abley	Supreme Court	447	✓	
Donna Wagner	Students & MSU		X	
Danely Leung	ORPP	447	-	
Rory Hoffman	DHEC	447	-	
Bob Gray	OPC	447	-	
Sailor	OPD	447		
Lee Purdy	ASMSU	447		
Kathryn Penrod	MACUE	447	-	
Celinda Lake	Women's Lobbyist Fund	447	-	
Don Kettner	Dawson Coll College	447	✓	

3/31

DATE

COMMITTEE ON

Fire & Climate

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Marnie Homer	Tri-Co. Family Planning		✓	
Beth Tietz	MSU		✓	
Gex Moots	MSU STUDENT		✓	
Brad Dieck	MSU student		✓	
Jeanne-Marie Souvigney	ASUM			
Darla Keck	Board of Regents		✓	
Tom Moyer	MSU		✓	
Benn Shumby	MSU		✓	
Carl Hoffman	MSU		✓	
James Welch	MSU		✓	
Ken Heiker	EMC		✓	
Bruce H. Carpenter	EMC		✓	
Fred W. DeMoney	TECH		✓	
Neil Bucklew	U of M		✓	
Ken Sullivan	U of M		✓	
Joe Brand	SELF		?	
Barbara	SELF		?	
Arlene Hanson	UPI			
Jim Erickson	NMC		✓	
Bill Ryan	NMC		✓	
Julie Forbender	ASUM		✓	
Steve Benninghoff	CHE		✓	
Lisa Loune	RANCHER		✓	
Marta Koch	U of M		✓	
Alvin Stanley	Montana University System			
Ed Binger	Mt. Bachelor of Mount Good		✓	

DEPARTMENT OF COMMERCE



TED SCHWINDEN, GOVERNOR

CAPITOL STATION
1424 9TH AVENUE

STATE OF MONTANA

(406) 449-3494

HELENA, MONTANA 59620-0401

March 30, 1983

MEMORANDUM

TO: Senate Finance and Claims Committee

FROM: Department of Commerce
Professional and Occupational Licensing

RE: Funding for New Boards

Four new Boards have passed or are in the process.

	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
HB 699 - Board of Athletics	8,598	9,084
HB 452 - Board of Polygraph Examiners	3,000	3,000
HB 523 - Board of Private Investigators	25,372	25,887
HB 284 - Board of Social Workers	<u>3,150</u>	<u>3,100</u>
Total	40,120	41,071

Amendment to HB 447

	<u>Fiscal 1984</u>		<u>Fiscal 1985</u>	
	<u>State Special Revenue</u>	<u>Total</u>	<u>State Special Revenue</u>	<u>Total</u>
Strike line 24, page 47	1,878,769	1,878,769	1,940,156	1,940,156
Insert line 24, page 47	1,918,889	1,918,889	1,981,227	1,981,227

NOTE: Amendment is based on yellow reading copy of HB 447.

/rv

3/31
PROPOSED AMENDMENT TO HOUSE BILL 447 (Blue Copy)

Page 14, line 13.

Strike: "613,279" "1,024,662"

Insert: "a. Operations" "198,279" "609,662"

Insert: "b. Switcher" "415,000" "415,000"

Page 16.

Following: line 15

Insert: "Item 10b is a biennial appropriation consisting of \$121,000 for equipment, \$160,000 for contracted services, and \$134,000 for repairs and maintenance."

3/31

PROPOSED AMENDMENTS TO HOUSE BILL 447 (Blue Copy)

1. Page 16, line 22.

Strike: "67,680" "1,373,094" "70,283" "1,373,903"

Insert: "67,680" State Special Revenue "1,373,094" Federal Special
Revenue "70,283" State Special Revenue "6,373,903" Federal Special
Revenue.

2. Page 16, line 24.

Strike: "2,625" "875"

Insert: "2,625" State Special Revenue "875" Federal Special Revenue

Amend totals as needed.

3/31
PROPOSED AMENDMENTS TO HOUSE BILL 447 (Blue Copy)

Page 21, line 23.

Strike: "904,169" "904,169"

Insert: "892,169" "892,169"

Page 21.

OK Following: line 25

Insert: "c. Audit" "12,000" (General fund)
"12,000" (total)

Page 23, line 19.

Strike: "706,637" "706,637"

Insert: "676,637" "676,637"

Page 23, line 21.

OK Insert: "30,000" (fiscal 1985 proprietary fund)

Page 25, line 17.

Strike: "4,766,232" "4,766,232"

OK Insert: "a. Operations" "4,754,232" "4,754,232"
"b. Audit" "12,000" "12,000"

Page 28, line 22.

