

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

February 19, 1985

Tape 62 Side A

The meeting of the Education Subcommittee was called to order by Chairman Gene Donaldson at 7:05 A.M. on Tuesday, February 19, 1985, in Room 104 of the State Capitol.

ROLL CALL: All members were present except Representative Peck, who was excused, and who joined the meeting later on.

Presentations were made by Montana State University and the University of Montana. There was also a presentation and discussion of overall University System issues.

Jack Noble (62:A:035), Office of the Commissioner of Higher Education, discussed the Land Grant Interest and Income issue (EXHIBIT 1). There is approximately \$970,000 per year of land grant income being appropriated to the operating budgets of the University System. Over the years, there has been concern regarding the appropriation of Western Montana College and Eastern Montana College of land grant income that was otherwise pledged. Neither of these schools ran into a default situation on their bond indentures, he said.

In reviewing the land grant income issue, Mr. Schramm, in his memorandum, Exhibit 1, cites several Supreme Court cases in regard to the Regents' power over these funds. Mr. Noble said the pledging of the land grant income has been challenged a number of times going all the way back to the 1930's. Each time the Supreme Court held that the Regents had the right to pledge and that those funds were subject to the Regents' authority. Federal law provides that Western and Eastern receive 50 percent of their land grant income. In the pledging of the schools' revenues, the pledging language speaks to 50 percent of the land grant income at Western being pledged. The language is similar for Eastern. The bond attorneys who wrote those indentures were talking about 50 percent of the total land grant income of the state. That language led to the interpretation that half of the income was available for appropriation, Mr. Noble said.

In the case of Montana State University and the University of Montana, MSU has land grant income from two sources, and

Education Subcommittee
Minutes
February 19, 1985

one section of that is not pledged. The University of Montana's land grant income is not currently pledged, Mr. Noble said.

The Attorney General's opinion makes reference to the fact that the Regents have the authority to expend the funds, and the funds are not subject to the general appropriation authority of the Legislature. Mr. Noble said in regard to Montana State University and the University of Montana, the Commissioner's Office would like to work with the Subcommittee and put those schools' money to good use. This might be one source of funds for use in the acquisition of computer hardware, he said.

Mr. Noble answered questions from the Subcommittee (62:A:121).

The Subcommittee next turned its consideration to a discussion of the budgets of the two major universities.

Dr. Bill Tietz (62:A:159), President, Montana State University (MSU) led off (EXHIBIT 2). The student body and the faculty of MSU are working hard to provide the people of Montana a quality land grant institution. The school is ranked nationally in a number of areas: microbiology, surface and materials physics, history, some aspects of the engineering program, chemistry, paleontology, and agricultural economics. The student body is made up of 83 percent Montanans and 17 percent out-of-state and foreign students. Students come to MSU from every county of the state, and MSU is number one or number two in selection of students in every county but one. Last year the school had approximately 10,800 FTE students. There is a decline in the current year to 10,397. Despite the decline, MSU's headcount level is approximately 11,000 students. The decline is related to demographics, and there have been significant financial shifts in the state over the past several years, he said.

Dr. Tietz said some efforts on the part of MSU have been responsible for the declining enrollment. Requirements in the School of Engineering have been strengthened. Requirements have been increased for admission in the advanced stages of the College of Business. Dr. Tietz pointed out that of the National Merit scholars who chose to stay in the state, 77 percent attended MSU. However, a critical issue is the fact that a sizeable number of these scholars chose to go to schools outside the state. Three out of four of the National Merit scholars chose out-of-state schools, he said.

Dr. Tietz noted that 79 cents on every dollar goes into student-related programs at MSU. A little over 20 cents on the dollar goes into non-student-related functions.

Education Subcommittee
Minutes
February 19, 1985

Dr. Tietz introduced Dr. Stuart Knapp (62:A:361) (Exhibit 2), Vice President, Academic Affairs, who said the key development on MSU's campus this year is a result of a three years' effort to develop a core curriculum. The Board of Regents states that "the primary goal of the Montana University System is to use as effectively as possible the resources available to it in providing high quality and diverse educational opportunities and service to the people of Montana." They go on to say "that students should be provided a base for continued growth after formal education has ended; that educational programs should stimulate critical analysis, clear and effective communication and the creative process; that in addition students should also broaden their cultural horizons by contact with the creative arts, sciences and humanities, and achieve an understanding of the political, social, economic and ethical problems of the contemporary world and the relation of their studies to these problems." These, then, are the goals of a newly approved core curriculum for MSU that will be in place for the 1985 entering freshman class.

Dr. Knapp discussed the Teaching Learning Committee which manages a portion of the University general fund budget that is used to develop innovative methods of teaching. Small grants are given to faculty to develop new courses or to test more effective techniques of teaching. The program has served as the basis for attracting outside funding for MSU in several areas of instruction. The most notable example has been the "Writing Across the Curriculum" program. This program, originally funded by a \$225,000 grant from the Fund for Improvement of Secondary Education, has led to a major change in how English composition is taught and the development of a university-wide Writing Center. It has stimulated the teaching of writing, by specially trained faculty, in disciplines all across the campus.

The University Honors Program serves those students of exceptional academic ability who love to learn, who seek challenge and who wish to contribute richly to the societies in which they will live, Dr. Knapp said.

Dr. Knapp next discussed some highlights from the colleges. In the Department of Theater Arts, the play, "Crimes of the Heart" was chosen to perform at the regional American College Theater Festival competition in Utah. In Agriculture, over \$50,000 in scholarships have been awarded this year to undergraduates. In the College of Business, graduates in the Department of Accounting recorded the nation's highest pass rate on the CPA examination in 1983 and the third highest in 1984. The College of Education has established

Education Subcommittee
Minutes
February 19, 1985

a program that will provide assistance for the improvement of identified weaknesses of College of Education graduates-- a program designed to assure the quality of its graduates.

In Engineering, where the University has seen the most explosive growth in undergraduates, pressure continues for additional facilities and staff. The College of Nursing is experiencing a maximum enrollment and the faculty load is about one and one half times the faculty load in comparable schools. The College of Letters and Science has a distinguished faculty; many members of the faculty have been recognized nationally and regionally for their excellence.

These are but a few of the awards and developments that signify the achievement of excellence by students and faculty at MSU, Dr. Knapp said. The school hopes--and expects--to see much more in the future.

Dr. Tietz next introduced Dr. John Jutila (62:A:581) (Exhibit 2), Vice President for Research, who said MSU has a long tradition of excellence in teaching and public service. In 1982, the National Science Foundation ranked MSU 80th in research and development expenditures among all public universities in the United States. Programs in the biological sciences, physical sciences and engineering area rank in the top 100 nationally.

Dr. Jutila said research and creative activities at MSU have a three-fold purpose: (1) to enhance teaching by attracting high quality faculty; (2) to support economic development of the state and region by applying the results of basic and applied research to solve complex problems and encourage technological innovation; and (3) to describe the physical and cultural heritage of Montana and the region.

Tape 62 Side B would not advance.

Tape 63 Side A

Dr. Jutila said he had hoped to bring a dinosaur egg to show the Subcommittee, but was unable to do so. He did bring with him a stone tool kit which he passed around. He said research on the duckbill dinosaur at the Choteau site has revealed biological and sociological facts that are considered revolutionary about those ancient creatures. Research in historic archaeology has explored mining development at Red Bluff and military history at Fort

Education Subcommittee
Minutes
February 19, 1985

Assiniboine. Members of the MSU faculty have written books on Montana history, specifically "Montana: A History of Two Centuries" by Dr. Roeder (with Dr. Malone); "The Battle for Butte" by Dr. Malone; and "The Montana Frontier" by Dr. Burlingame.

Dr. Jutila next discussed the Cold Regions Research Program which encompasses a world-class glaciology team coordinated by Dr. Bob Brown in Civil Engineering and involving faculty from Engineering, Geology and Meteorology in studies on the physical properties of snow and ice. This program also includes an atmospheric science team specializing in cloud seeding studies to increase precipitation in Montana. This team conducted the first and only successful winter cloud seeding experiment in the United States. A third part of the program consists of work in geotechnical processes that focuses on the effect of cold in construction materials such as concrete and asphalt.

Dr. Jutila discussed the school's research in genetic engineering technology, surface physics, environmental problems related to strip-mining and reclamation, and genetic toxicology. He said over the years MSU scientists in the College of Agriculture have developed a number of varieties of barley, wheat and safflower which are used in the state.

Senator Dorothy Eck (63:A:093), District 40, noted that she is proud of Montana State University.

Dr. Tietz (63:A:101) stated that MSU has a strong commitment to the advancement and development of the native-American community and that the school works closely with the tribal schools. MSU has been awarded a minority biomedical science research grant.

