

MINUTES OF THE MEETING
JOINT SUBCOMMITTEE
ON EDUCATION APPROPRIATIONS
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 14, 1985

Tape 7 Side A

The meeting of the Joint Subcommittee on Education was called to order by Chairman Gene Donaldson at 8:00 A.M. on Monday, January 14, 1985, in Room 104 of the State Capitol.

All members were present.

The budgets of the Board of Regents and Office of the Commissioner of Higher Education were the topics before the Subcommittee on this date. Executive Action was taken on the budget of the Board of Regents.

A presentation was made by Sib Clack (7:A:082) of the Budget Office (EXHIBIT #1). As formulated by the Constitution of the State of Montana, the Board of Regents has the authority to supervise, coordinate, manage and control the Montana University System. There is one program that is involved in the Board of Regents agency, and this is the administration program, which is 100 percent general funded. The Executive recommends adoption of 98 percent of the total agency request for the 1987 biennium. The personal services area of the budget represents per diem and no decrease is recommended, and only minor decreases are recommended in some of the operating expenditures.

A presentation by Bill Sykes (7:A:092) of the Legislative Fiscal Analyst's Office followed (EXHIBIT #2). He stated that 75 percent of the Board of Regents' budget is comprised of per diem and travel. The budget allows 13 meetings of approximately two days' duration for the 1987 biennium. The difference between the Executive and LFA operating expenses is \$516 for FY 1986 and \$57 for FY 1987.

There was a brief discussion between the members of the Subcommittee and Jeff Morrison, Chairman of the Board of Regents regarding the Board's budget (7:A:105).

Representative Moore (7:A:120) moved that LFA current level for personal services for the Board of Regents in the amount of \$5,525 for each year be accepted. The motion also included the LFA recommendation for operating expenses. The vote was unanimous in favor of the motion.

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A presentation was made by Sib Clack (7:A:130) of the Budget Office (EXHIBIT #3) on the budget for the Commissioner of Higher Education. The Commissioner of Higher Education is the chief administrative officer of the Montana University System. There are several programs involved in the Commissioner's office: the administration program, which is 100 percent general funded, and several federally funded programs. The staff of the administration program performs the following functions: planning and curriculum review, budgetary planning and control, legal services, and labor negotiation policies and procedures. The administration program funded by the Executive represents 91% of the Agency's request. There is a 4 percent personal services reduction across the board. There are also some reductions in the areas of contract services, and there are reductions in supplies, materials and travel. The communications budget and the rent and utilities budget are recommended at 100 percent of the Agency's request. The only reduction to the Agency's request is a 4 percent decrease in personal services, Ms. Clack said.

The Montana Career Information Service was established by budget amendment in FY 82 to provide education information, guidance counseling and referral service to all of the people in the state of Montana. The Executive recommends 97 percent of the Agency's budget request, Ms. Clack said.

The final program discussed by Ms. Clack was the Guaranteed Student Loan Program. The staff of this program provides administrative coordination of the state's authorized student loan program. The program began in July 1980. Its purpose is to make improved educational opportunities available to students with guaranteed loans from private agencies and institutions. The Executive recommends adoption of 99 percent of the Agency's request.

A presentation by Bill Sykes (7:A:207) (EXHIBIT #4 and #5) of the Legislative Fiscal Analyst's Office followed. In the personal services budget for the Commissioner of Higher Education, there are only minor differences between the Executive budget and the LFA's recommendations. In operating expenses for the administration program, the major difference occurs in inflation, and there are also higher contracted services amounts in the Executive budget, primarily for janitorial services and snow removal. The Executive is also \$9,603 higher for rent. The Commissioner's budget included a rent increase on

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their current office space from \$6.73 per square foot paid in the 1983 biennium to \$9.16 per square foot in the 1987 biennium. In the current level budget, inflation was applied to the actual fiscal 1984 rental rate to derive a total cost of \$74,547 in each year of the 1987 biennium. The Commissioner's office paid \$66,580 for rent in fiscal 1984. The LFA is higher in other minor budget items. There is also a difference in the equipment budget, with the LFA including minor equipment items.

Mr. Sykes said that under the Student Assistance Programs, the amount in current level for WICHE represents the actual fiscal 1984 enrollment of 136.5 students funded at the fiscal 1986 and 1987 support rates. The Commissioner's office is requesting funding for an increase in WICHE enrollment of 9.5 students in fiscal 1986 at a cost of \$119,150, and an increase of 615 students in fiscal 1987 at a cost of \$64,650.

Mr. Sykes said that the Executive is higher in funding for the state Work Study Program by \$9,210 in each year of the 1987 biennium. The LFA current level analysis presents options for phasing out or reducing the size of the Rural Dentistry Program for the following reasons: Montana ranks third highest in WICHE "sending" states in practicing dentists per 100,000 population; the state ranks 14th nationally in practicing dentists per 100,000 population and is 113 percent of the national average; and the federal government projects an over-supply of dentists in relation to demand until at least the year 2000. The LFA's office presents the following Options:

- (1) Phase-out of Minnesota Rural Dentistry for a General Fund savings of \$43,200 in FY 86 and \$88,800 in FY 87.
- (2) Reduce beginning students to two in each year at a General Fund savings of \$21,600 in FY 86 and \$44,400 in FY 87.
- (3) Reduce beginning students to three in fiscal 1986 and two in fiscal 1987, at a savings of \$10,800 and \$33,300 respectively. (The Commissioner's office indicated that three beginning students have been accepted by the University of Minnesota for fiscal 1986.)

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The last issue in the Student Assistance Program relates to Executive estimates of interest from the Education Trust Fund. The Executive is higher in FY 86 by \$61,185 and \$54,613 in FY 87, Mr. Sykes said.

Mr. Sykes said that the Talent Search Program reflects almost identical figures from the Executive and the LFA's office. In the area of operating expenses, the Executive is higher in contracted services, supplies and materials, travel expenses, and some other expenses.

Mr. Sykes said that in regard to the Montana Career Information Service, there is an agreement between the Commissioner's office and the Department of Labor and Industry to move this program from the Commissioner's budget to Labor and Industry's.

