

MINUTES OF THE MEETING
EDUCATION SUBCOMMITTEE
50TH LEGISLATURE

January 29, 1987

The meeting of the Education Subcommittee was called to order by Chairman Dennis Nathe at 8:00 a.m. on Thursday, January 29, 1987 in the Scott Hart Auditorium in the Department of Justice building.

ROLL CALL: All members were present. Also present was Dori Nielson of the Legislative Fiscal Analyst office, Sib Clack of the Office of Budget and Program Planning, and Deb Thompson, Secretary.

UNIVERSITY SYSTEM

Sib Clack presented the executive budget (Exhibit A, AA, Page S-65). She highlighted the incremental and the formula budgets. She reviewed the four major areas of funding, tuition and fees, millage revenue, indirect cost recovery, and general fund. Issues to consider will be buildings constructed from non-state revenue, retention of cost savings, hazardous waste disposal, and a reexamination of the funding formula. (Exhibit B)

Dori Nielson distributed information for the subcommittee action on the six units of the University System (Exhibit 1). The program differences between the executive and current level were reviewed (Exhibit 2).

Dennis Lind (305), chairman of the Board of Regents, commented on the situation in the university system. He said structure and financing problems needed to be addressed. Due to the reductions, a large exodus of students and faculty are leaving Montana. He mentioned mediocre education, inability to achieve course credits in order to graduate, and low on quality staff as reasons for this exodus. The universities cannot attract educators because of the salary difference. He outlined briefly the regent's actions and the result. In order to maintain quality, the regents adopted admission standards that will go into effect in 1990. Non-duplicated programs were reviewed as well as reducing programs to be cost effective. The athletic cost, semester system, and a two year system-wide general study program, had been considered. The cooperative extension service and the agricultural experiment station are to merge. A 10 percent reduction in general fund support for athletics was mandated including the elimination of football at Western Montana College. Dennis Lind stated that these

items had not been enough to meet either the executive or the LFA budget and a major financial crisis would be faced. The president's were required to submit contingency plans to meet the crisis. The role and scope in programs of the units are being considered, not just across the board cuts.

Admission standards were discussed. (2-B) Representative Peck asked about the impact on enrollment. Senator Hammond was concerned that the admission standards would keep late bloomers out of school.

The duplication of programs was discussed. Dennis Lind said that programs would be eliminated due to the ongoing cuts. The programs cannot continue even at HB500 levels. Representative Peck asked whether the semester system was being researched. (209) Dennis Lind replied that the semester system would be the least costly for the students. He said there are some cost savings in the long term. Representative Peck questioned the transfer of credits between units. Senator Jergeson pointed out that the semester system may have some cost savings but it may reduce access by students.

Bea McCarthy, member of the Board of Regents, (292) reemphasized that the budget cuts had hurt the students. She said that 600 classes had been cancelled, including teacher and staff layoff. Students can't graduate because of needing certain courses. The library and physical plant were barebones and any addition cuts would result in entire programs being eliminated. She pointed out that 54 percent of the university system graduates stay in Montana for their taxpaying years.

Representative Peck complimented the regents for making some difficult decisions, and asked if they had completed the decision making or were more decisions to be made. Senator Jergeson also applauded the difficult decisions made by the regents but was concerned that only the small units had program decisions made, and that the contingency plans were not comparable.

Senator Jacobson discussed the WICHE and WAMI programs. She mentioned that students educated in Montana did not always return. She said there were not always jobs to return for.

COMMISSIONER OF HIGHER EDUCATION

Commissioner Krause discussed the formula budget issue and that the legislature not use the budgeting formula. He pointed out that there would be continued costs of phasing out programs and that they did not want to drive the budget from enrollment. He said that Montana Tech may have a major accreditation problem with their budget. He requested

serious consideration for budget flexibility. This was necessary considering the faculty contractual obligations. Fee waivers were a significant drain on the revenue source. He pointed out that out-of-state students come in to take advantage of the fee waivers. (Exhibit 3, 4)

Jack Noble (2-A-207) discussed faculty salary (Exhibit 5). Professor Townsend from University of Montana read a joint statement from the board of regents and the teachers union relative to faculty salaries. He said that the highest priority in the regents budget request was to provide about \$5.5 million dollars for a salary catchup. The request is based on the average faculty salary of the peer institutions.

Professor Burk (306) said an agreement for a joint budget request had been worked out with the regents. The request is for funding to bring the salary up to average. He pointed out that limited funding has resulted in a loss of junior faculty.

President Tietz (368) discussed the high faculty participation, the success rate and the dollar return in the initiative of obtaining outside funding. He requested 100 percent retention of the indirect cost reimbursements by the units.

John Jutila, MSU, commented (564) on the use of indirect costs as an investment in research. He said this research has direct applications to the state of Montana, and that overall for the system an estimated \$20 million in grant contract awards would be available. He said this is a tribute to the creative ability of the faculty.