Dr Tietz (63:A:125) next discussed MSU's funding problems. Based on the enrollment calculations for the next biennium which have been presented by the Legislative Fiscal Analyst's office, MSU stands to lose \$3.4 million in the next biennium. In the past, these sharp declines have been protected by the rolling average concept. The current enrollment proposal should be "cushioned" in a number of ways, he said. The first area that would be a offset to this loss is funding of the formula at 100 percent. Montana State University joins enthusiastically with the rest of the units in the system in pressing for full funding, he said. MSU has been behind its peers in the support function. This is a particularly important issue to MSU because the student body is so heavily oriented to the technical areas. The school also has a problem with its library where it has played "catch up", and it has played "keep up" with the computer age. As a result of the dis-counting of the support budget, MSU has had to defer \$271,000-

Education Subcommittee
Minutes
February 19, 1985

worth of faculty requests for books. The computer age has caused a number of problems, not only in the matter of purchases. In the past year the school has expended \$585,000 on the acquisition of hardware for the computer forces on campus. This is a double-edged sword: there is the one-time outlay for the equipment, but maintenance is required at about \$108,000 per year, and there are small hidden costs that arise. Dr. Tietz said a series of computer laboratories is maintained on campus. These are kept open as long as monitors can be found to run them. The limiting factor is the ability to pay student monitors. There is a growing demand, not only for the hardware, but also for the service functions. He said the school estimates that for the next biennium maintenance costs will be approximately \$300,000 per year. If the kind of increase is maintained that the computer consultants have recommended, the school will double its number of computer ports for student access, moving from about 270 ports to 525, he said.

Dr. Tietz next introduced Dr. Dennis Brown (63:A:267) (Exhibit 2), Dean, College of Letters and Science. Dr. Brown discussed the current status of the school's instructional laboratory equipment. He explained that the equipment that the school has a difficult time getting is the basic type of laboratory equipment which is used primarily in freshman and sophomore laboratories: microscopes and ph meters for chemistry labs, for example. At MSU, virtually all students take courses in these laboratories. He said as the core curriculum begins, every MSU student will be required to take four of these laboratory courses.

Dr. Brown said almost every high school or community college in the state can provide its students with more and better basic laboratory equipment that is available to MSU's freshmen and sophomores. Most of the microscopes in biology or microbiology date from the 1950's or earlier. He showed the Subcommittee the type of microscope being used at MSU and said it's the same type of microscope that he used as an undergraduate student 20 years ago. This old equipment, which does not meet the needs of modern laboratory instruction, causes obvious morale problems for both students and faculty, he said.

Dr. Brown said not only are there no computers, lasers, or modern electronics equipment in the physics laboratories, there are not even laboratory manuals still in print which describe experiments that use the equipment that is available to the school in its general physics labs. He said students should be introduced to the way science works and

Education Subcommittee
Minutes
February 19, 1985

the way scientists find things out. He said students should be able to form a hypothesis, do a series of measurements, interpret their data, and then draw their own conclusions. These are normal scientific procedures. Instructional laboratories should reflect this way of doing things. Too many MSU labs are more like demonstrations, he said, where students are passive observers. This problem of the lack of modern equipment is one which must be addressed in the next few years, Dr. Brown said.

Dr. Tietz (63:A:371) said, in summary, the school's request is that the 100 percent level for support be funded, and also that the findings of the peer analysis be accepted, and that the appropriate upward adjustments be made in the support area.

Dr. Tietz discussed three other issues relative to the "cushioning" of the funding at MSU. The first issue he discussed was the reconstruction of the physical plant budget that was reduced by about \$249,500 in 1984. He said there had been a relatively mild winter. There was a discount in the instruction area of 3 percent and a discount in the support area of 5 percent and enrollment that exceeded the estimates on which the funding was based. In an effort to satisfy the needs of the instructional program, the school made the shift of funds, and because the physical plant budget is derived as an incremental budget, that amount was dropped out of the current level recommendation for the forthcoming biennium. He requested that the \$249,500 be replaced in the physical plant budget as a current level expenditure.

Dr. Tietz discussed fixed and social costs. As budgets were increased during the expansion period, the schools were sometimes blessed by requirements from the state and federal governments to provide services, or monitoring, of various campus functions that required significant outlays of resources. These costs were for such things as the need to satisfy the requirements of Title 9 for women's athletics, affirmative action, search costs, handicapped renovation, animal care, radiation safety, chemical safety, and handicapped program services. These costs are sizeable; they are left behind as enrollment declines. He said that as enrollment declines, these kinds of costs should be taken into account and the schools should be compensated.

Finally, Dr. Tietz discussed the critical area adjustment. In 1981, critical areas were identified on each campus and money was appropriated: for Montana State University

Education Subcommittee
Minutes
February 19, 1985

\$315,000 for 1982 and \$342,000 for 1983. At that time, increments were provided for salaries and benefits. As far as MSU can determine, in the 1984 - 1985 biennium, the \$342,000 remained constant; no salaries and no benefits were provided (by this amount). The amount "hangs out", and since it has already been incorporated into the base salaries of all MSU faculty members, it should be put into the base where it can be calculated appropriately as far as increases and benefits are concerned, he said.

Dr. Tietz said MSU has tried to attract as competent and as specialized a faculty as possible. The school attracts young teachers of high potential and often has a difficult time retaining them. Salaries and the problems of salaries are not local issues, he said. These people are not hired from within the institution at MSU, nor are they found easily within the state or the region. He said MSU is competing in a national market.

To address the issue of faculty salaries further, Dr. Tietz introduced Bede Mitchell (63:A:512) (Exhibit 2), Chairman, Faculty Council, who said much of the good news that the Subcommittee has been hearing is directly attributable to the efforts of MSU's faculty. An important component in recruiting of faculty is offering competitive salaries. This is an area where there is some danger of losing the competitive edge, he said. According to the Chronicle of Higher Education, faculty salaries rose an average of 7.3 percent nationwide in 1984. At the same time, faculty salaries at MSU were budgeted for an increase of 3.5 percent. This is a major reason for the loss of faculty members to other schools or to private industry.

Dr. Tietz introduced Michelle Wing (63:A:649) (Exhibit 2), Associated Students, who discussed the Honors Program. The objective of the Honors Program is to initiate a group which will have intense student/faculty interaction and also establish student ties with different colleges.

Tape 63 side B would not advance.

Tape 64 Side A

Ms. Wing said MSU's library lacks resources. She also discussed the inadequate laboratory equipment at the school. She noted that MSU professors have allowed use of their personal books because those books are not available through the library. Ms. Wing said the students at MSU have the opportunity to receive an excellent educational background and career training. The quality of the faculty, facilities and other resources is high. Further funding of equipment needs, improvement of the library and of faculty salaries is necessary, she said.

Education Subcommittee
Minutes
February 19, 1985

Dr. Tietz introduced Bruce Scrafford (64:A:072), a student, who recently scored in the 99.6 percentile on the law SAT test. Mr. Scrafford commented on the positive aspects of attending MSU. He discussed the Career Internship Program which places students in professional environments, allowing the students the opportunity to determine if this is the profession where he or she wants to be. He said the faculty/student relationship at MSU is excellent and mutually supportive.

Mr. Scrafford introduced Diane Hill (64:A:124) (Exhibit 2), President, Associated Students, who said MSU is committed to helping students develop academically and personally. MSU students excel in and out of the classroom, she said.

Dr. Tietz (64:A:196) noted that MSU is developing strong ties with the private sector, and the school has been able to develop systems for transferring technology and new ideas from the institution to commercial enterprises.

Dr. Tietz introduced Paul Schmechel (64:A:215), President, Montana Power Company. Mr. Schmechel noted that he was appearing as an individual in support of adequate funding for the programs of Montana State University. He said Montana does not have enough jobs for all the young people in the state, and these young people, as they move out into the job market, must have a suitable educational background. The state owes them that educational opportunity, he said. The job situation in the state has changed in many ways; there is a subtle shift to high technology. He discussed a number on in-state, high technology companies, all of which employ a high percentage of MSU graduates. He said the technological transfer, from university to private industry, works and will continue to work, but the schools must have adequate funding.

Dr. Tietz (64:A:318) returned to discussion of the "cushioning effect" and urged funding of the formula at 100 percent. He said the support costs should be adjusted and reiterated concern regarding compensation for the fixed and social costs. MSU is concerned regarding the need for reconstitution of the physical plant budget, and the critical area adjustment should be folded into the base salaries at the institution, he said. Finally, he requested that every effort be made to prevent the salary decay that is occurring and getting worse.

Following the MSU presentation, the Subcommittee recessed 15 minutes.

Representative Bob Ellerd, District 77, was unable to attend the hearing, but sent a message that he is in support of MSU's budget requests.

Education Subcommittee
Minutes
February 19, 1985

Dr. Neil Bucklew (64:A:399) (EXHIBIT 3), President, University of Montana (UM), led off that school's presentation. He introduced members of the school's administration: Don Hobby, Academic Vice President; Mike Easton, Vice President, University Relations; and Glen Williams, Vice President, Fiscal Affairs. Dr. Bucklew also introduced the following representatives from constituent groups: David Bilderback, Chairman, Faculty Senate; Peter Koehn, President, University Teachers Union; Juanita Triplett, President, Staff Senate; and Phoebe Patterson, President, Associated Students. He also introduced Monte Koch and Mark Blewett, both student lobbyists for UM. Dr. Bucklew introduced the following students: Bill Mercer, winner of the 1984 Truman Scholarship and Glenn Campbell, winner of the 1983 Truman Scholarship. He mentioned three more students who were not present: Katie Richards, the 22nd Rhoades Scholar from UM; Brian Solonen, an outstanding student-athlete, winner of the highest NCAA post-graduate scholarship that is given; and Beth Redland, winner of the Sears Congressional Internship in the field of journalism.