Regarding the Guaranteed Student Loan Program, the major difference in personal services between the LFA and the Executive has to do with the Executive's including one FTE lender reviewer that was budget amended in the 1985 biennium at a cost of \$23,452 for FY 86 and \$23,458 in FY 87, Mr. Sykes said. In the operating expenses area, the major differences relate to inflation where the Executive is higher. The Executive is also higher in travel expenses and contains higher operating expenses relating to the lender reviewer.

Jeff Morrison (7:A:359), Chairman of the Board of Regents, and Jack Noble of the Office of the Commissioner of Higher Education appeared before the Subcommittee and answered questions.

Jeff Morrison stated that the major difference in the administrative budget for the Commissioner's office appears to be the rent issue. The current rent had not been increased for the past nine years. The Commissioner's office thinks the building is adequate for its purposes and that the rent is reasonable.

The other issue, which was not approved by either the Executive or the LFA, is the facilities planner, Mr. Morrison said. Mr. Morrison said that the Board needs someone to coordinate activities and provide expertise for all Montana campuses, especially the smaller schools.

A question and answer session followed between the Subcommittee member, Mr. Morrison and Mr. Noble regarding the above two issues (7:A:409). Mr. Noble stated that the building they are in is probably the best buy for them.

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He also stated that the owner of the building was able to negotiate better janitorial and snow removal contracts than the state was able to do. Mr. Noble further stated that in checking on whether or not the rent for their building is appropriate, he was told that the price is fair and that it is unlikely that a similar facility could be found in Helena.

Tape 7 Side B

Regarding the facilities planner, Chairman Donaldson pointed out that this expense is not included in either the Executive or LFA budgets. Mr. Morrison stated that, especially on the smaller campuses, the Board needs the expertise to see what is most needed and where is the best place to spend their money as far as buildings are concerned. Some coordination is needed within the system, he said. One full-time person would be a wise investment to get the most out of what they already have.

A discussion followed between the Subcommittee members, Mr. Morrison and Mr. Noble (7:B:160) regarding the student assistance issues. Mr. Morrison stated that the basic issue as far as WICHE is concerned is what kind of effort the state wants to put into it. He stated that if there is a feeling that too much is being spent on WICHE, the dentistry program is the only one where a reduction should be made. He stated that the total number of students has been declining in the WICHE program. Mr. Noble pointed out the necessity to continue to fund those students already in the WICHE program (EXHIBIT #6).

A discussion followed next between the members of the Subcommittee, Mr. Morrison, Mr. Noble and Ed Nelson, Director of the Student Loan Program (7:B:181) regarding the Guaranteed Student Loan Program and Talent Search. Mr. Morrison stated that these two programs are 100 percent federally funded. Ed Nelson stated that the lender reviewer will continue doing what was already being done, by contract, but will be a Montana employee rather than an out-of-state contract employee. This position would be federally funded

Tape 8 Side A

Dr. Bill McGregor of Great Falls, a physician and member of the WICHE Committee, spoke in behalf of WICHE. Dr. McGregor feels the program should be funded. He stated

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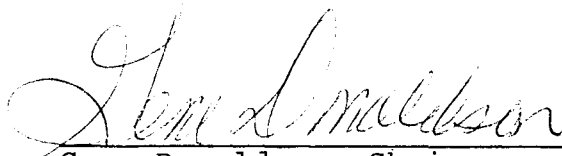
that there is a huge need for practitioners in dentistry and medicine in the armed services and said that these people need to be educated somewhere.

Dr. Irving Dayton (8:A:170) Commissioner of Higher Education, discussed the WAMI program. Under the program there is a contract with the University of Washington School of Medicine for 20 Montanans. These students are accepted by the University of Washington and must meet the same standards as any other students. They take their first year of medical school at Montana State University and then go to Seattle to join their classmates. The program is for students from Washington, Alaska and Idaho as well as Montanans, Dr. Dayton said.

Following a five-minute break, Sandy Norris (8:A:207), Executive Director of the Family Practice Residency Satellite Program, appeared before the Subcommittee. Ms. Norris explained that the Residency Satellite Program is a graduate medical program that the state funded in 1983. It was funded as a pilot program, developed out of a study funded from an Old West Regional Commission Grant. It was funded for \$65,000 during the first fiscal year and for \$70,000 during the second fiscal year. The program also receives some private funding. One or two month rotations are offered residents who are in the second or third year of their residencies. The number of residents involved in this program has grown from seven to eighty-five in the last year and a half. The Satellite Program has two objectives: (1) to be involved in medical education on a graduate level and (2) to expose physicians to the state and practice opportunities in Montana. Ms. Norris stated that the organization plans to ask \$100,000 from the state for the biennium.

Following her presentation, Ms. Norris answered questions from the Subcommittee (8:A:520).

There being no further business, the meeting was adjourned at 9:45 A.M.


Gene Donaldson, Chairman

DAILY ROLL CALL

EDUCATION SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 14, 1985

[illegible]

VISITOR'S REGISTER

HOUSE Education SUB COMMITTEE

BILL _____

DATE Jan. 14, 1985

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
JEFF MORRISON	HELENA	BOARD OF REGENTS		
JACK NOBLE	"	Commissioner of H. H. E. D.	X	
Mark Blewett	Helena	Associated Students UHSM		
Michelle Wing	Helena	Assoc. Students MSU		
Dennis Sw. Gold	Bozeman	Press		
Ed Nelson	Helena	Office of Comm. Higher Ed.		
Jacki Wrigg	Helena	Office of Comm. Higher Ed.	✓	
Stephen Huggenheim	Bozeman	WAMI Montana State U.	✓	
Phil W. Mar	Missoula	ATA, MT		
Paul S. Suffer	Helena	Assoc. Students MSU		
Steve Benninghoff	Helena	Com. of Higher Ed.		
Timothy Harris	Helena	MT Family Practicing Residency Satellite Program		
JKM Dregan	Great Falls	WICHE Commission	X	
Dwight L. Dayton	Helena	Commissioners of Higher Education		

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXHIBIT 1 1-14-85

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OFFICE OF BUDGET & PROGRAM PLANNING EXECUTIVE BUDGET SYSTEM AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