Gary Stoebel, director of the MONTS program, said that the majority of the grants were from the National Science Foundation. The production of new information has been the result of this program. From the amount of indirect funds returned to the university system, which amounts to 15 percent, \$300,000 has been invested in new projects developed by the faculty. The proposals represent original ideas that are sent to the MONTS office. These proposals are sent around the world for comment by peers, scientists, and engineers. He pointed out the investments in MONTS have turned all the initial ideas into private, federal, or foundation grants with a net return of \$1.8 million, and \$2.2 million outstanding. Within six months there will be well over \$2 million of funding from other sources. Montana can compete in the world market with science, technology, new products and ideas. He stated that the university is a solution to the difficulties facing our time. He said that for every dollar invested there is a \$3 dollar return and he would guarantee that return to be \$4.

(2-B) Senator Hammond questioned how many of these projects were being used in the private sector. Mr. Stroebele replied that he consulted with many companies and that these projects don't happen overnight. Some projects may even take 10-15 years by the time federal regulations are overcome. Other ventures were mentioned (Exhibit 5). Senator Hammond said it was important to get the information out to the private sector and have it available to them.

Representative Peck commented on the statements that funding education would be the state's salvation in dire times, and wondered why the economic downturn in Montana since 6 to 8 years ago education was highly funded.

The formula was discussed with the comment that it is too enrollment driven, therefore unstable and has no incentive for quality. A concern was expressed that the university system is set off separately by the Constitution and that the legislature feels a lack of candid and open information.

Proponents: John Toole (461) discussed the university as a great asset to help build a new economy (Exhibit 6).

Bob Waldmire, from Columbia Falls, testified about his concern for the university system. He said that students would leave or not come if a solution were not found. (3-A) He recommended the committee make a commitment on the funding.

Albert Moore, from Libby, (078) spoke in favor of funding higher education as much as possible.

Gay Girardborough, from Libby, testified about the duplication in the universities. She did not recommend the University music school and felt it was already mediocre.

Janet Cox, from Billings (179), testified about the mediocrity that may result from more cutback in the budget.

Harriet Meloy, from Helena (241), discussed education in Montana. She said if the economy deteriorates further that kids won't stay in Montana.

Opponents: Todd Hudak, president of associated students, opposed admission standards. He felt that students cannot be put in categories. Students that do poorly in high school can do well in college. The reduction of fee waivers would be detrimental to the state. An equal access to an education was deserved by these groups. He mentioned the deterioration of quality in the last year with packed classes and no access to professors.

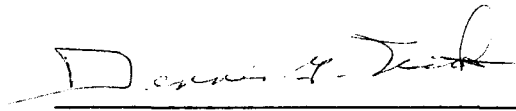
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Charles Beckenhauser, a non-traditional student, spoke against the elimination of veteran fee waivers. Of the 19,000 veterans with an average age of 39, they needed to be retrained. He said none of them were full-time students. The opportunity to attend school is an earned benefit.

Jack Polari (529) represented 35 people at MSU who are veterans. He recommended keeping fee waivers.

ADJOURNMENT: The meeting was adjourned at 12:00. The next meeting was announced for 8:00 a.m., Friday, January 30, in the Scott Hart Auditorium.


DENNIS NATHE, Chairman

dt/1-29

EDUCATION SUB COMMITTEE

Date

1/29/87

CS-30

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Total

Program	FY 1986		FISCAL 1988			FISCAL 1989			Difference
	Actual	Executive*	Current Level	Difference	Executive*	Current Level	Difference		
Instruction	\$60,616,310	\$56,416,872	\$55,951,362	\$465,510	\$56,416,872	\$56,320,042	\$96,830		
Support	\$34,815,968	\$31,114,864	\$32,597,467	(\$1,482,603)	\$30,762,064	\$32,417,872	(\$1,655,808)		
Research	\$1,259,499	\$1,160,800	\$1,159,822	\$978	\$1,162,607	\$1,161,131	\$1,476		
Public Service	\$455,205	\$412,828	\$457,086	(\$44,258)	\$412,934	\$457,091	(\$44,157)		
Plant	\$14,985,046	\$15,779,137	\$15,186,012	\$593,125	\$16,202,515	\$15,617,549	\$584,966		
Fellow/Scholarships	\$2,715,016	\$2,964,656	\$3,005,374	(\$40,718)	\$2,964,656	\$3,021,027	(\$56,371)		
Total Exp.	\$114,847,044	\$107,849,157	\$108,357,123	(\$507,966)	\$107,921,648	\$108,994,712	(\$1,073,064)		
FUNDING									
General Fund	\$73,168,435	\$68,975,061	\$67,354,191	\$1,620,870	\$68,861,478	\$67,663,929	\$1,197,549		
Tuition and Fees	\$24,308,293	\$25,313,526	\$27,022,752	(\$1,709,226)	\$25,313,526	\$27,158,894	(\$1,845,368)		
Six-mill Levy	\$14,384,000	\$12,924,000	\$11,468,180	\$1,455,820	\$13,125,000	\$11,659,889	\$1,465,111		
Indirect Cost Rec.	\$1,804,122	\$0	\$1,992,000	(\$1,992,000)	\$0	\$1,992,000	(\$1,992,000)		
Other	\$522,124	\$636,570	\$520,000	\$116,570	\$621,644	\$520,000	\$101,644		
Spenddown Fund Balan	\$660,070	\$0	\$0	\$0	\$0	\$0	\$0		
Total Funding	\$114,847,044	\$107,849,157	\$108,357,123	(\$507,966)	\$107,921,648	\$108,994,712	(\$1,073,064)		