Dr. Bucklew discussed excellence and a public university. It's difficult to obtain, especially when finances are tight. Recently, an independent assessment of the University was made by a higher education consulting firm. This study included the following comment: "The University of Montana has a long record of accomplishment. It fulfills a distinctive role throughout Montana and has a claim to national academic distinction and excellence." UM's tradition of excellence displays itself in several ways, Dr. Bucklew said. It displays itself in its students and their individual achievements and in its faculty and their achievements.

Dr. Bucklew said the school is a state resource. UM has the responsibility to provide quality instruction. The Continuing Education Program handled major conferences in a wide range of fields throughout the state. Through the Cooperative Education Program, interns were placed in many areas of the state, providing learning opportunities for students as well as opportunities for businesses to become familiar with students and faculty.

The Montana Writing Project held special workshops in the public schools. Through Science Outreach, a program that deals in forestry, chemistry, communication science and disorders, work was done with the public schools throughout the state, Dr. Bucklew said. He discussed the Mont Clerk Program of the School of Law. This is a program wherein

Education Subcommittee
Minutes
February 19, 1985

internships or special services are extended throughout the state to assist attorneys, law firms, judges and others who need special consulting advice and interrelationship with the School of Law.

Dr. Bucklew discussed the Business School Outreach Program. The faculty works with businesses in the state in the areas of taxation, small business services, real estate seminars, and other programs. Dr. Bucklew discussed the Montana Repertory Theater and Magic Movers of the Fine Arts Program which provides theater, entertainment and fine arts to the entire state. The various performing groups of the University's Music, Arts and Drama/Dance Program also carry entertainment to all the people of the state.

Dr. Bucklew said the reform of the General Education Program at the University is the most important development that has occurred in the last four years. It's an effort that reflects the commitment of the faculty to the return of a disciplined, undergraduate General Education Program, he said. There has been strong, active involvement of students. General Education is the common core curriculum required of all students, whatever their majors. He said there is a core experience that should give definition to what a baccalaureate degree means.

Dr. Bucklew introduced David Bilderback (64:A:645), who discussed the General Education Program further.

Tape 64 Side B

Dr. Bilderback said the General Education Program enables all students to graduate with a common educational experience. He said the people of the state should be proud of UM for being leaders in the area of curriculum reform.

Dr. Bucklew (64:B:042) noted that both faculty and students are supportive of the General Education Program.

Dr. Bucklew said UM has established a formal planning and decision-making process on campus. He said a great deal of what the school does in the future will come from its own ability to make changes and to reallocate energy and resources as required.

It's clear that people graduating from college in this era are going to have to function in an international scene which is different and demanding, Dr. Bucklew said. UM has made a commitment to extend its international activities and is focusing on the Pacific Rim, which is

Education Subcommittee
Minutes
February 19, 1985

particularly relevant to Montana, he said. UM has entered into a sister-university relationship with Sophia University of Tokyo. Sophia University offers a program in business where English is the medium of instruction, which means that the faculty and students of UM are able to be involved in a Japanese experience with English as the basic language. The Mansfield Center is moving forward at a pleasing pace, Dr. Bucklew said.

Dr. Bucklew said faculty members who are active in producing new ideas are among the best teachers. Active interest of the faculty in research and creative activity is encouraged, not only for the research and its results, but because the faculty members will be stimulated to be fresh in their fields and more vital in their efforts. He noted that positive consideration of increasing the indirect costs that are retained on campus will result directly in enhanced support on campus and in stimulation of research efforts.

Dr. Bucklew introduced Phoebe Patterson (64:B:168), who said she is a non-traditional student. A non-traditional student is not synonymous with an atypical student, she said. Approximately 37 percent of the undergraduates on campus are over the age of 26 or have been out of college or student life for more than four years. There are still healthy traditional organizations on campus, but at the same time there is also family housing. Athletics and other forms of campus recreation continue to be popular, but there is also a student day-care center, which has a waiting list. Ms. Patterson said she is 31 years old, but in the past three years she has not yet attended a class session in which she was the oldest student in the room. Student life is definitely changing, she said.

Dr. Bucklew (64:B:209) said its system of higher education represents the state of Montana. It is a working, successful system which has made major efforts to avoid unnecessary duplication. It has provided leadership roles for its different institutions, and even though it has been tightly funded, it has been able to excel, he said.

Dr. Bucklew next discussed the state's fiscal situation. The University understands and acknowledges the current fiscal situation in the state of Montana. The University System is a good investment and it is a place for priority, even in the tightest of budget times, he said. The University System's contributions are critical to the future of the state and to the opportunities that education represents. Not only should it be the task of the University System to talk about the expenditure side, the revenue side must also be considered. He said the state's

Education Subcommittee
Minutes
February 19, 1985

long term viability requires an investment, not only in higher education, but in higher education for the state and what it can mean for the state's economic well-being.

Dr. Bucklew introduced David Owen (64:B:325) (EXHIBIT 4), Executive Vice President, Missoula Chamber of Commerce. The Missoula Chamber of Commerce is supportive of UM in its funding requests, he said. The Chamber's support for University funding is partially based on the acknowledgment that the University is a major factor in the local economy. The presence of UM is beneficial to the region's economic development efforts, he said. The Missoula business community demonstrates its support for UM by contributing money beyond their tax dollars to various programs, and today adds its voice of support for funding the University of Montana, a key partner in Missoula's future.

Dr. Bucklew (64:B:423) said in these tight budget times it is important to preserve the base operations of the institutions. Full funding of the formula is not too high a goal for the state of Montana, he said. There are several enrollment alternatives being considered. Dr. Bucklew strongly endorsed the recommendation of the Board of Regents. The units of the University System are personnel based institutions. A great majority of their funds are locked up in human beings. Time to adjust to enrollment drops is essential, he said. The tuition fee increases are large, and students have been asked to take on a major new responsibility. It would be a great shame if the result of those increases is not used to enhance the higher education programs, but in fact becomes a way to relieve the General Fund pressures of other state agencies. This would be unconscionable, Dr. Bucklew said.

Dr. Bucklew introduced Peter Koehn (64:B:532) (EXHIBIT 5), who said a university's faculty is the key to the quality of its academic programs. Competitive salaries are essential to UM's ability to attract and retain qualified faculty, and to maintain its tradition of excellence. Nationally, UM faculty salaries still fall in the lowest twentieth percentile category for comparable institutions. The quality of higher education is at issue throughout the country, and the University of Montana has worked hard to improve its General Education Program. To realize these goals, equitable and competitive salaries are of utmost importance, he said.

Dr. Bucklew introduced Juanita Triplett (64:B:660), who discussed staff development at UM. She said vacancy

Education Subcommittee
Minutes
February 19, 1985

savings causes situations where the work still has to be done, but the responsibility for doing it falls on other staff members, who are already busy.

Tape 65 Side A

This sometimes results in less than quality work, Ms. Triplett said. UM has been supportive of staff development. Initiative and personalized career development have been encouraged. She urged full funding of the formula.

Dr. Bucklew (65:A:037) closed this portion of UM's presentation by reading a "Note to the Legislature", which was included in the last institutional accreditation report of the Northwest Association of Schools and Colleges:

"The University of Montana is a fine institution. This is true in general, but especially so when one considers the resource base which supports it. It is honored outside the borders of the state as well as within. The team is impressed with the high quality of many of the University's programs and with the dedication of its faculty and staff. The resources allocated to the University are low compared to other state universities. Salaries are unrealistically low, and many supporting services are under-supported. A fine university contributes to the economic and general development of the state. It is an expression of confidence in its own future. Additional support for the University would be a solid, wise investment."

After a short break, the modified requests of the University of Montana were presented to the Subcommittee (EXHIBIT 6).

Dr. Bucklew (64:A:108) discussed the first request, which deals with new space. UM's request differs in dollars from the Legislative Fiscal Analyst's recommendation and needs to be discussed in greater detail during the coming work sessions, he said.

The second modification deals with an issue which was introduced at the last session, Dr. Bucklew said. This is Legal Education Development. UM is proud of the major curriculum change that has been implemented by the Law School. It has been recognized nationally and is a development which should pay great dividends to the state.

Dr. Bucklew introduced Jack Mudd (64:A:134) (EXHIBIT 7), Dean, School of Law. Dr. Mudd used a slide demonstration with his presentation. Ninety-five percent of the students in

Education Subcommittee
Minutes
February 19, 1985

the Law School are Montana residents; 90 percent of the students stay in Montana after graduating from law school. Presently, the Law School educates only half of the lawyers who are coming into the state. UM's Law School is one of the five smallest law schools in the United States, he said.

Dr. Mudd said the form of American legal education, which is being used at UM, and which virtually every law school in the country uses, was designed in the nineteenth century. It has created problems:

- (1) The old form of legal education placed heavy emphasis on detailed study of legal technicalities rather than on solving client problems. It was rule oriented and centered rather than client centered.
- (2) The old form of legal education emphasizes almost exclusively litigation and lawsuits as the way to solve disputes.
- (3) Legal education has historically been carried out in very large classes with very few teachers. This has induced some schools to increase their enrollments significantly, which has in turn created a situation that we have today: too many lawyers in our society.