REPORT EBSR106
DATE : 01/07/85
TIME : 17/44/56

AGENCY : 5118 BOARD OF REGENTS
PROGRAM : 03 ADMINISTRATION PROGRAM
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY									
AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
1300	OTHER COMPENSATION	5,525	5,525	0	—	5,525	5,525	0	—
	TOTAL LEVEL	5,525	5,525	0	—	5,525	5,525	0	—
2021	CONTRACTED SERVICES-INFLATION	79	179	-100	—	79	291	-212	—
2022	SUPPLIES & MATERIALS-INFLATION	40	6	34	—	40	10	30	—
2023	COMMUNICATIONS-INFLATION	311	-48	359	—	493	4	489	—
2024	TRAVEL-INFLATION	259	570	-311	—	259	929	-670	—
2028	OTHER EXPENSES-INFLATION	84	181	-97	—	84	295	-211	—
2100	CONTRACTED SERVICES	1,994	2,074	-80	—	1,994	2,074	-80	—
2200	SUPPLIES & MATERIALS	1,000	76	924	—	1,000	76	924	—
2300	COMMUNICATIONS	2,592	2,592	0	—	2,592	2,592	0	—
2400	TRAVEL	11,159	11,372	-213	—	11,159	11,372	-213	—
2800	OTHER EXPENSES	2,095	2,095	0	—	2,095	2,095	0	—
	TOTAL LEVEL	19,613	19,097	516	—	19,795	19,738	57	—
	TOTAL PROGRAM	25,138	24,622	516	—	25,320	25,263	57	—
01100	GENERAL FUND	25,138	24,622	516	—	25,320	25,263	57	—
	TOTAL PROGRAM	25,138	24,622	516	—	25,320	25,263	57	—

COMMENTS :

BOARD OF REGENTS

EXHIBIT 2
1-14-85

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive	\$ 5,525	\$ 5,525
LFA	<u>5,525</u>	<u>5,525</u>
Difference	<u>\$ -0-</u>	<u>\$ -0-</u>
 <u>OPERATING EXPENSES</u>		
Executive	\$19,613	\$19,795
LFA	<u>19,097</u>	<u>19,738</u>
Exec. over (under) LFA	<u>\$ 516</u>	<u>\$ 57</u>
 - - - - - Operating Expenses Issues - - - - -		
1. Executive higher in minor operating expense items.	<u>\$ 516</u>	<u>\$ 57</u>

EXHIBIT 3

1-14-85

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REPORT EBSR106
DATE : 01/07/85
TIME : 17/44/56

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 01 ADMINISTRATION PROGRAM
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
0000	FULL TIME EQUIVALENT (FTE)	15.60	15.60	0	---	15.60	15.60	0	---
1100	SALARIES	519,514	519,514	0	---	519,620	519,620	0	---
1400	EMPLOYEE BENEFITS	72,640	72,640	0	---	73,796	73,796	0	---
1500	HEALTH INSURANCE	18,120	18,120	0	---	18,120	18,120	0	---
1600	VACANCY SAVINGS	-24,411	-24,385	26	---	-24,461	-24,431	30	---
	TOTAL LEVEL	585,863	585,884	26	---	587,075	587,105	30	---
2021	CONTRACTED SERVICES-INFLATION	1,332	1,207	125	---	1,009	1,965	-956	---
2022	SUPPLIES & MATERIALS-INFLATION	414	421	-507	---	358	1,503	-1,145	---
2023	COMMUNICATIONS-INFLATION	2,671	1,658	1,013	---	4,227	2,685	1,542	---
2024	TRAVEL-INFLATION	607	1,429	-822	---	607	2,325	-1,718	---
2025	RENT-INFLATION	3,366	21	3,345	---	3,366	34	3,332	---
2026	UTILITIES-INFLATION	272	2,017	-1,745	---	272	2,516	-2,244	---
2027	REPAIR & MAINTENANCE-INFLATION	442	550	-108	---	442	895	-453	---
2028	OTHER EXPENSES-INFLATION	393	853	-460	---	344	1,387	-1,043	---
2100	CONTRACTED SERVICES	45,037	34,255	10,782	---	27,468	26,915	553	---
2200	SUPPLIES & MATERIALS	10,381	10,685	-304	---	9,010	10,685	-1,675	---
2300	COMMUNICATIONS	22,248	22,248	0	---	22,248	22,248	0	---
2400	TRAVEL	24,485	26,039	-1,554	---	24,485	26,039	-1,554	---
2500	RENT	84,398	74,795	9,603	---	84,398	74,795	9,603	---
2600	UTILITIES	6,808	6,808	0	---	6,808	6,808	0	---
2700	REPAIR & MAINTENANCE	11,057	11,947	-890	---	11,057	11,947	-890	---
2800	OTHER EXPENSES	9,833	9,840	-7	---	8,613	9,840	-1,227	---
	TOTAL LEVEL	223,744	265,273	18,471	---	204,712	202,587	2,125	---
	TOTAL PROGRAM	809,607	791,556	18,051	---	791,787	789,999	1,788	---
3100	EQUIPMENT	0	394	-394	---	0	307	-307	---

AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 01 ADMINISTRATION PROGRAM
CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
01100	GENERAL FUND	809,607	791,556	18,051	—, —, —	791,787	789,999	1,788	—, —, —
	TOTAL PROGRAM	809,607			—, —, —	791,787			—, —, —

COMMENTS :

[illegible]

REPORT EBSR106
DATE : 01/07/85
TIME : 17/44/56

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 06 TALENT SEARCH
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY									
AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
0000	FULL TIME EQUIVALENT (FTE)	6.00	6.00	0	—	6.00	6.00	0	—
1100	SALARIES	98,945	98,945	0	—	98,945	98,945	0	—
1400	EMPLOYEE BENEFITS	14,753	14,753	0	—	14,804	14,804	0	—
1500	HEALTH INSURANCE	7,200	7,200	0	—	7,200	7,200	0	—
1600	VACANCY SAVINGS	-4,836	-4,835	1	—	-4,836	-4,837	-1	—
TOTAL LEVEL		116,062	116,063	-1	—	116,113	116,112	1	—
2021	CONTRACTED SERVICES-INFLATION	180	165	15	—	180	270	-90	—
2022	SUPPLIES & MATERIALS-INFLATION	153	181	-28	—	153	298	-145	—
2023	COMMUNICATIONS-INFLATION	712	7	705	—	1,126	136	990	—
2024	TRAVEL-INFLATION	417	655	-238	—	417	1,067	-650	—
2025	RENT-INFLATION	6	12	-6	—	6	20	-14	—
2028	OTHER EXPENSES-INFLATION	60	715	-655	—	60	1,164	-1,104	—
2100	CONTRACTED SERVICES	4,500	2,361	2,139	—	4,500	2,127	2,373	—
2200	SUPPLIES & MATERIALS	3,823	2,166	1,657	—	3,823	2,166	1,657	—
2300	COMMUNICATIONS	5,927	5,927	0	—	5,927	5,927	0	—
2400	TRAVEL	16,330	13,980	2,350	—	16,330	13,980	2,350	—
2500	RENT	385	385	0	—	385	385	0	—
2800	OTHER EXPENSES	13,806	8,254	5,552	—	13,844	8,254	5,590	—
TOTAL LEVEL		46,299	34,808	11,491	—	46,751	35,794	10,957	—
TOTAL PROGRAM		162,361	150,871	11,490	—	162,864	151,906	10,958	—
03806	TALENT SEARCH	162,361	150,871	11,490	—	162,864	151,906	10,958	—
TOTAL PROGRAM		162,361	150,871	11,490	—	162,864	151,906	10,958	—