*Executive budget revised January 1987

ISSUES:

1. Enrollment - see Table A, page F-74, Analysis Book
2. Funding Level
Executive - 94 percent Instruction, 90 percent Support
Current Level - 91.7 percent Instruction & Support
3. Vacancy Savings
Reduces executive budget by \$1,145,992
Not applied to Instruction or Fellow/Scholarships
4. Formula factors
5. Adjustments to base year expenditures

The 1989 Executive Budget recommendation for the Montana University System was derived by using both the traditional incremental budgeting process and the formula budget method developed by the Legislative Finance Committee in 1982. The formula method was used in the two programs that are directly influenced by student enrollment, Instruction and Support. The Instruction Program funds faculty salaries and the services and operational costs of their direct support staff. The Support Program combines three subprograms used by the university units: Academic Support, Institutional Services and Student Services. The programs that were budgeted by use of the incremental method are: Operation and Maintenance of Physical Plant, Organized Research, Public Service, and Scholarships and Fellowships. The Bureau of Mines and Geology and three university system agencies were also budgeted according to the incremental method: the Agricultural Experiment Station, the Cooperative Extension Service and the Forestry and Conservation Experiment Station.

Budget Issues

Incremental Budgets

Incremental program and agency budgets were derived by using Executive Budget inflation applied to adjusted FY86 costs. There was no general inflation factor applied. Special inflation rates were applied for utilities, some supplies and for some communications costs. Vacancy savings of 4% were applied to all incremental programs, with the exception of the Main Station program of the Agricultural Experiment Station in which faculty compensation was not included in the vacancy savings calculation.

The amount of the FY87 unfunded pay plan and 60% of the FY87 5% cut in appropriation authority was reduced from the personal services base (FY87) and from the operational base (FY86). The total unfunded pay plan amount and 60% of the 5% cut amount for the incremental programs of the university system units are:

Unfunded pay plan	\$ 651,674
60% of FY87 5% cut	38,942
TOTAL	\$ 1,290,616

Formula Budgets

The formula budget process for the Instruction and Support Programs takes into consideration student enrollment, type of coursework faculty demand, average faculty compensation from which to calculate a budgeted number of faculty, and a cost-per student for the academic, institutional and student support services provided by the units.

Enrollment Projections

Because the formula programs are enrollment-driven, projected enrollments for the 1989 biennium are critical to the budget process. The Executive Budget recommendation for the 1987 biennium froze enrollments at the last known enrollment level before the legislature convened - Fall 1984 (FY85). This enrollment decision was designed to provide some stability in the 1987 biennium when continued decline of enrollments could be expected. In fact, FY86 FYFTE enrollments were 2% lower than the Executive recommendation and Fall 1986 (FY87) enrollments are 5% lower, for a biennial "shortfall" of enrollments of 4%.

	1987		
	Biennium		
	Executive	Actual	
	Recom-	FY86	Fall 1986
	mendation		
FYFTE Total	26.447/yr	25.927	25,042

Enrollment projections for the 1989 biennium from the university system's statistical modelling program projected a decline in enrollment in FY86 and increases in both FY88 and FY89. However, the fact that the Board of Regents is presently considering alterations to the existing university system, including setting admission standards, is expected to have a downward impact on enrollments throughout the upcoming biennium. Again, in order to provide some stability of funding with the formula budget areas for the 1989 biennium, the Executive recommends using Fall 1986 (FY87) FYFTE student enrollment for both years of the biennium.

UNIT	FY86 Actual FYFTE	Fall 1986 FYFTE(FY87)	% Change	Executive Recom- mendation Each Year
MSU	10,097	9,573	-5%	9,573
UM	8,144	7,983	-2%	7,983
EMC	3,480	3,276	-6%	3,276
NMC	1,693	1,736	+3%	1,736
WMC	854	947	+11%	947
TECH	1,659	1,527	-8%	1,527
Total	25.927	25,042	-3%	25,042

Average Faculty Compensation

Average faculty compensation was determined by inflating the 1987 biennium budgeted average salary by the amount of the pay plan that was funded by the state in the 1987 biennium - a 1.5% increase. A faculty benefit rate was calculated for each campus. The average benefit rate, including insurance, is 20.5%.

