

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

February 23, 1985

Tape 72 Side A

The meeting of the Education Subcommittee was called to order by Chairman Gene Donaldson at 9:30 A.M. on Saturday, February 23, 1985, in Room 331 of the State Capitol.

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

The purpose of the meeting was EXECUTIVE ACTION on the University System Budget.

Pam Joehler (72:A:022), Legislative Fiscal Analyst's office, discussed EXHIBIT 1, a tuition survey of the peers.

A discussion of the survey followed between the Subcommittee members and Ms. Joehler (72:A:057).

The 100 percent funding of the instruction area was discussed by the Subcommittee and Ms. Joehler (72:A:081).

Representative Moore (72:A:103) made a motion that the University System be funded at 100 percent for instruction for both years. The motion passed unanimously.

The issue of support funding was discussed (72:A:110).

Chairman Donaldson noted that there are alternatives: 100 percent funding can be reached in steps, 97 percent in 1986 and 100 percent in 1987; or 100 percent can be approved for both years of the coming biennium. He said going to 97 percent in 1986 will cost \$739,000 for the first year and going to 100 percent for 1987 will cost \$1.8 million. Going 100 percent for both years will cost about \$1.8 million for each year, he said.

Senator Jacobson (72:A:127) moved that the University System be funded at 100 percent for both years for support.

There was discussion of the motion.

Representative Moore (72:A:158) made a substitute motion that the University System be funded at 97 percent for 1986 and 100 percent for 1987 in the support area.

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There was further discussion of both motions.

Ms. Joehler said going to 100 percent for both years will require an increase in funds from the General Fund of approximately 3.9 percent over the present biennium.

Representative Moore said in this tight budget time he feels that going to 97 percent and then to 100 percent is the appropriate approach. Senator Jacobson said she shares Representative Moore's budget concerns, but eventually it will be necessary to look at all of these budgets again. She said each budget should be funded at a "need" level, and there are some trade-off's. The enrollments have been set low, and maybe they have been under-estimated, but this severely cuts all the units' budgets. Enrollments have been set as realistically as possible. Now it's time to fund the formula fully, realizing that it will cost \$1.1 million more, she said.

Representative Moore said in the second year of the biennium the formula will be at 100 percent. Chairman Donaldson said he concurs with Senator Jacobson in this matter. For years, attempts to reach 100 percent have been made, and in line with the policy of addressing needs, 100 percent funding of the formula should be attempted.

Following a short break, discussion of the motion and the substitute motion continued (72:A:254).

Ms. Joehler said going to 100 percent funding in 1986 will cause a General Fund increase of 2.8 percent over 1985 and a decrease in 1987 of 1.1 percent.

Following further discussion, Representative Moore withdrew the substitute motion.

The motion that the University System be funded at 100 percent for support in both years of the 1987 biennium passed unanimously (72:A:282).

Representative Moore (72:A:312) moved that the concept be accepted that the critical area adjustment is part of the base figures for the University System. The motion passed unanimously.

The Subcommittee next turned its attention to a proposal from Montana Tech regarding the school's transition request for the coming biennium (EXHIBIT 2).

Dr. Roy Turley (72:A:337), Montana Tech, discussed this request. The school asks that it be allowed to carry 11

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FTE more than the 1,843 FYFTE enrollment would generate under the formula for 1986. This means the school will drop 7 FTE in 1986 and 11 FTE in 1987. The cost of this is \$374,550. The instructional support cost is \$78,532, for a total of \$453,112. There will be a proportionate reduction for other programs on campus. Dr. Turley said the school would also like to have language included in the appropriations bill which will permit a carry-over of some of the funds to 1987.

Representative Moore (72:A:402) moved that \$453,112 be budgeted for Montana Tech for 1986 and that language be included which would allow carry-over of these funds into 1987.

Representative Peck said he has reservations in terms of the support costs. Dr. Turley said if the faculty is available, money must be budgeted in terms of operating expenses for the departments. This support relates only to the instruction area, he said. Ms. Joehler said in order to provide the carry-over of the funds into 1987, this should be line-itemed in the instructions in the bill.

Representative Moore added this provision to the motion.

The motion that \$453,112 be budgeted for Montana Tech for transition funding for 1986, and that a line item allowing carry-over of some of the funds to 1987 be part of the appropriations bill, passed 6 - 1 with Representative Peck dissenting (72:A:443).