COMMENTS :

COMMENTS :

REPORT EBSR106
DATE : 01/07/85
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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 07 MONTANA CAREER INFORMATION SYS
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
0000	FULL TIME EQUIVALENT (FTE)	4,00	4,00	0	—, —, —	4,00	4,00	0	—, —, —
1100	SALARIES	76,919	76,919	0	—, —, —	76,919	76,919	0	—, —, —
1400	EMPLOYEE BENEFITS	11,502	11,502	0	—, —, —	11,539	11,539	0	—, —, —
1500	HEALTH INSURANCE	6,000	6,000	0	—, —, —	6,000	6,000	0	—, —, —
1600	VACANCY SAVINGS	-3,777	-3,776	-1	—, —, —	-3,778	-3,778	0	—, —, —
	TOTAL LEVEL	90,644			—, —, —	90,680			—, —, —
2021	CONTRACTED SERVICES-INFLATION	724	1,309	-585	—, —, —	724	2,130	-1,406	—, —, —
2022	SUPPLIES & MATERIALS-INFLATION	115	249	-134	—, —, —	115	406	-291	—, —, —
2023	COMMUNICATIONS-INFLATION	1,003	240	763	—, —, —	1,590	382	1,208	—, —, —
2024	TRAVEL-INFLATION	141	300	-159	—, —, —	141	488	-347	—, —, —
2025	RENT-INFLATION	229	-94	323	—, —, —	229	-35	264	—, —, —
2027	REPAIR & MAINTENANCE-INFLATION	9	20	-11	—, —, —	9	33	-24	—, —, —
2028	OTHER EXPENSES-INFLATION	225	486	-261	—, —, —	225	793	-568	—, —, —
2100	CONTRACTED SERVICES	18,130	18,365	-235	—, —, —	18,130	18,101	29	—, —, —
2200	SUPPLIES & MATERIALS	2,888	2,880	0	—, —, —	2,888	2,888	0	—, —, —
2300	COMMUNICATIONS	8,364	8,364	0	—, —, —	8,364	8,364	0	—, —, —
2400	TRAVEL	5,676	5,623	53	—, —, —	5,676	5,623	53	—, —, —
2500	RENT	6,366	7,931	-1,565	—, —, —	6,366	7,931	-1,565	—, —, —
2700	REPAIR & MAINTENANCE	236	236	0	—, —, —	236	236	0	—, —, —
2800	OTHER EXPENSES	5,635	5,635	0	—, —, —	5,635	5,635	0	—, —, —
	TOTAL LEVEL	49,741	51,552	-1,811	—, —, —	50,328	52,975	-2,647	—, —, —
3100	EQUIPMENT	3,000	3,000	0	—, —, —	0	0	0	—, —, —
	TOTAL LEVEL	3,000	3,000	0	—, —, —	0	0	0	—, —, —

REPORT EBSR106
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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

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AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 07 MONTANA CAREER INFORMATION SYS
CONTROL : 00000

COMMISSIONER OF HIGHER ED.									
AGENCY : 5102									
PROGRAM : 07 MONTANA CAREER INFORMATION SYS									
CONTROL : 00000									
		CURRENT LEVEL SERVICES ONLY							
AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
	TOTAL PROGRAM	143,385	145,197	- 1,812	—, —, —	141,008	143,655	-2,647	—, —, —
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03804	MONTANA LEARNING SERVICES	143,385	145,197	- 1,812	—, —, —	141,008	143,655	-2,647	—, —, —
	TOTAL PROGRAM	143,385	145,197	- 1,812	—, —, —	141,008	143,655	-2,647	—, —, —

COMMENTS :

REPORT EBSR106
DATE : 01/07/85
TIME : 17/47/35

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

PAGE 7

AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 07 MONTANA CAREER INFORMATION SYS
CONTROL : 51026 FTE BASE ADJUSTMENT

AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
0000	FULL TIME EQUIVALENT (FTE)	1.09				1.09			
1100	SALARIES	21,604				21,604			
1400	EMPLOYEE BENEFITS	3,189				3,200			
1500	HEALTH INSURANCE	1,200				1,200			
1600	VACANCY SAVINGS	-1,040				-1,040			
	TOTAL LEVEL	24,953				24,964			
	TOTAL PROGRAM	24,953				24,964			
03804	MONTANA LEARNING SERVICES	24,953				24,964			
	TOTAL PROGRAM	24,953				24,964			

REPORT EBSR106
DATE : 01/07/85
TIME : 17/44/56

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AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 12 GUARANTEED STUDENT LOAN PROGRA
CONTROL : 00000