Dr. Mudd said over the last five years UM's Law School has made significant progress in moving out of this narrow rule-oriented mold and tried to encourage graduates to use the whole range of competencies which a practicing lawyer needs. The program can only go so far, however, because of the way that legal education has always been staffed in this country (Exhibit 7). Law professors have to teach three to four times as many students in large classes as other graduate programs. Historically, that's how law schools function, although it isn't three to four times easier to train a judge or lawyer.

Dr. Mudd said the Legal Education Development Program was presented to the Legislature at the last session. The Law School was told then that there wasn't enough money to fund the program, but they were also told that if tuition was raised it could be kept. He said tuition for law school students was increased significantly. The program modification request will get the Law School into the twentieth century. Dr. Mudd said he is sure the amount being requested, \$274,000, is not a possibility for this session, but he asked that the Law School and the students

Education Subcommittee
Minutes
February 19, 1985

who are paying the increased tuition be sent a message that says they are being heard. It's important to make a start and anything would help, he said.

Dr. Bucklew introduced Jack Stanford (65:A:271), Director, Yellow Bay Biological Station (EXHIBIT 8), who discussed the modification which requests assistance with the Yellow Bay program. The Biological Station, located at Yellow Bay on Flathead Lake, was established in 1896 to provide a pristine field setting for study of the natural sciences. The Biological Station needs increases of scientific, administrative and and clerical support along with some new equipment.

Dr. Stanford said the Biological Station has a summer program which brings students to the station to do field-oriented courses. Numerous short courses are also offered which are of assistance to agency needs in the area. In the research area, major scientific advancements have been made in the field of aquatic biology, he said. The station coordinates many of the monitoring activities that occur in the Flathead Basin for the different agencies that are involved in management and research in the area. The station is a clearinghouse for information on water-related problems in the Flathead, he said.

Dr. Stanford said all of these activities have an important impact on the state. Flathead Lake, often called the Crown Jewel of Montana, is beginning to deteriorate, according to research being done by the station. The facility is a state-of-the-art unit, and a sound economic investment, he said.

Dr. Stanford answered questions from the Subcommittee (6t:A:370).

Dr. Bucklew (65:A:422) discussed the next modification: Replacement of the Central Computer Mainframe. The mainframe computer currently in use at UM is eight years old. The school has a DEC 2060 and a DEC 2020 that together represent about 85 percent of the computer capacity of the campus. The system is inadequate for UM's current uses. Digital Equipment Corporation is going to stop production of the 20 Series and they will maintain them for a maximum of five additional years. UM has no choice but to replace its mainframe computer. A number of alternatives are being looked at by the school: another DEC computer, the VAX 8600, and also Stanford University is involved in the production of a new DEC-like computer. Whichever way it goes, the price tag is in the vicinity of \$1 million, he said.

Education Subcommittee
Minutes
February 19, 1985

Dr. Bucklew answered questions from the Subcommittee regarding UM's need for computer mainframe equipment (65:A:498).

Dr. Bucklew discussed UM's final modified request: the Master of Business Administration Program in Billings (65:A:540). A presentation regarding this request will be made by Eastern Montana College. The request has been before the Legislature before; this is the third time around. Dr. Bucklew said this is the last time UM will bring the proposal before the Legislature. The need for the program is there. It would utilize the joint resources of Eastern Montana College, UM and MSU. There is no duplication in the program, and there is a clearly established need. He said at some stage, the Billings area and Eastern Montana College need to know if the program is going to be available.

Bruce Carpenter (65:A:620), President, Eastern Montana College, was introduced by Dr. Bucklew. Dr. Carpenter said additional testimony on the MBA for Billings will be provided at the next day's hearing. This program would bring a fully accredited MBA program to an existing population of older, working students who cannot take the time to leave their jobs to spend a year or more studying at UM. Start-up costs are being requested so this program can be made available in the Billings area.

Representative Bob Ream (65:A:651), District 54, said if there are going to be budget cuts, and it does look like most state agencies do face budget cuts, the place that cuts can least be afforded is in the area of faculty salaries. The Montana schools lose faculty members to other states because those states offer better salaries, he said. The state cannot afford to erode the quality of its teachers, Representative Ream said.

Tape 65 Side B

Mark Blewett, lobbyist, Associated Students, UM, said he realizes the Legislature faces some difficult decisions regarding the budget. However, education affects the human resources of the state, and any decisions made now will have impact in the future, he said.

The modified requests of MSU were presented to the Subcommittee.

Dr. Tietz (65:B:012) discussed MSU's modified requests (Exhibit 2). He said MSU's requests fall into two categories: the first category supports program modifications

Education Subcommittee
Minutes
February 19, 1985

as put forward by the Commissioner's Office and which represent MSU's component of the system-wide modifications, and the second category consists of requests which pertain specifically to the MSU campus.

The first of the system modifications discussed by Dr. Tietz (65:B:025) was the Full Return of Indirect Cost Monies to the campus. Indirect costs are incurred in the process of developing and administering research contracts and to some extent the other types of contracts and grants that are maintained on the campus. Indirect costs are costs themselves; they are not revenues. He said those costs should be reimbursed. One of the programs which is an example of the kind of productivity that is developed as a result of the indirect costs is the MONTTS program (Montanans on a New Track For Science). Some years ago the National Science Foundation developed a program that would help states that had not previously been competitive nationally in the sciences in the area of gaining contract and grant support. It provided those states with the opportunity to develop plans with the private sector and the University System to enhance the research capacity of the state. The MONTTS program has achieved a degree of success that has been recognized nationally, he said.

Gary Strobel (65:B:056), Professor, Plant Pathology, MSU, discussed the MONTTS program and indirect cost monies. He said 25 years ago MSU was pleased when it was able to hire members of its own faculty, and that hiring people from other states was virtually impossible. This situation has changed dramatically because there are billions of dollars available from federal and private sources and also from foundations and international sources for research activities for people who have creative and innovative ideas. MONTTS has found and fostered and promoted the creative activities of people in the state. Out of every dollar that is acquired from one of these sources, 40 cents is dedicated to indirect costs. About six cents has been returned to the University for promoting and enhancing additional activities. The University System is asking to get 40 cents back so that there can be even more activities and so that it can be even more competitive, he said.

A question and answer session followed between member of the Subcommittee, Dr. Strobel and Dr. Tietz (65:B:120).

The second system-based modified discussed was the Hazardous Waste Disposal Modification. Dr. Tietz (65:B:170) said MSU has had its difficulties with hazardous wastes. Dr. John Jutila (65:B:183) discussed the request further.

Education Subcommittee
Minutes
February 19, 1985

He noted that all units of the Montana University System will have to comply with rules and regulations of the Environmental Protection Agency regarding the processing, storing and disposing of chemicals and other hazardous materials. The units must develop a management plan in regard to these materials, he said.

Dr. Tietz (65:B:229) stated that MSU endorses the MBA program in Billings and noted that MSU will contribute faculty and faculty resources to that program.

Dr. Tietz (65:B:237) next discussed MSU's request for new space. He said the new Plant Science facility bids have been received, and that construction will begin soon. MSU agrees with the Legislative Fiscal Analyst's position in this matter. MSU requests that whatever funding levels are adopted be included in the verbiage of the appropriations bill so they appear in the base of MSU for inclusion in the 1987 biennium.

Dr. Tietz introduced Noreen Aldridge (65:B:259), Dean, Library Services, who discussed the Health Sciences Information Network request. Dr. Aldridge said in 1979 a group of Montana citizens asked for MSU's assistance in providing back-up service for library resources for communities, clinics and hospitals that were without library services. In response to that request, MSU applied for a federal grant which was granted in 1981. The program provides a toll free number which physicians and others providing health care can use when information is needed. She also discussed the Honors Program and said she personally has enjoyed working with the program. She said there is a real need for full formula funding of the University System.

Dr. Tietz (65:B:339) discussed MSU's need for additional computer services (Exhibit 2). At the time that the program modification was developed (in May) there was one view of the school's computer system, and now a different view has been taken. This is the result of a series of consultants and consultant activities on the campus to help guide the school through a complex time. There are growing needs for computer graphics and word processing, he said. The consultants recommended that for a campus the size of MSU computer access capability should be doubled on campus with the addition of about 250 ports. There are about 275 at present, he said. That portion of the computer access can be handled by use of a computer fee. There is concern, however, about the institutional aspects of computer usage. Because of the limitations of software and the phasing out of the production of a particular type of computer (MSU's mainframe), it's necessary to think in terms of the future and transferring the administrative responsibilities and the general institutional functions away from

Education Subcommittee
Minutes
February 19, 1985

that computer, which is outdated. The software for it is simply not available, he said.

Dr. Tietz said MSU should begin the process of transferring the load from that computer to an alternate series of computers. MSU is requesting \$1,062,000 over the biennium to begin this phasing out of the current computer mainframe to a series of more adaptable computers, particularly those (computers) that will be geared to the software of the future.

Hardware is talked about a lot, Dr. Tietz said, but in reality the computer science business is going to be heavily dependent on the nature of the software that is available in the future. This is an area where MSU has been caught in a dead-end with the existing computer system, because the software emphasis has shifted to a new generation of computers. It is to this shift that MSU wishes to respond, he said. He said MSU would be happy to work with a system of phasing in.