Budgeted Number of Faculty

The student/faculty ratio is determined for each campus based on the previous three years' course enrollments and the required level of faculty involvement in those courses. The ratio is then divided into the projected student FYFTE enrollment to determine the number of faculty positions that will be supported by state appropriation. (It is important to note that the budgeted number may not correspond to the actual number of faculty and graduate teaching assistants that are funded by state appropriation. The university system is not included on the state's personnel position control system, so each unit's actual FTE level is a matter of its own discretion.) The following shows the number of budgeted faculty for each unit for the 1987 biennium and the Executive recommendation for the 1989 biennium:

UNIT	Budgeted FY86	Budgeted FY87	Recommended	
			FY88	FY89
MSU	572.64	563.21	537.81	537.81
UM	443.88	429.43	422.60	422.60
EMC	183.03	181.88	170.54	170.54
NMC	116.66	116.66	113.91	113.91
WMC	57.15	57.02	61.69	61.69
TECH	114.19*	104.73	87.46	87.46
Total	1,477.55	1,452.93	1,394.01	1,394.01

* Includes 9.12 FTE added by appropriation of special "phase down" funds in FY86.

Due to the enrollment decline, the number of budgeted faculty derived by the formula for the 1987 biennium is 4% less than the number of budgeted faculty supported by appropriation for FY87.

Support Cost-Per-Student

The support staff for the Instruction program and all of the Support program are derived by multiplying a cost-per-student times the projected student enrollment. The Executive Budget used both the instructional support rate and the Support program rate used by the 1985 Legislative Session for FY87 without additional inflation. High headcount adjustments were applied for all units except Northern Montana College, whose headcount enrollment was not significantly higher than the budgeted FYFTE enrollment. Total high headcount adjustment is \$294,443.

Recommended Percent of Formula

The Executive Budget funds the Instruction program at 95% of the formula for both years of the biennium. No vacancy savings was applied to the Instruction program.

The Executive Budget funds the Support program at 94% of the formula for both years of the biennium. A four percent vacancy savings factor was applied to the Support program.

Modification Requests

No current level modifications were approved for the six units.

FUNDING

Tuition and Fees

The tuition levels approved by the Board of Regents in December of 1984 generated the tuition revenues and the costs of scholarships for 1989 biennium enrollments.

Millage

Revenues from the six mill levy on the total Montana taxable valuation that is statutorily dedicated to supporting higher education is projected at a total of \$12,924,000 in FY88 and \$13,125,000 in FY89. The six mill levy will have to be approved by the electorate to continue beyond January 1989. The Executive recommendation assumes continuation of the six mill levy.

Indirect Cost Recovery

The Executive Budget reflects the policy decision to provide assistance for research and development activities in the six university units by allowing them to use 100% of the indirect cost recoveries generated for continued support of those activities. Therefore, the Executive Budget does not recommend appropriation of federal indirect cost recovery for general operations. All non-federal indirect cost recoveries, except recharge revenues for programs within units, are also exempt from appropriation for general operating expenses. This has a direct general fund impact of \$2.8 million in the 1989 biennium.

General Fund

General Fund support for the six major units of the university system remains at about one-quarter of the total general fund appropriated in the General Appropriations Act. The amount of general fund to support the units was held at the adjusted FY87 level - approximately \$67 million - and then was increased by \$1.4 million to offset the indirect cost recovery funding source. Overall unit expenditures decrease by approximately \$7 million to correspond to available funding.

The following table summarizes university system funding for the Executive Budget recommendation.

UNIVERSITY SYSTEM

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FISCAL YEAR 1988

UNIT	GENERAL FUND	STATE SPECIAL	FEDERAL	TUITION/ FEES	OTHER	TOTAL
MSU	\$26,857,586	\$5,104,980	\$0	\$9,518,988	\$250,000	\$41,731,554
UM *	\$21,228,028	\$3,928,896	\$0	\$9,075,405	\$100,000	\$34,332,329
EMC	\$8,148,574	\$1,680,120	\$0	\$2,905,097	\$25,000	\$12,758,791
NMC	\$5,260,553	\$775,440	\$0	\$1,450,746	\$3,300	\$7,490,039
WMC	\$2,902,654	\$413,568	\$0	\$869,553	\$8,750	\$4,194,525
TECH	\$4,414,666	\$1,020,996	\$0	\$1,668,737	\$249,520	\$7,353,919
Total	\$68,812,061	\$12,924,000	\$0	\$25,488,526	\$636,570	\$107,861,157
AES	\$6,108,294	\$652,102	\$1,673,303	\$0	\$5,000	\$8,438,699
CES	\$1,891,603	\$0	\$1,829,268	\$0	\$0	\$3,720,871
FCES	\$655,886	\$0	\$0	\$0	\$0	\$655,886
BM&G	\$1,362,053	\$53,000	\$0	\$0	\$0	\$1,415,053
Total	\$10,017,836	\$705,102	\$3,502,571	\$0	\$5,000	\$14,230,509
TOTAL	\$78,829,897	\$13,629,102	\$3,502,571	\$25,488,526	\$641,570	\$122,091,666