AGENCY : 5102 COMMISSIONER OF HIGHER ED PROGRAM : 12 GUARANTEED STUDENT LOAN PROGRA CONTROL : 00000										CURRENT LEVEL SERVICES ONLY			
AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87				
0000	FULL TIME EQUIVALENT (FTE)	2.90	2.90	0		2.90	2.90	0					
1100	SALARIES	83,201	83,201	0		83,303	83,303	0					
1400	EMPLOYEE BENEFITS	12,271	12,271	0		12,428	12,428	0					
1500	HEALTH INSURANCE	3,480	3,480	0		3,480	3,480	0					
1600	VACANCY SAVINGS	-3,958	-3,958	0		-3,968	-3,964	-4					
	TOTAL LEVEL	94,994	94,994	0		95,243	95,247	-4					
2021	CONTRACTED SERVICES-INFLATION	13,560	347	13,213		15,760	564	15,196					
2022	SUPPLIES & MATERIALS-INFLATION	88	166	-78		93	272	-179					
2023	COMMUNICATIONS-INFLATION	726	441	285		1,150	726	424					
2024	TRAVEL-INFLATION	303	402	-99		303	655	-352					
2025	RENT-INFLATION	316	92	224		316	150	166					
2027	REPAIR & MAINTENANCE-INFLATION	140	303	-163		140	494	-354					
2028	OTHER EXPENSES-INFLATION	130	175	-45		130	284	-154					
2100	CONTRACTED SERVICES	340,680	340,680	0		395,680	394,000	1,680					
2200	SUPPLIES & MATERIALS	2,206	1,946	260		2,320	1,946	374					
2300	COMMUNICATIONS	6,055	6,795	-740		6,055	6,795	-740					
2400	TRAVEL	12,634	6,920	5,714		12,634	6,920	5,714					
2500	RENT	7,885	7,885	0		7,885	7,885	0					
2700	REPAIR & MAINTENANCE	3,500	3,500	0		3,500	3,500	0					
2800	OTHER EXPENSES	548,250	547,780	470		548,250	542,780	5,470					
	TOTAL LEVEL	936,473	917,432			994,216	946,971	27,245					
3100	EQUIPMENT	9,500	9,500	0		0	0	0					
	TOTAL LEVEL	9,500	9,500	0		0	0	0					

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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 12 GUARANTEED STUDENT LOAN PROGRA
CONTROL : 00000

		CURRENT LEVEL SERVICES ONLY							
PROGRAM : 12	GUARANTEED STUDENT LOAN PROGRA								
CONTROL : 00000									
AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
	TOTAL PROGRAM	1,040,967	1,021,926	19,041	—, —, —	1,089,459	1,062,218	27,241	—, —, —
03400	GUARANTEED STDT. LOAN-ADMIN.	1,040,967	7 } 19,041	—, —, —	—, —, —	1,089,459	7 } 562,218	27,241	—, —, —
	TOTAL PROGRAM	1,040,967		—, —, —	—, —, —	1,089,459		—, —, —	—, —, —
COMMENTS :		LFA 03400	521,926						
		03808 GSL RESERVE	500,000						
			1,021,926						

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TIME : 17/47/35

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EXECUTIVE BUDGET SYSTEM
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AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 12 GUARANTEED STUDENT LOAN PROGRA
CONTROL : 51025 LENDER REVIEWER

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
0000	FULL TIME EQUIVALENT (FTE)	1.00				1.00			
1100	SALARIES	20,077				20,077			
1400	EMPLOYEE BENEFITS	3,152				3,162			
1500	HEALTH INSURANCE	1,200				1,200			
1600	VACANCY SAVINGS	-977				-977			
	TOTAL LEVEL	23,452				23,462			
2022	SUPPLIES & MATERIALS-INFLATION	8				8			
2023	COMMUNICATIONS-INFLATION	336				562			
2024	TRAVEL-INFLATION	215				215			
2200	SUPPLIES & MATERIALS	200				200			
2300	COMMUNICATIONS	2,800				2,960			
2400	TRAVEL	12,767				12,767			
	TOTAL LEVEL	16,326				16,712			
	TOTAL PROGRAM	39,778				40,174			
03400	GUARANTEED STDT. LOAN-ADMIN.	39,778				40,174			
	TOTAL PROGRAM	39,778				40,174			

REPORT EBSR106
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AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

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AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 02 STUDENT ASSISTANCE PROGRAM
CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
5100	FROM STATE SOURCES	53,000	53,000	0	—, —, —	56,000	56,000	0	—, —, —
	TOTAL LEVEL	53,000	53,000	0	—, —, —	56,000	56,000	0	—, —, —
6100	FROM STATE SOURCES	4,537,135	4,408,775	128,360	—, —, —	4,650,138	4,570,178	79,960	—, —, —
6200	FROM FEDERAL SOURCES	210,000	210,000	0	—, —, —	210,000	210,000	0	—, —, —
	TOTAL LEVEL	4,747,135	4,618,775	128,360	—, —, —	4,860,138	4,780,178	79,960	—, —, —
	TOTAL PROGRAM	4,800,135	4,671,775	128,360	—, —, —	4,916,138	4,836,178	79,960	—, —, —

01100	GENERAL FUND	2,168,493	2,101,318	67,175	—, —, —	2,024,765	1,999,418	25,347	—, —, —
02022	REGENTS COAL TAX FUND	2,421,642	2,360,457	61,185	—, —, —	2,681,373	2,624,760	54,613	—, —, —
03164	STATE STUDENT INCENTIVE GRANT	210,000	210,000	0	—, —, —	210,000	210,000	0	—, —, —
	TOTAL PROGRAM	4,800,135	4,671,775	128,360	—, —, —	4,916,138	4,836,178	79,960	—, —, —

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EXECUTIVE BUDGET SYSTEM
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AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 02 STUDENT ASSISTANCE PROGRAM
CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
	COMMENTS :								

NOTE: *work study* 300,000 290,790 9,210 290,790 9,210

REPORT EBSR106
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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5102 COMMISSIONER OF HIGHER ED
PROGRAM : 04 COMMUNITY COLLEGE ASSISTANCE
CONTROL : 00000

		CURRENT LEVEL SERVICES ONLY							
AE/OE	DESCRIPTION	OBPP FY 86	LFA FY 86	DIFF. FY 86	SUB-CMT. FY 86	OBPP FY 87	LFA FY 87	DIFF. FY 87	SUB-CMT. FY 87
5100	FROM STATE SOURCES	3,441,848	3,289,669	155,179	—, —, —	3,590,927	3,380,290	290,637	—, —, —
	TOTAL LEVEL	3,441,848	"	"	—, —, —	3,590,927	"	"	—, —, —
	TOTAL PROGRAM	3,441,848	"	"	—, —, —	3,590,927	"	"	—, —, —
01100	GENERAL FUND	3,441,848	"	"	—, —, —	3,590,927	"	"	—, —, —
	TOTAL PROGRAM	3,441,848	"	"	—, —, —	3,590,927	"	"	—, —, —

COMMENTS :