Dr. Tietz answered questions from the Subcommittee (65:B:394).

Dr. Jutila (65:B:422) discussed the Engineering Experiment Station and the Water Resources Center. The program modification for the Engineering Experiment Station calls for an investment of \$1,067,000 for the biennium. This will fund additional faculty members, graduate students and technical staff to support the project. Other states, both in and out of the region, are supporting engineering research projects of this type, he said. This investment is reasonable, even in this time of financial crunch. The program focuses on public works engineering, power and communications systems engineering, and energy systems and materials engineering, he said.

Dr. Jutila (65:B:575) next discussed the Water Resources Research Center request. This request is for \$120,000 for the biennium which would support a necessary water research program. The \$120,000 is a match for federal funds, he said.

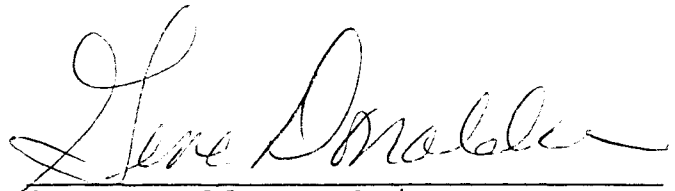
Dr. Jutila answered questions from the Subcommittee (65:B:613).

Representative Francis Bardanouve, Chairman, Appropriations Committee, who had joined the meeting, said that unless a major source of new revenue is found, it will take every dollar the state has now to maintain the basic budget without any modifications. Unless we believe in Santa Claus, the modifications are dead--unless they are incorporated within the budget and something else is left out.

Education Subcommittee
Minutes
February 19, 1985

Dr. Tietz said that it is time for the state to take a hard look at the revenue picture and revenue sources. He said we've been working on past history, and a tough look at the future is appropriate.

ADJOURN: The meeting adjourned at 11:55 A.M.


Gene Donaldson, Chairman

DAILY ROLL CALL

EDUCATION SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 19, 1985

NAME	PRESENT	ABSENT	EXCUSED
Rep. Gene Donaldson, Chair	X		
Sen. Judy Jacobson, Vice	X		
Sen. Jack Haffey	X		
Sen. Swede Hammond	X		
Rep. Bill Hand	X		
Rep. Jack Moore	X		
Rep. Ray Peck	X		

VISITORS' REGISTER

EducationSub

COMMITTEE

BILL NO. _____

DATE Feb. 19, 1975

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Clyde CARROLL	MSU	✓	
W. Bede Mitchell	MSU	✓	
Jack Noble	Helen	✓	
Howen Aldredge	MSU	✓	
Hennis Brown	MSU	✓	
Frank Knapp	MSU	✓	
Judy Strobel	MSU	✓	
Donna Wagner	MSU	✓	
James R. Welsh	MSU	✓	
Ferry Cypher	WMC	✓	
Dwight E. Dayton	Commissioner of Higher Ed	✓	
Don Fox	Emc	✓	
Bill Byars	WMC	✓	
Quin Pickett	MSU	✓	
Ken Vonn	MSU	✓	
Bern Shively	MSU	✓	
Howard Peavy	MSU	✓	
Shula Stearns	U of M	✓	
JARED HERNANDEZ	UBollings	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION SUB.

COMMITTEE

BILL NO. _____

DATE Feb. 19, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Steve Bennyhoff	Com of Higher Ed.	✓	
Sam Paulson	EMC	✓	
Denny Williams	Helena C.H.E.	✓	
Keith Nelson	Bozeman, Mt	✓	
Elaine Kintenberg	Bozeman, Mt	✓	
MARLENE MAZURANICH	✓	✓	
STEPHEN S HENRY	UM, MISSOULA	✓	
John Mudd	UM Missoula	✓	
Marilyn J Wood	MSU Bozeman	✓	
Paul Schmuckel	Butte	✓	
Allen Parvitt	WMC Dillon	✓	
Lic Burt	MT. Tech. Butte	✓	
Bill Morrison	BOARD OF REGENTS	✓	
Ed Thomas	WMC	✓	
Bob Ream - Rep.	H.D. 54 Missoula	✓	
Boule Scafford	Helena	✓	
Scott A. Jourdonnais	UM	✓	
Don Hable	"	✓	
Kenneth Stolz	U of M	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

COMMITTEE

BILL NO. _____

DATE Feb. 19, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
RAY MURRAY	U of M	✓	
Sean Wilcox	U of M	✓	
W. Michael EASTON	U of M	✓	
Neil Bucklew	U of M	✓	
Bruce A Carpenter	EMC	✓	
Ken Heikes	✓	✓	
George Smith	MSU	✓	
Donaty Cole	MSU	✓	
Bill Moore	MSU	✓	
DAVID BILDERBACK	U of M	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



THE MONTANA UNIVERSITY SYSTEM

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

EXHIBIT 1
2-19-85

COMMISSIONER OF HIGHER EDUCATION

OFFICE OF LEGAL COUNSEL

TO: Jack Noble, Deputy Commissioner
for Management and Fiscal Affairs

FROM: LeRoy H. Schramm
Chief Legal Counsel *LRH*

DATE: February 13, 1985

RE: The Legal Status of University System Land Grant
Interest and Income

The university system's land grant income derives from federal land given to the state by congress in the state Enabling Act of 1889.¹ Portions of the land grant interest and income have been pledged to secure and pay off university revenue bonds from almost day one of statehood. In fact, many of the original campus buildings owe their existence to this income source. The state Supreme Court has time and time again ruled that such funds may lawfully be pledged.² The only judicial restriction placed on such pledges was that only the interest and income, and not the principal of the fund itself, could be pledged.³ Short of dipping into the principal, the Regents clearly have the right to pledge all of the land grant interest and income. When an objection was made in 1933 that the Regents' predecessor, the Board of Education, had exceeded its authority by pledging all of the Eastern Montana State Normal School's (now Eastern Montana College) land grant income to build the first Billings campus buildings the Supreme Court upheld the Board's pledge.⁴ Then two years later when a

1/ 25 Stat. 676. The grants were used to create endowed trust funds for a state university (Sec. 14), a school of mines (Sec. 15), state normal schools (Sec. 15) and an agricultural college (Secs. 16 & 17).

2/ State ex. rel. Dildine v. Collins, 21 Mont. 448, 53 P. 114 (1898); State ex. rel. Koch v. Barret, 26 Mont. 62 (1901); State ex. rel. Blume v. State Bd. of Educ., 97 Mont. 371, 34 P.2d 515 (1934); State ex. rel. Wilson v. State Bd. of Educ., 102 Mont. 165, 56 P.2d 1079 (1936); and State ex. rel. Dragstadt v. State Bd. of Educ., 103 Mont. 336, 62 P.2d 330 (1936). The pledging of land grant income was not the major issue in each case, but such pledges are noted with approval in each decision.

3/ State ex. rel. Haire v. Rice, 33 Mont. 365 (1906).

4/ Blume supra., 97 Mont. 371.

February 13, 1985

Page 2

similar objection was made to the pledge of the university's land grant income to build a journalism building in Missoula the Court referred back to the Eastern decision. They said:

The reason the whole income of the normal grant was not included lay in the fact that there are two normal schools in Montana [Western and Eastern], and it was recognized that each one of them was entitled to half of the income from that fund, so that the net result was that all of such funds payable to the Billings normal were pledged. . . .⁵

Subsequent bond issues have continued to pledge the full amount of the interest and income from some of the land grant trusts and many university revenue bond issues are secured by such a pledge.⁶

In the state Enabling Act the land grant interest and income is designated for higher education. By virtue of Art. X, Sec. 10 of the state constitution the funds are "inviolable and sacred to the purpose for which they are dedicated." Any attempt by the legislature to reappropriate such funds carries the potential to violate both of the above restrictions, derogates the Regents' general powers over the system, and overturns patterns of authority recognized consistently in this state since at least 1901. In that year the state Supreme Court forcefully established that the Board of Education acting through the State Agricultural College (now Montana State University) had complete authority to expend land grant income for any purpose consistent with the Enabling Act and the constitution (the relevant clauses of which were similar to present language). The Court said:

We think . . . the legislature, in defining the powers and duties of the board of education, with a view of following the spirit and intention of the Act of congress creating the trust, intended that this