FISCAL YEAR 1989

UNIT	GENERAL FUND	STATE SPECIAL	FEDERAL	TUITION/ FEES	OTHER	TOTAL
MSU	\$26,895,675	\$5,184,375	\$0	\$9,518,988	\$250,000	\$41,849,038
UM *	\$21,226,860	\$3,990,000	\$0	\$9,075,405	\$100,000	\$34,392,265
EMC	\$8,076,805	\$1,706,250	\$0	\$2,905,097	\$25,000	\$12,713,152
NMC	\$5,230,632	\$787,500	\$0	\$1,450,746	\$3,300	\$7,472,178
WMC	\$2,863,568	\$420,000	\$0	\$869,553	\$8,750	\$4,161,871
TECH	\$4,392,938	\$1,036,875	\$0	\$1,668,737	\$234,594	\$7,333,144
Total	\$68,686,478	\$13,125,000	\$0	\$25,488,526	\$621,644	\$107,921,648
AES	\$6,130,088	\$652,719	\$1,673,303	\$0	\$5,000	\$8,461,110
CES	\$1,893,343	\$0	\$1,829,268	\$0	\$0	\$3,722,611
FCES	\$657,707	\$0	\$0	\$0	\$0	\$657,707
BM&G	\$1,362,391	\$53,000	\$0	\$0	\$0	\$1,415,391
Total	\$10,043,529	\$705,719	\$3,502,571	\$0	\$5,000	\$14,256,819
TOTAL	\$78,730,007	\$13,830,719	\$3,502,571	\$25,488,526	\$626,644	\$122,178,467

* Includes \$175,000/yr in extra tuition/fee revenue from law and pharmacy fees.

OTHER ISSUES

Support by state appropriation of university system buildings constructed from non-state revenue.

The issue is whether or not the state can afford to pick up the operating costs, major maintenance and hazard correction costs in university system buildings that were: initially constructed for primarily non-instructional uses; with other than state funds; and which have been converted either entirely or partially to instructional or institutional support functions. This would include: conversion of dorms or gyms to office space or classrooms(UM); operating costs for gymnasiums or expanded sports facilities(TECH); picking up any portion of operating costs for a facility such as the Museum of the Rockies; paying for the encapsulation of asbestos in the ceiling of the PE building at Eastern.

The university system has basically ^{three} ~~two~~ options for dealing with the types of costs mentioned:

1. Seek appropriation of CUF from the Ed Subcom on a biennial basis for operational costs through the modification process;
2. Seek LRBP support for major maintenance and hazard reduction projects;
3. Seek BoR approval of imposition of user fees or other non-state funding source.

The Executive position is that CUF should not be picking up those costs.

This is a complex issue involving less than consistent treatment across the units over time. The committee may wish to request further consideration of the issue while dealing with the university system budgets. The LRBP committee will also be having this issue presented to them by the State Architect.

MSU New space - HPE	24,528	26,034
New space - Museum	0	128,758
UM New space - Corbin	103,311	107,862
TECH New space- Gym, HPE	<u>97,540</u>	<u>97,540</u>
	225,379	360,194

Hazardous waste disposal

This is a continuing problem for the university system and was a part of their system-wide modification requests during the 1985 Session as well as this Session. Neither the EB nor the LFA included the units' hazardous waste disposal modification requests in their budget recommendations. This does not signify that the problems don't exist nor that they aren't important. The issues are clear definition of the problems and funding availability. (Refer to Table 13 in the LFA budget on page F-89 for a listing of the units' requests in this area.)

Reexamination of the formula and funding for the MUS

The Executive supports a joint study of the formula and funding for the university system involving the university system, the legislative branch and the executive during the 1989 biennium interim.

Executive support for MUS retention of cost savings

The Executive supports retention within the MUS of savings generated by Board of Regents decisions in redefining the role and scope of the university system units, the structure of the system, and realignment of expenditures to achieve cost efficiencies and to respond to the economic realities facing the system as a whole.