COMMISSIONER OF HIGHER EDUCATION

Administration

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive	\$585,863	\$587,075
LFA Current Level	<u>585,889</u>	<u>587,105</u>
Difference	<u>\$ (26)</u>	<u>\$ (30)</u>

OPERATING EXPENSES

Executive	\$223,744	\$204,712
LFA Current Level	<u>205,273</u>	<u>202,587</u>
Exec. over(under) LFA	<u>\$ 18,471</u>	<u>\$ 2,125</u>

----- Operating Expenses Issues -----

1. Inflation

Executive	\$ 9,497	\$ 10,625
LFA Current Level	<u>8,656</u>	<u>13,310</u>
Exec. over(under) LFA	<u>\$ 841</u>	<u>\$ (2,685)</u>

2. Higher contracted services in exec.	<u>\$ 10,782</u>	<u>\$ 553</u>
3. Higher rent in executive.	<u>\$ 9,603</u>	<u>\$ 9,603</u>

The commissioner's budget request included a rent increase on their current office space from \$6.20 per square foot paid in the 1983 biennium to \$9.16 per square foot in the 1987 biennium. In the current level budget, inflation was applied to the actual fiscal 1984 rental rate to derive a total cost of \$74,547 in each year of the 1987 biennium. The commissioner's office paid \$66,580 for office rent in fiscal 1984. Options the committee may want to consider include: (a) Approve the commissioner's request for \$9.16 per square foot. This option would result in an additional general fund cost of \$16,137 in each year; or (b) Appropriate rent at the current level rate. This would require the commissioner to renegotiate the lease or seek different office space. The rent issue is discussed on pages 753 and 754 of the analysis.

4. LFA higher in other minor budget items.	<u>\$2,755</u>	<u>\$5,346</u>
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EQUIPMENT

Executive	\$ -0-	\$ -0-
LFA Current Level	<u>394</u>	<u>307</u>
Exec. over(under) LFA	<u>\$ (394)</u>	<u>\$ (307)</u>

- - - - - Equipment Issue - - - - -

5. Miscellaneous office equipment included in current level.	<u>\$ 394</u>	<u>\$ 307</u>
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Student Assistance

Grants

Executive	\$4,800,135	\$4,916,138
LFA Current Level	<u>4,671,775</u>	<u>4,836,178</u>
Exec. over(under) LFA	<u>\$ 128,360</u>	<u>\$ 79,960</u>

- - - - - Student Assistance Issues - - - - -

6. Increased WICHE enrollment in exec.	<u>\$ 119,150</u>	<u>\$ 70,750</u>
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The amount in current level for WICHE represents the actual fiscal 1984 enrollment of 136.5 students funded at the fiscal 1986 and 1987 support rates. As indicated in Table 3 on page 759 of the analysis, the commissioner's office is requesting funding for an increase in WICHE enrollment of 9.5 students in fiscal 1986 at a cost of \$119,150 and an increase of 6.5 students in fiscal 1987 at a cost of \$64,650. Options include: (a) Increase current level enrollment by 9.5 students in fiscal 1986 and by 6.5 students in fiscal 1987 at a general fund cost of \$119,150 and \$64,650, respectively; or *(b) Increase WICHE enrollment by 7.5 students in fiscal 1986 and 3.5 students in fiscal 1987 at a general fund cost of \$90,350 and \$23,950, respectively.

7. Higher funding of state work study in Executive.	<u>\$9,210</u>	<u>\$9,210</u>
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The LFA current level analysis presents options for phasing out of or reducing the size of the rural dentistry program as (a) the state ranks third highest in WICHE "sending" states in practicing dentists per 100,000 population, (b) the state ranks 14th nationally in practicing dentists per 100,000 population and is 113 percent of the national average, and (c) the federal government projects an over supply of dentists in relation to demand until at least the year 2000. Issues 8, 9, and 10 present options for

phasing out of or reducing the size of the Minnesota Rural Dentistry Program.

8. Phase-out of Minnesota Rural Dentistry

Savings in General Fund	<u>\$43,200</u>	<u>\$88,800</u>
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9. Reduce beginning students to two in each year

Savings in General Fund	<u>\$21,600</u>	<u>\$44,400</u>
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*10. Reduce beginning students to three in fiscal 1986 and two in fiscal 1987. The commissioner's office indicated three beginning students have been accepted by the University of Minnesota for fiscal 1986.

Savings in General Fund	<u>\$10,800</u>	<u>\$33,300</u>
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Funding from Regents Coal Tax Fund

Executive	\$2,421,642	\$2,681,373
LFA Current Level	<u>2,360,457</u>	<u>2,626,760</u>
Exec. over(under) LFA	<u>\$ 61,185</u>	<u>\$ 54,613</u>

----- Funding Issue -----

11. Higher interest earnings from coal tax included in executive.

	<u>\$61,185</u>	<u>\$54,613</u>
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Talent Search

PERSONAL SERVICES

Executive	\$116,062	\$116,113
LFA Current Level	<u>116,063</u>	<u>116,112</u>
Exec. over(under) LFA	<u>\$ (1)</u>	<u>\$ 1</u>

*Options presented in the commissioner's response.

OPERATING EXPENSES

Executive	\$46,299	\$46,751
LFA Current Level	<u>34,808</u>	<u>35,794</u>
Exec. over(under) LFA	<u>\$11,491</u>	<u>\$10,957</u>

- - - - - Operating Expenses Issues - - - - -

12. Inflation

Executive	\$1,528	\$1,942
LFA Current Level	<u>1,735</u>	<u>2,955</u>
Exec. over(under) LFA	<u>\$ (207)</u>	<u>\$(1,013)</u>

13. Higher contracted services in exec.	<u>\$2,139</u>	<u>\$2,373</u>
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14. Higher supplies and materials in exec.	<u>\$1,657</u>	<u>\$1,657</u>
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15. Higher travel in executive.	<u>\$2,350</u>	<u>\$2,350</u>
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16. Higher other expenses in exec.	<u>\$5,552</u>	<u>\$5,590</u>
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Montana Career Information System

There is an agreement between the commissioner's office and the Department of Labor and Industry to move this program (expenditures and funding) from the commissioner's budget into labor and industry's.