Strike: "221,380" "221,380"

Insert: "221,360" "221,360"

Page 28, line 24.

Strike: "2,905" "2,905"

Insert: "2,925" "2,925"

Page 29, line 17.

Strike: "4,896,961" "6,411,566"

OK Insert: "a. Operations" "4,831,961" "6,346,566"
"b. Audit" "65,000" "65,000"

Re-number: subsequent sections

231
1982 ENROLLMENT REPORT

Appendix A

Special Report #1

Summary of In-state and Out-of-State
Students, by Campus, Fall 1978 - Fall 1982

Montana University System

	<u>UM</u>	<u>MSU</u>	<u>MCMST</u>	<u>WMC</u>	<u>EMC</u>	<u>NMC</u>	<u>Total</u>
<u>1978</u>							
In-state	5,726	8,269	1,090	775	3,267	1,097	20,224
Out/state	2,637	1,651	220	87	183	98	4,876
Total	8,363	9,920	1,310	862	3,450	1,195	25,100
% Out/state	31.5	16.6	16.8	10.1	5.3	8.2	19.4
<u>1979</u>							
In-state	5,815	8,431	1,117	768	3,457	1,165	20,753
Out/state	2,561	1,678	269	56	153	44	4,761
Total	8,376	10,109	1,386	824	3,610	1,209	25,514
% Out/state	30.6	16.6	19.4	6.8	4.4	3.6	18.7
<u>1980</u>							
In-state	6,402	8,932	1,402	884	3,604	1,427	22,651
Out/state	2,482	1,813	308	68	175	46	4,892
Total	8,884	10,745	1,710	952	3,779	1,473	27,543
% Out/state	27.9	16.9	18.0	7.1	4.6	3.2	17.8
<u>1981</u>							
In-state	6,392	9,202	1,646	795	3,866	1,527	23,428
Out/state	2,477	1,985	346	85	169	57	5,119
Total	8,869	11,187	1,992	880	4,035	1,584	28,547
% Out/state	27.9	17.7	17.4	9.7	4.2	3.6	17.9
<u>1982</u>							
In-state	6,541	9,263	1,800	892	3,982	1,635	24,113
Out/state	2,560	1,970	389	92	195	52	5,258
Total	9,101	11,233	2,189	984	4,177	1,687	29,371
% Out/state	28.1	17.5	17.8	9.3	4.7	3.1	17.9

1982 ENROLLMENT REPORT

In-State Versus Out-of-State Enrollment

Out-of-state enrollment constitutes 16.4% (5,897) of the total enrollment of institutions of higher education in Montana in Fall 1982. Of the out-of-state enrollment, 12.9% is foreign students. Table 10 shows these data by institutions for 1981 and 1982.

Table 10. Distribution of students by residency,
Fall 1981 and Fall 1982

<u>Institution</u>	<u>Percent Distribution</u>			
	<u>In-State</u>		<u>Out-of-State</u>	
	<u>1981</u>	<u>1982</u>	<u>1981</u>	<u>1982</u>
<u>Montana University System</u>				
University of Montana	72	72	28	28
Montana State University	82	82	18	18
Montana College of Mineral Science and Technology	83	82	17	18
Eastern Montana College	95	95	4	5
Western Montana College	90	91	10	9
Northern Montana College	96	97	4	3
<u>Independent Colleges</u>				
Carroll College	69	72	31	28
College of Great Falls	96	95	4	5
Rocky Mountain College	62	64	38	36
Big Sky Bible College	40	58	60	42
<u>Community Colleges</u>				
Dawson Community College	97	97	3	3
Miles Community College	99	98	1	2
Flathead Valley Community College	98	99	2	1

In-state enrollment varies from 58% at the Big Sky Bible College to 99% at Flathead Valley Community College while in the Montana University System in-state enrollment varies from 72% at the University of Montana to 97% at Northern Montana College.

3/3

UNIVERSITY OF MONTANA

INFORMATION

I. Enrollment

The University of Montana enrollment has been increasing since 1978-79. It was 7,747 FTE in that year and is 8,379 FTE in the current year, 1982-83. The figures for the current biennium and the upcoming biennium are:

	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
Actual or Projected	8,142	8,379	8,283	8,283
Budgeted Figure	8,043	8,052		

II. Formula Funding

The goal when the formula was adopted was to bring the Montana schools to the peer average (100%). The cost was high so the goal was modified to "phase in" the formula. It was planned to achieve the 100% level for Instruction and the 97% level for Support by the 1982-83 year.