UNIVERSITY SYSTEM
COMPARISON OF EXECUTIVE BUDGET AND LFA CURRENT LEVEL

	----- 1989 Biennium -----	
	<u>General Fund</u>	<u>Total Funds</u>
Executive Budget	\$137,486,539	\$215,770,805
LFA Current Level	<u>135,018,120</u>	<u>217,351,835</u>
Executive Over (Under) LFA	<u>\$ <u>2,468,419</u></u>	<u>\$ <u>(1,581,030)</u></u>

The executive budget is \$1.6 million less than the LFA current level. Had the LFA used the executive enrollment figures, the LFA current level would have exceeded the executive budget by \$2.5 million. The executive budget is lower than LFA current level even though the executive proposal uses higher enrollment estimates and funds instruction at 95 percent and support at 94 percent, while LFA current level uses 91.7 percent formula support. The differences between the executive budget and LFA current level are due to four primary factors:

FACTOR 1: 1986 PAY LEVELS

The executive budget did not recognize the fiscal 1987 salary levels. This factor would reduce the formula funding by approximately 3 percent.

FACTOR 2: SELECTIVE INFLATION

The operating costs were selectively inflated in the executive budget. This process does not fully recognize the cost factors given to other state agencies and indirectly lowers the formula funding percentage.

FACTOR 3: VACANCY SAVINGS

A 4 percent vacancy savings factor was used on personal services except in the instruction program. This factor, combined with the fiscal 1986 pay level, again indirectly reduces the formula funding percentage.

FACTOR 4: ACTUAL FORMULA FUNDING PERCENTAGE FOR SUPPORT

The executive budget narrative states the formula funding percentage for support is 94 percent. All calculations are at 90 percent.

ENROLLMENT ESTIMATE

Table A compares the executive budget and LFA current level enrollment estimates. The executive budget has 301 more students in fiscal 1988 and 174 more students in fiscal 1989.

Table A
Comparison of Executive Budget and LFA Enrollment Estimates

<u>Unit</u>	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>		
	<u>Executive</u>	<u>LFA</u>	<u>Difference</u>	<u>Executive</u>	<u>LFA</u>	<u>Difference</u>
MSU	9,573	9,550	23	9,573	9,565	8
UM	7,983	7,961	22	7,983	7,979	4
EMC	3,276	3,239	37	3,276	3,271	5
NMC	1,736	1,571	165	1,736	1,587	149
WMC	947	865	82	947	873	74
MCMST	<u>1,527</u>	<u>1,555</u>	<u>(28)</u>	<u>1,527</u>	<u>1,593</u>	<u>(66)</u>
Total	<u>25,042</u>	<u>24,741</u>	<u>301</u>	<u>25,042</u>	<u>24,868</u>	<u>174</u>

DIFFERENCES IN REVENUE SOURCES

Table B compares the difference in revenue sources between the executive budget and the LFA current level.

Table B
Executive Budget - Current Level Revenue Comparison
University System
1989 Biennium

<u>Revenue Source</u>	<u>Executive Budget</u>	<u>LFA</u> <u>Current Level</u>	<u>Executive Over</u> <u>(Under) LFA</u>
Tuition and Fees	\$ 50,977,052	\$ 54,181,646	\$(3,204,594)
Millage	26,049,000	23,128,069	2,920,931
Indirect Cost	-0-	3,861,000	(3,861,000)
Admin. Charge-MCMST	450,000	123,000	327,000
Federal/Other	808,214	1,040,000	(231,786)
General Funds	<u>137,486,539</u>	<u>135,018,120</u>	<u>2,468,419</u>
Total	<u>\$215,770,805</u>	<u>\$217,351,835</u>	<u>\$(1,581,030)</u>

TUITION AND FEES

The executive budget reflects \$3,204,594 less in tuition revenue than current level primarily because the executive budget utilizes fiscal 1987 tuition without the surcharge. LFA current level uses the 1987 rate with the \$72 annual surcharge per full-time student.

MILLAGE

The revenue estimate for the six-mill levy is \$2.9 million higher in the executive budget than in current level.

INDIRECT COST RECOVERIES

The executive proposal recommends not utilizing indirect cost recoveries for the current unrestricted budget while LFA current level maintains the current policy of using 85 percent of anticipated indirect cost reimbursements as current unrestricted revenue.

ADMINISTRATIVE CHARGE -- MCMST

In an effort to align university system independent agency cost recharges, current level analysis for the Bureau of Mines reduces their budgeted recharge costs by approximately \$360,000. Current level analysis for the University System does not reflect the \$360,000 in revenue sources.

FEDERAL AND OTHER MISCELLANEOUS SOURCES

The executive proposal includes \$231,786 more in miscellaneous sources than the current level. Prior to fiscal 1986 an indirect administrative cost recovery from the Bureau of Mines to Montana Tech was reflected in this revenue source.