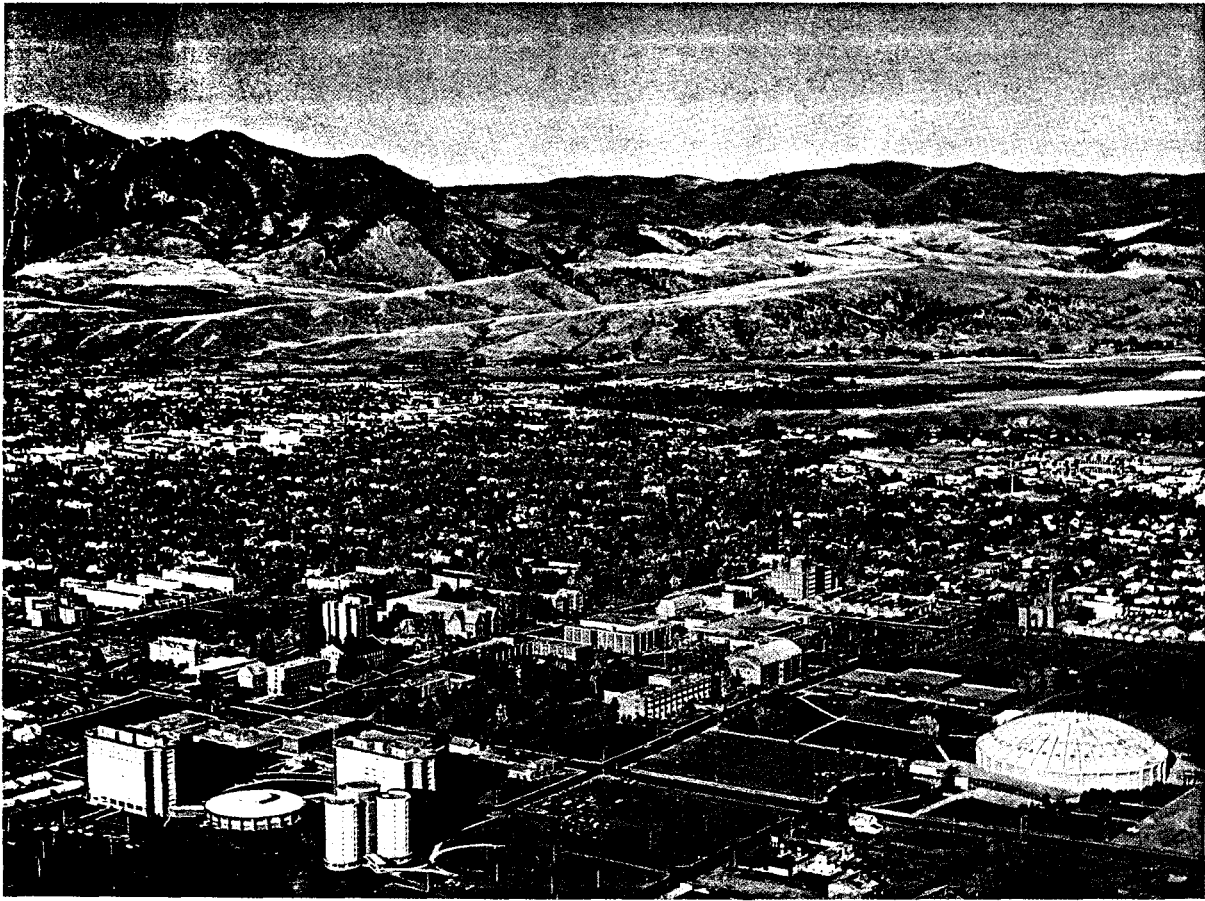
^{5/} Wilson, supra., 102 Mont. 165, 175.

^{6/} The pledges of normal school land grant interest and income were made, not only under the general authority of the Board, but under a specific statute authorizing such pledges (20-25-255, MCA). The present statute is not a model of clarity but the predecessor section (75-1006 RCM) was crystal clear in allowing 100% of the normal land grant interest and income to be pledged. The statute was amended in the giant educational recodification bill of 1971 (Chap. 2, Laws of 1971). During consideration of this huge bill, which in a week was passed unanimously without any amendments, the committees were assured no substantive changes were intended (see Minutes, Senate Education Committee, Meeting on S.B. 1 and S.B. 2, Jan. 5, 1971).

board should be clothed with the special and exclusive power of executing it free for the limitations and restrictions of the constitution as to the expenditure of the ordinary revenues of the state. It may be that a different rule would apply to expenditure of any monies appropriated by the legislature out of the revenues of the state to supplement the revenues derived from the trust fund thus left to the control of the board.⁷

Last September the Attorney General in a formal opinion rendered at the request of the Legislative Fiscal Analyst upheld the Regents' right to expend pledged university revenues in a manner chosen by the Regents (40 Attorney General's Opinion #40 (1984)). The request for the opinion specifically raised the issue of land grant interest and income. The Attorney General cited Blume (the case growing out of EMC's original pledge of 100% of its land grant income, cited above) for the proposition that "the State Board of Education was vested with the exclusive power to receive and control the funds derived from land grants." A.G. Opinion, p.5.

^{7/} Koch, supra., 26 Mont. 62, 69.



MONTANA STATE UNIVERSITY



BOZEMAN, MONTANA 59717

UNIVERSITY OF MONTANA
HEARING OUTLINE
EDUCATION SUBCOMMITTEE
February 19, 1985

- I. INTRODUCTIONS
- II. THE UNIVERSITY AND ITS TRADITIONS
 - A) Excellence and A Public University
 - B) A State Resource
- III. RECENT CAMPUS DEVELOPMENTS
 - A) General Education -- David Bilderback, Chair, Faculty Senate
 - B) Planning
 - C) International Developments
 - D) Research and Creative Activity
 - E) Changing Nature of the Student Body -- Phoebe Patterson, President,
ASUM
- IV. ISSUES FOR THE 1985-87 BIENNIUM
 - A) System of Higher Education
 - B) State Fiscal Situation
 - C) Economic Development -- David Owen, Executive Vice President,
Missoula Chamber of Commerce
 - D) General Funding
 - E) Faculty Compensation -- Peter Koehn, President, UTU
 - F) Staff Development -- Juanita Triplett, President, Staff Senate
- V. PROGRAM MODIFICATIONS
 - A) New Space
 - B) Legal Education Development -- Jack Mudd, Dean, Law School
 - C) Yellow Bay Biological Station -- Jack Stanford, Director
 - D) Replacement of Central Mainframe Computer
 - E) Master of Business Administration in Billings -- Bruce Carpenter,
President, EMC
- VI. CONCLUSION



POSITION STATEMENT ON UNIVERSITY FUNDING
February 1985

The Missoula Chamber supports the University of Montana in their funding request to the 1985 Legislative Session. This position is based on several observations;

Local Economy - The Chamber's support for University funding is partially based on the acknowledgement that the University is a major factor in the local economy. The Chamber is always concerned about maintaining a stable employment base for Missoula's economy.

Economic Development - The presence of the University of Montana in Western Montana is beneficial to the region's economic development efforts. The University supplies many critical elements to Western Montana business environment, including educated man power, continuing educational opportunities, supplemental research, and enhancement of the quality of life.

Positive Image with Business Community - One very important factor in the Chamber's support for the University is telling the legislature that the Missoula business community has the highest opinion of the University. The University has consistently provided key resources and leadership for facing the challenges encountered by business and the community at large.

Basic Function of State Government - Montana faces many challenges in the future. The University system provides a resource base and a testing grounds to develop the ability for Montana to face these challenges with excellence. It has been said many times that Montana's key resource is its people. If Montana is to make optimum use of this resource it will need to use the best methods of refining and marketing that resource. The University system and the University of Montana represent that method. The Missoula business community views the University system as a basic function of state government and a key function that should be placed high on our priorities.

The Missoula business community demonstrates its support for the University by contributing money beyond their tax dollars to various programs and today adds its voice of support for funding the University of Montana. The University is a key partner in our future, our brightest hope is keeping this partner strong and able.



My comments before the Subcommittee today focus on the issue of faculty salary increases.

The faculty of any university are the key to the quality of its academic programs. Competitive salaries are essential to UM's ability to attract and retain qualified faculty, and to maintain our tradition of excellence. According to the Mortimer Report, sponsored by the National Institute of Education, college faculty have lost 20 per cent of their purchasing power over the past 15 years. The report adds that the deteriorating salary structure is making it increasingly difficult to recruit and retain the most qualified faculty, and, as a result, the academic profession is losing some of its best people to other professions.

The following comparisons show that faculty salaries at the U of M have once again fallen substantially behind those of our regional and national peers. These are the most current figures available:

	<u>UM as % of Regional Peers 1984-85</u>	<u>UM as % of National Peers (AAUP) 1983-84¹</u>
Full Professor	89.7	76.9
Assoc. Professor	91.9	85.5
Asst. Professor	93.7	89.3
Instructor	90.0	N.A.

¹Academe, July-August 1984.

Nationally, University of Montana faculty salaries still fall in the lowest twentieth percentile category for comparable institutions. Regionally, the data indicate that those faculty who choose to stay at the U of M can look forward to falling further and further behind their colleagues at peer institutions as they are rewarded by promotion into higher ranks.

There is another way that many of us at the University of Montana compare our salaries. Let me just give you two illustrations drawn from the leadership of the UTU. There is a foreign language professor who has taught for 10 years at the U of M. Across all 33 school districts we surveyed, including some of the largest like Missoula and some Class C schools like Turner, this professor would be making an average of \$1,982 (the range is \$423 to \$4,453) more per year as a high school teacher than he is currently earning at the University of Montana.

We also have a senior education professor who has taught 16 years at UM. Before coming to UM he taught at Glendive, Wolf Point, and Turner. If he were teaching at Dawson County High School in Glendive today, he would be making \$1,090 more than he makes at UM. If he were teaching at the Wolf Point Public School, he would be making \$2,299 more. If he were teaching at the Turner Public School, a small Class C school, he would be making \$1,084 more.