Senator Jacobson (72:A:451) moved that the land grant money be replaced by General Fund. The motion passed unanimously.

The Subcommittee discussed revenue sources (72:A:464) (EXHIBIT 3).

Ms. Joehler (72:A:479) said at the end of the last legislative session the University of Montana appeared before the Education Subcommittee and offered a proposal to increase the existing special law fee and to institute a pharmacy fee for the purpose of providing special programs at UM. This was approved by the Subcommittee, and there was language written into the General Appropriations Act that said these fees could not be used to offset the current unrestricted operating account. The problem is that when the estimates of these additional fees were submitted by UM, the old law fees of \$58,000 per year were included by UM. UM requested that the money be moved out of the current unrestricted operating account and be placed in the designated fund, which was where the new fees would be placed. The problem with this, she explained, is that there is no corresponding reduction on the expenditure side.

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Ms. Joehler said the LFA's position in this matter is that there is no problem adding revenue and/or expenditures of \$117,000 both years, however if \$174,000 for both years is added, the new fees generate only about \$117,000 of revenue, and the difference from the old fees would be missing (from the budget). General Fund would be impacted, Ms. Joehler said.

Dr. Neil Bucklew (72:A:530), President, UM, commented on this issue. The old special law fee is currently \$258 per year for each law school student. It was implemented to allow the Law School to provide special services. When the formula was adopted, the old fee got lost. When this was discussed previously with the Subcommittee, he said what the school actually wanted to do was re-incorporate the old fee into the Law School's program. The Subcommittee felt no General Fund support could be provided, but authorization for earmarking those funds was approved. UM felt it was given permission to use the old fee and the two new fees, have them in the designated accounts, and they would not be just substituted money from the General Fund.

Dr. Bucklew said what UM would like to do now is what they thought had been accomplished last time. The school wants the old fee earmarked and designated for Law School usage.

A question and answer session followed between Dr. Bucklew, Sib Clack, Office of the Budget and Program Planning, Jack Noble, Office of the Commissioner of Higher Education, and members of the Subcommittee (72:A:588).

Dr. Bucklew said if those funds are not specifically earmarked for Law School usage, they will be used elsewhere. Mr. Noble said the Law School charge is indirectly supporting other programs on the campus. Surcharge tuitions should be identified with those areas where students are paying higher tuition or fees, he said.

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Representative Moore (73:A:012) moved that the special fees be readjusted in accordance with the request of the University of Montana, and that \$58,000 per year of General Fund for the Law School be provided. The motion passed unanimously. (This is not a modified.)

Ms. Joehler (73:A:032) said in reviewing revenue estimates for Montana State University, she found that MSU was moving fees that had been deposited in the current unrestricted operating account into a designated fund. The amount involved is \$50,000 per year.

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Mr. Noble said that there has always been a transcript fee, which is the cost paid by a student who needs official transcripts. Former students were blanket-ordering transcripts, and the fee that was being charged was inadequate in terms of the amount of resources required to cover this cost. The transcript fee was raised to \$2 per transcript. However, if a fee like this one is raised (for example, from \$1 to \$2), and the money is left in the current unrestricted account, as the revenue is put in, General Fund, which is used to support the other cost areas of the program, is cut back. For every dollar raised, General Fund dollars are dropped back. In order to avoid this situation, the transcript fee was moved out of the designated fund, he said.

Discussion of the transcript fee issue continued between Ms. Joehler, Ms. Clack, Mr. Noble, Dr. Tietz, President, MSU, Mr. Nopper, MSU, and members of the Subcommittee (73:A:085).

Dr. Tietz (73:A:178) noted that this is part of the problem that MSU tried to develop in its budget presentation, which is the fact that there are certain fixed costs that are changing. The key point is the change. There was a support rate that was calculated on a particular level of activity of a whole series of offices in the institution. When one function gets out of proportion with the others, then some sort of compensation seems appropriate. He said it became a trend for ex-students to ask for 10, 20 or 30 transcripts. There was no way to meet this new trend, but it was one situation where the school thought it would be able to recover some of the cost.

Discussion of the transcript fee issue continued (73:A:207).

Representative Moore suggested that the issue be worked out by the interested parties.

Ms. Joehler introduced one last issue (73:A:255). Western Montana College has requested that formula amounts between support and instruction be adjusted at WMC, she said.