UNIVERSITY SYSTEM

Budget Item	Actual	Appropriated	- - Current Level - -		% Change 1987-89 Biennium
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	
MSU	\$ 45,110,620	\$ 44,635,258	\$ 42,194,760	\$ 42,372,163	(5.8)
UM	35,748,881	36,012,295	34,643,377	34,796,382	(3.2)
EMC	13,779,825	13,977,746	12,959,837	13,078,278	(6.2)
NMC	7,534,412	7,701,114	6,878,742	6,926,982	(9.4)
WMC	3,936,907	4,025,578	4,037,086	4,044,104	1.5
MCMST	8,736,399	8,795,726	7,643,321	7,776,803	(12.0)
System Total	<u>\$114,847,044</u>	<u>\$115,147,717</u>	<u>\$108,357,123</u>	<u>\$108,994,712</u>	<u>(5.5)</u>
Funding					
General Fund	\$ 73,168,435	\$ 66,836,403	\$ 67,354,191	\$ 67,663,929	(3.6)
Tuition and Fees	24,308,293	27,995,868	27,022,752	27,158,894	3.6
Millage	14,384,000	18,049,000	11,468,180	11,659,889	(28.7)
Indirect Costs	1,804,122	1,604,000	1,992,000	1,992,000	16.9
Other	522,124	662,446	520,000	520,000	(12.2)
Spend Down Fund Balance	660,070	-0-	-0-	-0-	(100.0)
Total Funding	<u>\$114,847,044</u>	<u>\$115,147,717</u>	<u>\$108,357,123</u>	<u>\$108,994,712</u>	<u>(5.5)</u>

ISSUES:	- - - - - Fiscal 1988 - - - - -		- - - - - Fiscal 1989 - - - - -	
	General Fund	Other Funds	General Fund	Other Funds
1. Enrollment Estimates				
Option A: Board of Regents	\$ 3,099,406	\$1,266,021	\$ 1,984,824	\$ 826,426
Option B: Current Level	-0-	-0-	-0-	-0-
2. Legislative Funding				
Option A: Instr. Support -99%	4,454,144	-0-	4,483,492	-0-
Option B: Support - 97%	1,863,651	-0-	1,873,661	-0-
Option C: Current Level - 91.7%	-0-	-0-	-0-	-0-
3. Tuition Rates				
Option A: Elim. Surcharge	1,632,527	(1,632,527)	1,640,758	(1,640,758)
Option B: Current Level	-0-	-0-	-0-	-0-
4. Hazardous Waste				
Option A: Unit Requests	\$320,975	-0-	251,400	-0-
Option B: Disposal Costs	51,000	-0-	51,000	-0-
Option C: No Funding	-0-	-0-	-0-	-0-

Note: FY87 figures include tuition surcharge amendment.

The Montana University System is composed of two universities and four colleges which collectively serve approximately 26,000 students each year. The current level budget reflects a biennial expenditure decrease of 5.5 percent systemwide, with five units' decreases ranging from 12.0 percent at Montana Tech to 3.2 percent at the University of Montana. Western Montana College increases by 1.5 percent. Decreases

in enrollment for fiscal 1988 are projected for all units except Western Montana College, which is expected to experience a minor increase. All units' enrollment projections increase slightly for fiscal 1989. These enrollment decreases are the major factor affecting current level funding changes.

The current level analysis presents the estimated expenditures which would result from: 1) student enrollment projections for fiscal 1988 and 1989 based on historic enrollment data; 2) the funding level for the enrollment driven programs at 91.7 percent for instruction and support, which represents the fiscal 1987 effective funding rate due to general fund and other budget reductions; 3) inflation adjustments; and 4) tuition and fees which reflect the academic year 1986-87 tuition with surcharge.

PROGRAM EXPENDITURES

The University System expenditures are categorized in six functional areas: instruction, support, plant operation/maintenance, research, public service, and scholarships/fellowships. Biennial legislative audit costs totaling \$352,800 are included in fiscal 1988. The program expenditures for each unit, as estimated by the current level analysis, are listed in Table 1.

Table 1
Program Expenditures by Unit
1989 Biennium

----- FISCAL 1988 -----							
	<u>MSU</u>	<u>UM</u>	<u>EMC</u>	<u>NMC</u>	<u>NMC</u>	<u>MCMST</u>	<u>Total</u>
Instruction	\$23,267,982	\$17,297,059	\$ 6,108,652	\$3,656,528	\$2,072,146	\$3,548,995	\$ 55,951,362
Support	12,284,279	10,283,590	4,185,879	1,998,122	1,111,167	2,381,630	32,244,667
Audit	81,600	79,200	52,800	43,200	42,000	54,000	352,800
Research	597,925	445,254	-0-	-0-	-0-	43,718	1,086,897
MONTCLIRC	-0-	72,925	-0-	-0-	-0-	-0-	72,925
Public Service	10,258	206,020	231,435	9,373	-0-	-0-	457,086
Physical Plant	4,804,913	5,273,489	2,024,605	944,384	729,090	1,409,531	15,186,012
Scholarship & Fellowships	<u>1,147,803</u>	<u>985,840</u>	<u>356,466</u>	<u>227,135</u>	<u>82,683</u>	<u>205,447</u>	<u>3,005,374</u>
Total	<u>\$42,194,760</u>	<u>\$34,643,377</u>	<u>\$12,959,837</u>	<u>\$6,878,742</u>	<u>\$4,037,086</u>	<u>\$7,643,321</u>	<u>\$108,357,123</u>
----- FISCAL 1989 -----							
Instruction	\$23,337,572	\$17,365,051	\$6,180,416	\$3,700,171	\$2,094,749	\$3,642,083	\$ 56,320,042
Support	12,303,666	10,307,012	4,227,371	2,018,472	1,121,464	2,439,887	32,417,872
Research	597,925	446,534	-0-	-0-	-0-	43,747	1,088,206
MONTCLIRC	-0-	72,925	-0-	-0-	-0-	-0-	72,925
Public Service	10,258	206,013	231,447	9,373	-0-	-0-	457,091
Physical Plant	4,973,137	5,410,778	2,079,056	969,517	744,443	1,440,618	15,617,549
Scholarships & Fellowships	<u>1,149,605</u>	<u>988,069</u>	<u>359,988</u>	<u>229,449</u>	<u>83,448</u>	<u>210,468</u>	<u>3,021,027</u>
Total	<u>\$42,372,163</u>	<u>\$34,796,382</u>	<u>\$13,078,278</u>	<u>\$6,926,982</u>	<u>\$4,044,104</u>	<u>\$7,776,803</u>	<u>\$108,994,712</u>