PERSONAL SERVICES

Executive	\$115,597	\$115,644
LFA Current Level	<u>90,645</u>	<u>90,680</u>
Exec. over(under) LFA	<u>\$ 24,952</u>	<u>\$ 24,964</u>

- - - - - Personal Services Issues - - - - -

17. Information analyst and MBA coordinator (total of 1.09 FTE) included in executive.	<u>\$24,952</u>	<u>\$24,964</u>
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OPERATING EXPENSES

Executive	\$49,741	\$50,328
LFA Current Level	<u>51,552</u>	<u>52,975</u>
Exec. over(under) LFA	<u><u>\$(1,811)</u></u>	<u><u>\$(2,647)</u></u>

- - - - - Operating Expenses Issues - - - - -

18. Inflation

Executive	\$2,446	\$ 3,033
LFA Current Level	<u>2,510</u>	<u>4,197</u>
Exec. over(under) LFA	<u><u>\$ (64)</u></u>	<u><u>\$(1,164)</u></u>

19. LFA higher in minor operating expenses.

<u><u>\$1,747</u></u>	<u><u>\$1,483</u></u>
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Guaranteed Student Loan

PERSONAL SERVICES

Executive	\$118,446	\$118,705
LFA Current Level	<u>94,994</u>	<u>95,247</u>
Exec. over(under) LFA	<u><u>\$ 23,452</u></u>	<u><u>\$ 23,458</u></u>

- - - - - Personal Services Issues - - - - -

20. 1 FTE lender reviewer included in executive.

<u><u>\$23,452</u></u>	<u><u>\$23,458</u></u>
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OPERATING EXPENSES

Executive	\$952,799	\$1,010,928
LFA Current Level	<u>917,432</u>	<u>966,971</u>
Exec. over(under) LFA	<u><u>\$ 35,367</u></u>	<u><u>\$ 43,957</u></u>

- - - - - Operating Expenses Issues - - - - -

21. Inflation

Executive	\$15,263	\$17,892
LFA Current Level	<u>1,926</u>	<u>3,145</u>
Exec. over(under) LFA	<u>\$13,337</u>	<u>\$14,747</u>

22. Higher travel in exec.	<u>\$5,714</u>	<u>\$5,714</u>
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23. Difference in minor operating expenses.

Executive	\$730	\$7,524
LFA Current Level	<u>740</u>	<u>740</u>
Exec. over(under) LFA	<u>\$(10)</u>	<u>\$6,784</u>

24. Higher operating expenses in executive
for 1 FTE lender reviewer.

<u>\$16,326</u>	<u>\$16,712</u>
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BSLEG:jt:CHE 1-10-5

COMMISSIONER OF HIGHER EDUCATION

1987 Biennium Budget Hearing
January 14, 1985

ADMINISTRATION PROGRAM (Current Level)

LFA Recommendation + \$16,137 each year for rent.

1986
\$807,693

1987
\$806,136

Our office facility serves both the Board of Regent's and the Board of Education's staff. The office was designed and built in 1975 to accommodate our office function and provide public meeting space for approximately 100 people.

Conversations with the State A & E Division indicate that the proposed rent is fair in light of current building costs. A & E knows of no space available in Helena that would accommodate us.

Any projected savings in rent would have to be offset by moving costs and utility hookup. Such a move would most likely require a separate SL-1 phone switch as we are currently wired into the Department of Labor's switch down the street. In addition, our computer room would require additional one-time costs to reconstruct in another location.

STUDENT ASSISTANCE PROGRAM

Comments: Dentistry

In our opinion, the Minnesota Rural Dental Program could be phased out without seriously affecting student educational opportunity for Montana students. It should be emphasized, however, that the Minnesota school has done and continues to do an excellent job of educating dentists. There are several active alumni in Montana that would prefer the Minnesota school over all dental schools in the WICHE region. Minnesota has contractually agreed to tie its rates to the WICHE rate so it does not cost any more per student to participate in the Minnesota program than in the WICHE program. Thus, eliminating the Minnesota program will not save any money. Only eliminating student slots saves money.

We have historically funded four freshmen at Minnesota and a similar amount in WICHE. The attached Exhibit A shows that the total number of WICHE supported dental students has declined from twenty-one in 1979 to nine in 1985. We have requested three beginning positions in WICHE for the next two years. (See Exhibit B.) Our total budget for beginning students in dentistry is seven--four at Minnesota and three in WICHE.

We called the University of Minnesota on Wednesday, January 9, 1985. The Dean informed us that they have accepted three students for next Fall. We informed him to hold any further acceptances. Our contract does provide for a twelve-month notice to the school if we decide to terminate the program. However, our contract contains "subject to appropriation" language so the Legislature is not foreclosed from curtailing the program in 1986 if, in your opinion, circumstances warranted that it be closed.

We would recommend the following in lieu of a phase out:

- 1) Admissions at Minnesota be held to three students next Fall.
- 2) Admissions at Minnesota be held to two students in 1987.
- 3) Admissions in WICHE be held to one student next Fall.
- 4) Admissions in WICHE be held to two students in 1987.

Savings:

1986 -	3 students @ \$10,800 ea.	\$32,400
1987 -	3 continuing @ \$11,100 ea.	33,300
	3 freshmen @ \$11,100 ea.	<u>33,300</u>
TOTAL SAVINGS		<u>\$99,000</u>

Other WICHE Programs

Exhibit A shows that the total number of WICHE supported students has declined from 161 in 1978 to 137 in 1985. Exhibit B provides the pattern of entering freshmen. Our request reflects a steady state policy. We do not think that we are providing excess opportunity for Montana residents. We believe our request is conservative and responsible and provides a reasonable balance between available dollars and the need to provide student access in health related fields.

TALENT SEARCH PROGRAM (Federal)

The federally funded Talent Search program grant request from the federal government for 1986-87 is \$165,472. We would recommend that the appropriation authority for the program be raised from \$150,871 and \$151,906 to the above amount.

MONTANA CAREER INFORMATION SERVICE (MCIS)

We have met with the Department of Labor and both parties have agreed that the MCIS program be transferred to the labor department.

GUARANTEED STUDENT LOAN PROGRAM (GSL)

The appropriation authority for this program should be raised to \$1,132,947 in 1986 and \$1,195,119 in 1987. (See attached report.)