This was not accomplished for any school because the enrollment estimates used were too low. The University of Montana estimate was closest to the goal but still low (see above).

If the University of Montana had been funded in 1982-83 for the students actually served, we would have received \$1,000,000 more dollars. Every school was above the enrollment estimate and therefore underfunded according to the peer averages. The University of Montana was closest to the estimated enrollment in percentage terms; yet it still represents a major shortfall of funding.

For the upcoming biennium the formula factors have been reduced to 97% Instruction and 95% Support. This represents a special problem for the University of Montana since the reduction cuts into our current budget base.

Another issue hurting the University of Montana is the "enrollment shift" problem. This reflects a loss of dollars based on student shift to different disciplines. Even if enrollment figures are held constant, this shift will cost the University of Montana \$500,000 in the upcoming biennium.

III. Transition Appropriation

The reduction from 100%/97% to 97%/95% cut \$1,500,000 from the University of Montana budget for the upcoming biennium. The Board of Regents

evaluated the impact on all the schools and requested special help for the University of Montana.

The analysis showed that it would require cuts of positions to implement the reduction. The Board of Regents asked for a one-year special appropriation for the University of Montana to allow them to phase in the reduced budget.

The amount requested was \$525,000 for the 1983-84 year. The Appropriations Committee approved this proposal by the Board of Regents.

The temporary appropriation is used to support 14 faculty positions and 3.3 non-faculty positions for one year. The personnel positions for the current year and the next biennium are:

	<u>Current Year</u>	<u>Next Biennium</u>
Faculty	416.6	402.6
Non-faculty	162.8	159.5

The special allocation would allow the University to accommodate the budget cut with more time for planning. It would result in less impact on programs for students while the best way to implement the cuts was assessed.

IV. Summary

The University of Montana is enjoying an all-time record headcount enrollment. It is fiscally stable and living within its current budget. The decision to reduce the level of formula funding has caused a special problem. The University of Montana, with the support of the Board of Regents, is asking for temporary assistance so that budget cuts can be implemented with the least impact on students and their education.

UNIVERSITY OF MONTANA

FACT SHEET

1. Enrollment

There has been a steady growth of enrollment at the University of Montana over the past five years.

1978-79	-	7,747	FY-FTE
1979-80	-	7,843	FY-FTE
1980-81	-	8,139	FY-FTE
1981-82	-	8,141	FY-FTE
1982-83	-	8,379	FY-FTE

In the current year the University is at an all-time record headcount enrollment.

2. Faculty Positions

The University of Montana implemented a program reducing faculty positions during the mid to late 1970's. This was in response to enrollment declines in the early 1970's. The reductions made are illustrated below:

1977-78	-	466	FTE
1978-79	-	433	FTE
1979-80	-	423	FTE
1980-81	-	406	FTE

Since 1980-81 the University has been able to deal with its staffing in relation to overall enrollment patterns.

In the current year the staffing level of 416 FTE was funded by a budget enrollment figure of 8,052 students. There were actually 8,379 students served. It would have required over one million additional dollars to fund the University of Montana in 1982-83 for the students actually served.

3. Faculty-Student Ratio

In 1977-78 the faculty-student ratio was below 17:1. In the current year it is 20.1:1 and is estimated to grow to 20.6:1 in the upcoming biennium. This higher ratio means that there are less faculty to serve students, now at an all-time headcount enrollment level.

4. Budgets

The recommendation of the Appropriations Committee provides a tight budget for the biennium. In fact, in the second year it will

necessary to reduce approximately 14 faculty and 8 staff positions. The committee recommendation does provide a special appropriation in the first year of \$525,000 so that adequate planning can take place on how to handle the cuts.

5. Salary Increase Program

The recommended budget includes no funds for salary increases. Each 1% of salary increase costs the University \$250,000. If we were required to fund the salary increase program from the projected budget, it would require the elimination of about 10 faculty or staff positions for each 1% of salary increase.

AMENDMENTS TO HB447

3/31
has for
further study

- 2
1. Page 3, line 1.
Following: "to"
Strike: "a 5% program increase or decrease"
Insert: "5% of the total agency budget"
 - 3
2. Page 3, line 23.
Following: "Reversion."
Strike "Notwithstanding other provisions of law, the"
Insert: "The"
 - 4
3. Page 3, line 24.
Following: "provided"
Strike: "in this act"
Insert: "by law"

AMENDMENT TO HB 447

- 1
1. Page 2, line 12.
Following: "submission of the"
Insert: "final"