There was further explanation of the request by Dr. Thomas, President, WMC, and Mr. Leavitt, WMC.

Senator Haffey (73:A:286) moved that in FY 86 \$399,859 and in FY 87 \$400,787 be moved from instruction to support for WMC, per the request of the institution. The motion passed unanimously.

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ADJOURN: There being no further business, the meeting  
adjourned at 10:30 A.M.



Gene Donaldson, Chairman

DAILY ROLL CALL

EDUCATION SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 23, 1985

[illegible]

HOUSE Education Sub COMMITTEE

DATE February 23, 1985

SPONSOR

FORM CS-33



EXHIBIT 1  
2-23-85UNIVERSITIES  
RESIDENT UNDERGRADUATE TUITION SURVEY

Fiscal Years 1979 Through 1985

<u>STATE/INSTITUTION</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
Northern Arizona University	\$500	\$600	\$650	\$ 710	\$ 850	\$ 950
University of Idaho	\$474	\$490	\$701	\$ 816	\$ 816	\$ 970
Idaho State University	\$460	\$470	\$680	\$ 805	\$ 811	\$1,011
University of Nevada - Reno	\$690	\$720	\$840	\$ 930	\$1,080	\$1,080
University of Nevada - Las Vegas	\$720	\$720	\$840	\$ 930	\$1,080	\$1,080
University of New Mexico	\$624	\$664	\$721	\$ 757	\$ 775	\$ 816
New Mexico State University	\$630	\$708	\$745	\$ 798	\$ 798	\$ 870
Utah State University	\$651	\$702	\$780	\$ 852	\$ 918	\$1,002
University of Wyoming	\$434	\$592	\$592	\$ 616	\$ 616	\$ 716
University of North Dakota	\$645	\$645	\$764	\$ 804	\$1,020	\$1,080
North Dakota State	\$622	\$633	\$732	\$ 732	\$ 948	\$1,008
University of South Dakota	\$704	\$712	\$912	\$1,056	\$1,250	\$1,244
South Dakota State University	\$739	\$775	\$995	\$1,139	\$1,131	\$1,244
Peer Group Average	\$607	\$648	\$765	\$ 841	\$ 930	\$1,005
Montana - MSU, U of M	\$600	\$604	\$710	\$ 782	\$ 850	\$ 910
Percent of Montana to Peers	99%	93%	93%	92%	91%	91%

Sources:

- 1) Tuition and Fees in Public Higher Education in the West - Western Interstate Commissioner for Higher Education - 1983-84
- 2) The Chronicle of Higher Education, August 29, 1984, Vol. 29, No. 1



REVENUE SOURCES BY UNIT FOR 1987 BIENNIUM

REVENUE SOURCES	MSU	UM	EMC	NMC	WMC	MCMST	Total
<b>-Fiscal 1986-</b>							
General Fund							
Tuition/Fees	\$10,161,649	\$8,459,211	\$2,914,671	\$1,358,582	\$739,450	\$1,823,819	\$25,457,382
Millage	\$5,537,505	\$4,261,776	\$1,822,470	\$841,140	\$448,608	\$1,107,501	\$14,019,000
Land Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Costs	\$935,000	\$400,000	\$85,000	\$20,000	\$14,000	\$150,000	\$1,604,000
Other	\$255,000	\$100,000	\$40,000	\$5,000	\$2,000	\$248,520	\$650,520
Total	\$16,889,154	\$13,220,987	\$4,862,141	\$2,224,722	\$1,204,058	\$3,329,840	\$41,730,902
<b>-Fiscal 1987-</b>							
General Fund							
Tuition/Fees	\$10,825,767	\$9,029,732	\$3,169,611	\$1,490,867	\$805,854	\$1,963,474	\$27,285,305
Millage	\$5,589,645	\$4,301,904	\$1,839,630	\$849,060	\$452,832	\$1,117,929	\$14,151,000
Land Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Costs	\$935,000	\$400,000	\$85,000	\$20,000	\$14,000	\$150,000	\$1,604,000
Other	\$255,000	\$100,000	\$40,000	\$5,000	\$2,000	\$260,446	\$662,446
Total	\$17,605,412	\$13,831,636	\$5,134,241	\$2,364,927	\$1,274,686	\$3,491,849	\$43,702,751
Biennium	\$34,494,566	\$27,052,623	\$9,996,382	\$4,589,649	\$2,478,744	\$6,821,689	\$85,433,653