MONTANA UNIVERSITY SYSTEM

Total WICHE Students Supported by Field 1975/76 Through 1984/85

Year	Dental Hygiene	Dentistry	Medicine*	Occupational Therapy	Optometry	Physical Therapy	Podiatry	Public Health	Veterinary Medicine	TOTAL
9/5/76	13	18	52	4	24	7	2	0	40	160
9/6/77	5	16	52	6	29	9	3	0	38	158
9/7/78	8	17	46	5	34	6	2	0	43	161
9/8/79	6	21	37	6	33	7	1	0	47	158
9/9/80	0	20	40	5	34	3	0	1	46	149
9/80/81	0	20	39	6	37	0	0	0	49	151
9/81/82	0	16	37	4	25	0	0	2	48	132
9/82/83	0	13	39	3	24	0	3	4	48.5	134.5
9/83/84	0	14	42	1	24	0	4	2	51	130
9/84/85	0	0	48	2	23	0	3	1	51	137

* Includes Osteopathic Medicine

EXHIBIT B

WICHE PROGRAM

Beginning Freshman - 1983-1987

<u>Field</u>	<u>1986 Cost</u>	<u>Actual 1983</u>	<u>Actual 1984</u>	<u>Actual 1985</u>	<u>1986</u>	<u>1987</u>
Medicine	\$21,500	10	9	11	9	9
Osteopathic Medicine	\$ 9,700	0	3	4	2	2
Dentistry	\$10,800	4	2	2	3 ^{1*}	3 ^{2*}
Veterinary Medicine	\$13,900	13	12	12	13	13
Optometry	\$ 5,900	3	7	6	6	6
Occupational Therapy	\$ 3,800	0	1	1	1	1
Public Health	\$ 5,000	1	1	0	1	1
Podiatry	\$ 6,700	0	2	0	1	1

* Suggested Revision for WICHE Dentistry

Amended Guaranteed Student Loan Program Budget Proposal

	<u>1986</u>	<u>1987</u>
Original Request	\$1,112,312	\$1,160,735
Amended Request	\$1,132,947	\$1,195,119

The Montana Guaranteed Student Loan program began on July 1, 1980. It is operated as a self funding agency. Expenditures for the program are a function of loan volume. Since 1980 the loan volume each year has increased dramatically. For example, 1983-84 loan volume was \$26.0 million an increase of 26% over the prior year. Current growth rates reflect another annual increase of more than 25%.

Program financial requirements include:

1. Program reserves.
2. Central office expense including servicing fees paid to our servicer--United Student Aid Funds.

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Program reserves are required in our agreements with over 170 Montana lenders who are active in the program. Also, we now have a fully functioning secondary market that will purchase loans from our lenders. The secondary market is privately financed by revenue bonds. These funds provide the liquidity needed by Montana lenders who originate student loans. This will assure a continued high level of student loan activity. The bond issue does require reserves to be established by the Guarantee Agency.

Central office staff includes a Director, School and Lender Review Specialist, Administrative Assistant and Clerk Typist.

Servicing fees are a significant budget item and are based on total loans outstanding. Current loans outstanding are in excess of \$86 million. The service contract calls for the following:

First \$2.5 million at 1/16 of 1% =	\$ 1,562.50
Next \$2.5 million at 1/24 of 1% =	1,041.75
Balance at 1/32 of 1% =	<u>25,312.50</u>
Present Monthly Total Fee	<u>\$27,916.75</u>

The program growth has exceeded our expectations. Program earnings will cover anticipated expenditures.

COMMISSIONER'S OFFICE
COMPARATIVE SCHEDULE OF 1987 BIENNIUM BUDGET REQUEST
GUARANTEED STUDENT LOAN PROGRAM

	1984 <u>Actual</u>	1985 <u>Budgeted</u>	<u>REVISED</u> 1986 <u>Requested</u>	<u>REVISED</u> 1987 <u>Requested</u>
FTE Employees	3.4	3.9	4.9	4.9
Personal Services	\$ 92,591	\$134,000	\$ 124,379 139,000	\$ 124,638 139,500
Contracted Services	265,062	375,000	354,407 360,000	411,507 420,000
Supplies and Materials	1,746	3,500	3,105	3,224
Communications	6,795	10,000	11,822	12,375
Travel	6,920	20,000	27,179 27,500	26,971 28,000
Rent	4,927	10,000	8,200	8,200
Utilities	-0-	-0-	-0-	-0-
Repair and Maintenance	818	2,000	3,640	3,640
Other	175,818	50,000	570,180	570,180
Equipment	6,602	1,500	9,500	10,000
TOTAL	<u>\$561,279</u>	<u>\$606,000</u>	<u>\$1,112,312</u> <u>1,132,947</u>	<u>\$1,160,735</u> <u>1,195,119</u>



THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH
HELENA, MONTANA 59620-2602
(406) 444-6570

EXHIBIT 6
1-14-85

COMMISSIONER OF HIGHER EDUCATION

WICHE PROGRAM SCHEDULE OF FUNDS AVAILABLE FOR BEGINNING STUDENTS 1986 - 1987

TOTAL AMOUNT RECOMMENDED BY LFA	FY86	\$1,888,950.	FY87	\$1,938,950.
LESS CONTINUING STUDENTS	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
Medicine	33	709,500.	30	660,000.
Osteopathic	7	67,900.	9	89,100.
Dentistry	6	64,800.	5*	59,200.
Veterinary Medicine	38	528,200.	37	529,100.
Optometry	20	118,000.	18	109,800.
Occupational Therapy	1	3,800.	2	7,800.
Public Health	1	5,000.	1	5,100.
Podiatry	4	26,800.	3	20,700.
	110	\$1,524,000.	105	\$1,480,800.
REMAINING FUNDS FOR BEGINNING STUDENTS		\$ 364,950.		\$ 458,150.
BEGINNING STUDENTS (Regents revised request)				
Medicine	9	193,500.	9	198,000.
Osteopathic	2	19,400.	2	19,800.
Dentistry*	1	10,800.	2	25,900.
Veterinary Medicine	13	180,700.	13	185,900.
Optometry	6	35,400.	6	36,600.
Occupational Therapy	1	3,800.	1	3,900.
Public Health	1	5,000.	1	5,100.
Podiatry	1	6,700.	1	6,900.
	34	\$ 455,300.	35	\$ 482,100.
DEFICIT		(\$ 90,350.)		(\$ 23,950.)

*Revised downward from original Regent request