In addition, we are all aware that the last session of the Montana State Legislature did not fund the state pay plan at a level that kept pace with inflation. According to estimates released by the experts cited by the Governor of this state, the cost of living will rise at a rate of 5.8% and 6.3% over the next biennium. The UTU would like to bring recommendation #26 of the Mortimer Report to the Subcommittee's attention. The recommendation is that "State legislatures . . . should reverse the decline in faculty purchasing power by increasing faculty salaries at a rate greater than inflation." Governor John Evans of the neighboring state of Idaho recognized this in his recent recommendation for a nearly 15% increase in university funding, including faculty salaries. (Chronicle of Higher Education, 6 Feb. 1985, p. 12)

I would also like to emphasize the importance of full funding for summer session teaching. We hope that this Subcommittee will see the wisdom of rectifying the situation where faculty are paid only two-thirds of a standard quarter's pay for the same amount of teaching during summer session. Full, equitable funding is necessary in order to retain and attract high quality faculty to teach in the summer. This will enable the state to build excellence into its summer school programs, a particularly important consideration given that many of our summer students are the very math and science public school teachers whose qualifications we have become increasingly concerned about. We urge the Subcommittee to support full funding of faculty salaries for summer session teaching, and we hope that one of the positive contributions of this session of the legislature to education in the state of Montana will be full funding of faculty summer session salaries. The amount of money this would cost the state is relatively small, and its positive impact on academic programs and faculty morale, particularly among younger faculty, would be relatively great.

Finally, we would like to stress the importance of 100% formula funding in the instruction and support areas. Those of us who work in the classroom are concerned that the quality of higher education we are offering to young adults in this state simply cannot be equal to that being provided at our neighboring peer institutions when we must operate year after year at less than 100% of the formula. We believe that a formula is only a formula when it is fully adhered to, and would like to remind the Subcommittee that faculty cooperated in the move to use formula funding for the University System with the understanding that the legislature would honor a commitment to support the state's higher education institutions at 100% of the peer average.

In conclusion, the faculty at the University of Montana are deeply concerned about the issue of equitable salaries. At present, the quality of higher education is at issue throughout the country, and the University of Montana has worked hard to improve its general education program. To realize these goals, equitable and competitive salaries are of utmost importance.

Prog Meds
2-19-85
Exhibit #6

University of Montana Legislative Report



December 1984

Section II—Program Modifications— 1985-87 Biennium

Summary

A. University of Montana Requests

1. New Space	\$ 29,730
2. MBA in Billings (joint proposal with EMC and MSU)	482,013
3. Legal Education Development	274,000
4. Yellow Bay Biological Station	225,200
5. Replacement of Mainframe Computer	1,000,000

B. Montana Forest and Conservation Experiment Station \$431,610

C. Montana University System Requests

1. Full Formula Funding	\$6,300,648
2. 100% Indirect Cost Recovery	3,200,000
3. Writing Across the Curriculum	315,859
4. Hazardous Materials Program	300,200

II. Program Modifications 1985-87 Biennium

A. University of Montana Requests

The following University of Montana requests were approved by the Board of Regents and will be submitted for legislative consideration:

1. New Space

The new Center for the Performing Arts and Radio/Television will be completed and ready for occupancy by the beginning of the Winter Quarter 1985. The 1983 Legislature provided base funding for eleven months of this facility. We are requesting a base increase for the remaining month of operation.

Cost Detail	1985-86	1986-87	Total
Personal Services	\$ 4,684	\$ 4,684	\$ 9,368
Operations	8,795	8,795	17,590
Capital	1,386	1,386	2,772
	\$14,865	\$14,865	\$29,730

2. Master of Business Administration Program in Billings

The Role and Scope document adopted by the Board of Regents charges the University of Montana to "move to develop an MBA or combined MBA/MPA program in Billings, coordinating with and using resources from Eastern Montana College and Montana State University as appropriate. The degree would be conferred only by the University of Montana."

For the past several years, there have been strong indicators that many individuals in the Billings area have needed such a program but, because of their employment status, could only participate in the program if it were offered in the Billings area. Recent surveys and interviews with prospective students in the Billings area have confirmed that the need for an MBA exists. However, the program cannot be started without additional funding.

Graduate programs are normally low student-faculty ratio programs, particularly in the start-up years. Accreditation requirements also mandate low student-faculty ratios. Timing considerations further complicate the issue. If the Billings MBA were started in the Fall of 1985, it would be 1987 before adequate funds to operate the program could be generated. Consequently, program modification funds to cover start-up costs are necessary throughout the next biennium.

The Billings MBA is an excellent example of University System cooperation to deliver needed programs while avoiding duplication. The faculties of the University of Montana, Montana State University and Eastern Montana College will provide the instruction. Funds to enhance the library at Eastern Montana College are also being requested.

Cost Detail	1985-86	1986-87	Total
Personal Services	\$171,907	\$171,907	\$343,814
Operations	32,634	34,665	67,299
Capital	<u>61,700</u>	<u>9,200</u>	<u>70,900</u>
	\$266,241	\$215,772	\$482,013

3. Legal Education Development

The School of Law has recently initiated an innovative revision of its curriculum, adopting a comprehensive model of legal education that moves beyond traditional legal theory and rules of law, toward a systematic investigation of the role of law and the lawyer in society. The curriculum includes an intensive clinical experience that enhances students' abilities to practice law. The program provides, as well, structured development of students' personal attributes and interpersonal skills. The program has received national recognition.

This extensive program development project was undertaken with the help of a \$240,000 federal grant and participation of more than 500 Montana lawyers and judges. Although the school has made major strides in implementing its new curriculum, it has reached the limits of change because of staffing constraints of the past. Legal education has historically been staffed as an undergraduate program, which has confined it to a purely academic experience rather than a graduate program for a professional person trained to help solve human problems.

The 1983 Legislature authorized the Law School to keep some of the special fees paid by law students to help the School move toward a graduate level of staffing. No new state appropriations were added at that time. This modification request will finally take this innovative legal education program to a level of staffing comparable with other graduate programs and provide the clinical instruction so vital to the legal education experience.

Cost Detail	1985-86	1986-87	Total
Personal Services	\$67,150	\$197,150	\$264,300
Operations	850	4,850	5,700
Capital	<u>4,000</u>	<u>-0-</u>	<u>4,000</u>
	\$72,000	\$202,000	\$274,000

4. Yellow Bay Biological Station—Expansion of Research and Service

The maintenance of water quality of our freshwater lakes and streams is a key element in the economic development of Montana and in the well-being of its citizens. Tourism and its related activities rely in large part on the quality of our lakes and streams. Since the turn of this century the University of Montana has operated the Biological Station at Yellow Bay on Flathead Lake dedicated to freshwater research.

The purpose of this program modification is to provide funds for expanding this facility's research and service operations so that it may become the finest freshwater research facility in the region. The necessary funds to accomplish this objective would in part be met by this program modification

by supplying one-third of the director's salary, a portion of an administrative assistant's salary and the addition of an accountant and secretary. Operation expenses needed for the increase in the Laboratory's work are primarily centered in supplies and communications. Three specialized instruments are also needed to bring the Laboratory to a state-of-the-art capability. It is anticipated that the combination of funds requested in this program modification will allow the Yellow Bay Biological Laboratory to enhance its capability to solve many of the chemical and biological problems that endanger our water resources.

Cost Detail	1985-86	1986-87	Total
Personal Services	\$ 81,600	\$ 81,600	\$163,200
Operations	16,000	16,000	32,000
Capital	15,000	15,000	30,000
	<u>\$112,600</u>	<u>\$112,600</u>	<u>\$225,200</u>

5. Replacement of Central Mainframe Computer

The University proposes to acquire a mainframe computer system, and some associated hardware and software, to replace its present DECsystem-20s and to provide needed additional capacity.

In May, 1983, Digital Equipment Corporation (DEC) announced the discontinuance of its DECsystem-20s for about five years from the date of their announcement. This support period is sufficient to allow an orderly transition to new equipment only if the replacement process is begun quickly. Because the campus depends heavily upon the DECsystem-20s for computing and text processing support, it is crucial that new equipment be acquired as quickly as possible.

The capacity of the present computing facility to handle new applications is severely limited. An eight-year-old DECsystem-2060 mainframe computer and two small DECsystem-2020 computers presently provide about 85 percent of campus computing capacity. Those systems cannot be expanded beyond their present limits, and they have no remaining capacity with which to address new demands, except during the period between about 1:00 a.m. and 8:00 a.m. Demand for computing resources continues to increase at a rate of about 25 percent annually, however, and use of the central computers for text processing activities has increased at an even greater rate. The recent purchase of a VAX-11/185 super-minicomputer has helped to provide additional capacity for instructional needs, but most computer activities cannot be transferred readily from the DECsystem-20s to that system. In view of DEC's discontinuance of the DECsystem-20s, no major upgrade announcements for those computers are expected, nor would a major expansion of discontinued, aging equipment be a wise decision.

Since DEC's announcement, the University has studied potential replacements. Alternatives under consideration include DEC's recently announced VAX-8600, a newly developed computer soon to be manufactured under license from Stanford University (which reportedly is totally compatible with the DECsystem-20s), and several established computers from other

manufacturers. The cost of each of these alternatives, including mainframe, ancillary hardware, and required software, is approximately equal.

Cost Detail	1985-86	1986-87	Total
Capital	\$1,000,000	-0-	\$1,000,000

B. Montana Forest and Conservation Experiment Station—Mission Oriented Research Program

The Mission Oriented Research Program at the Montana Forest and Conservation Experiment Station that was initiated by the 1981 Legislature is now fully operational. A building to serve as the nerve center at Lubrecht Experimental Forest is built and is in use.

This request modifies the base program provided by the 1981 Legislature and continued by the 1983 Legislature. It has been developed based on the recommendations of the Forestry Subcommittee of the Science and Technology Council that was established in the 1983 session.

This program modification increases the scientific and technical staffing of the Station to meet in a conservative way the needs established by the Forestry Subcommittee. Specifically, 2.5 FTE scientists and 5.0 technicians are requested. The first year includes the purchase of harvesting and processing equipment. The need to transfer information is acknowledged and planned for. There are no added administrative costs.

Cost Detail	1985-86	1986-87	Total
Personal Services	\$170,635	\$189,779	\$360,414
Operations	12,348	13,848	26,196
Capital	<u>36,000</u>	<u>9,000</u>	<u>45,000</u>
	\$218,983	\$212,627	\$431,610

C. Montana University System Requests

1. Full Formula Funding

Since 1981, the Montana Legislature has used a complex formula based upon a series of peer institution comparisons to fund the major components of the budget for each unit of the Montana University System. Several points are to be noted about the current formula and the critical necessity for full-funding of the formula by the Legislature during this session.

The present formula is hypersensitive in that it reacts immediately to short-term fluctuations in student enrollment. Each academic program has been assigned a productivity factor at the lower division, upper division and graduate level. If student enrollments shift internally toward high productivity programs, data may show fewer fundable students even though the total student population may have increased. In a period of enrollment stability or slight decline, reduced funding of base instructional and support areas of the budget can have a deleterious effect on the continued quality of programs offered by the institution.

To complicate the issue further, the past two Legislatures have chosen not to fund the formula at 100% of the average of our peer institutions, but have reduced funding for instruction and support by 3 to 5% for each year of the biennium. This erosion of the resource base for programs of the institutions has had a serious impact on the quality and consistency of those programs.

It is crucial that the formula be funded during this session at **100% of the average of our peer institutions**. Being able to maintain a resource base at the average level of our peers will allow us to make good on our promise to produce better than average results through our ongoing efforts. The Regents have made this request their highest priority.

Cost Detail	1985-86	1986-87	Total
Full Formula Funding	\$3,146,346	\$3,154,302	\$6,300,648

2. **Modify Indirect Cost Formula Recovery to the Institution from 15% to 100%**

The formula budget study, **Final Report—College and University Funding Study**, which was completed in March, 1982, by the Legislative Finance Committee, contained the following recommendation regarding indirect cost reimbursements:

“A portion of indirect cost reimbursements should not be applied toward funding formula generated budgets. The Committee recommends 15 percent be disregarded until the question can be studied further and a clear rationale for disregard determined.”

The Legislature adopted the funding study and 85% of the current estimates of indirect costs are offset against general fund resources in the enrollment-driven formula budget. The remaining 15% of indirect cost resources is retained by the institution.

Support for research expenditures through indirect cost returns bears no relation to student enrollment and should not be constrained by an enrollment-driven formula. Recovery of 100% of indirect costs would bring us closer to the norm for many of our peer institutions.

In a time when Montana is critically assessing its research and development potential to become competitive economically with other states, the low level of indirect cost recovery is a distinct disability. Support for 100% indirect cost recovery by the institution would, on the other hand, provide those crucial resources which would allow research efforts to flourish within the University System.

Cost Detail	1985-86	1986-87	Total
100% Recovery of indirect cost formula	\$1,600,000	\$1,600,000	\$3,200,000

3. Writing-Across-the-Curriculum Project

While preparing for careers, all students need to understand and practice the ways of thinking and writing that professionals use in various fields. English faculties cannot possibly master all of the styles and formats required by other specialties. It must be the responsibility of every department to make sure that its graduates know how to communicate with other professionals and with the general public.

Before the campuses of the University System can make changes in curriculum and methods of instruction for a broader emphasis on writing as a tool for thinking and communicating, the faculty members need additional training.

All six units of the system will cooperate in providing workshops and seminars to train approximately 365 faculty members from all academic disciplines to teach writing as an integral part of their course instruction.

Cost Detail	1985-86	1986-87	Total
Personal Services and Operations	\$157,398	\$158,461	\$315,859

4. Hazardous Materials Program

Each of the units of the system must deal with the maintenance and disposal of chemical and biological agents that are considered toxic substances or hazardous wastes. These materials are subject to considerable regulation under the Federal Resource Conservation and Recovery Act and state occupational health and safety laws. The system presently has a hazardous waste task force that is attempting to coordinate activities in the area of hazardous materials and to facilitate communication between the units and with other governmental agencies. The regulatory scheme imposes significant costs in order to achieve compliance.

Cost Detail	1985-86	1986-87	Total
Personal Services	\$ 77,450	\$77,450	\$154,900
Operations	28,800	21,100	49,900
Capital	<u>95,400</u>	<u>-0-</u>	<u>95,400</u>
	\$201,650	\$98,550	\$300,200

Faculty Productivity Rates for
Graduate Divisions
Montana University System

Discipline	Credit Hours
Biological Sciences	200
Fine and Applied Arts	200
Foreign Language	200
Mathematics	200
Physical Sciences	200
Social Sciences	200
Communications	300
Computer & Info. Services	300
Engineering	300
Health Professions	
Other	300
Nursing	300
Home Economics	300
Letters	300
Military Science	300
Interdisciplinary	300
Technologies	300
Agriculture & Natural Resources	400
Architecture & Environ. Design	400
Business and Management	400
Education	400
Library Science	400
Psychology	400
Public Affairs & Services	500
Law	800

*Source: Final Report, College and University Funding Study, Montana
Legislative Finance Committee, January 1982.

SUMMARY OF BIOLOGICAL STATION FUNDING REQUEST

The University of Montana Biological Station (UMBS), located at Yellow Bay on Flathead Lake, was established in 1896 to provide a pristine field setting for study of the natural sciences. In recent years the Biological Station has expanded into a year-round research facility, in large part due to the construction of a modern freshwater laboratory funded by a gift from a private foundation.

The UMBS is now a first class teaching and research facility in the field of fresh water biology. The Leland Schoonover Freshwater Laboratory is the best of its kind in the Northwest and has produced world-class research of benefit to the Flathead Basin as well as to the whole state of Montana. The big need now is for the scientific personnel to operate the facility at capacity to complete existing projects and to attract grant income into the state.

Specifically, UMBS needs increases of scientific, administrative, and clerical support along with some new equipment - a research microscope - to sustain and improve the already high quality of its services and research. The request breaks down as follows:

	<u>FY 85-86</u>	<u>FY 86-87</u>	<u>Biennium</u>
Scientist, administration, clerical and graduate students	112,600	112,600	225,200
Equipment	74,000	-0-	<u>74,000</u>
Total	299,200		

Biological Station Activities

Education: UMBS conducts an 8-week academic session for 50-80 students each summer. Graduate students conduct research year-round at the Station.

Research: 1) Private and federal grants and contracts have allowed UMBS to contribute major scientific advancements in limnology (aquatic biology) and related fields as well as provide research data for resource management agencies to help develop policies that will protect the valuable water resources of the Flathead Basin.

2) UMBS monitors water quality in the Flathead Basin under an interagency agreement coordinated by the Flathead Basin Commission.

3) Research results are used by federal, state and local agencies. In the last 5 years UMBS has done cooperative research for: USFS, EPA, Park Service, USGS, Office of Water Research & Technology, Federal Highway Administration, Dept. of Fish, Wildlife & Parks, Dept. of State Lands, Dept. of Health & Environmental Sciences, Dept. of Natural Resources & Conservation, Flathead Co., Lake Co., and Montana Power Company as well as private concerns.

Community Service: Research results are presented to local government and civic organizations to promote understanding of pollution and its effects on the ecology of the Flathead Basin. UMBS houses a fire truck and provides volunteer fire protection for the community.

Economic Importance of the Biological Station and its Activities to Montana

1. The Flathead Basin Environmental Impact Study placed a value of \$107 million annually on Flathead Lake from recreation and preservation values. The study concluded the public would suffer a \$97 million loss if Flathead waters were degraded beyond acceptable water quality standards. UMBS's work provides the knowledge required in making wise decisions concerning management of this unique and important resource for the people of Montana.

2. UMBS land and facilities are valued at over \$50 million, 90% of which was obtained without state funding.

3. In the last biennium UMBS generated more than \$85,000 to be returned to the state general fund in the form of overhead on its many grants and contracts.

4. For every \$1 of state support (lights, heat, salaries), UMBS generates \$3 from other sources: grants and contracts.

5. There are currently 16 employees at UMBS - only 4.5 are paid from state funds.

We who live in the Flathead Valley are proud of the UMB Station, and we think that the University budget request is reasonable and modest when we think of the return that we can expect from our investment.

For more information, write or call
Friends of UMBS at Yellow Bay, Inc.
Box 126, Polson, MT 59860
Telephone No. 883-5871