Table 2 illustrates the enrollment estimates developed by the Board of Regents and those developed by the Office of the Legislative Fiscal Analyst. Both the regents and LFA figures are derived from an enrollment projection model devised by a 1983 enrollment task force. Several different factors may be considered when utilizing the model. These factors include estimates of the number of students graduating from Montana high schools in 1987 and 1988. Historic patterns are observed to determine the portion of first-time freshman students who are from Montana; ratios of students continuing on to sophomore, junior, and senior years; proportion of undergraduate, graduate, and other students at the units; and the relationship between total number of students enrolled and the full-time equivalent students.

The LFA estimate shows a systemwide decrease of approximately 4.4 percent from fiscal 1986 to fiscal 1988, and an increase bringing fiscal 1989 enrollment figures up near fiscal 1987 enrollment estimates. The projection predicts a slight increase for Western Montana College for both years of the biennium. These projections are used in the current level analysis.

The regents' estimate shows a slight enrollment decline of 0.6 percent from fiscal 1986 to fiscal 1988 with further declines in fiscal 1989 of 0.4 percent.

Table 2
Student Full-Time Equivalents
Montana University System
1987 through 1989 Biennium

Unit	Actual	Budgeted FY 1987	- - - - - Using Enrollment Projection Model - - - - -			
	Unrestricted		- - Regent Estimate* - -		- - - LFA Estimate - - -	
	Enrollment FY 1986		FY 1988	FY 1989	FY 1988	FY 1989
MSU	10,097	10,211	9,765	9,858	9,550	9,565
UM	8,144	8,099	8,175	8,113	7,961	7,979
EMC	3,442	3,493	3,580	3,487	3,239	3,271
NMC	1,693	1,737	1,648	1,645	1,571	1,587
WMC	854	873	868	861	865	873
MCMST	1,659	1,837	1,705	1,674	1,555	1,593
System	25,889 =====	26,250 =====	25,741 =====	25,638 =====	24,741 =====	24,868 =====

*For budget purposes the regents chose to use actual fiscal 1986 enrollment figures, except for EMC which was placed at 3,480, in place of the model projections for fiscal 1988 and used model projections for fiscal 1989.

The university funding formula relies heavily on student enrollment estimates to develop the instruction and support program budgets. Table 3 illustrates the fiscal impact of a single fiscal year full time student (FY FTE) to each program's budget.

Table 3
Funding Impact - Full Time Student Equivalent
Instruction and Support Programs*
1989 Fiscal Year

<u>Unit</u>	<u>Number of Students</u>	<u>Other Support Rate</u>	<u>Instruction Support Rate</u>	<u>Portion of Impact Faculty Per FTE Salary**</u>	<u>Student</u>
MSU	1	\$1,396	\$633	\$2,089	\$4,118
UM	1	1,396	468	1,972	3,836
EMC	1	1,387	382	1,744	3,513
NMC	1	1,387	467	2,176	4,030
WMC	1	1,387	532	2,161	4,080
MCMST	1	1,650	465	2,070	4,185

*Factors are shown at 100 percent before being discounted 91.7 percent.

**Based on average salary figure used in formula divided by student/faculty ratio per unit.

Instruction

The Instruction Program represents approximately 50 percent of total expenditures funded from current unrestricted operating funds at the units. Costs relating to instruction and instructional support within the academic departments are recorded in this program. The major factors used in developing this budget other than enrollment are: student faculty ratios, faculty benefits, and an average faculty salary based on a peer average established at the time of formula development, with inflation to fiscal 1987. An instructional support rate per fiscal year full-time equivalent student (FY FTE) is calculated by using enrollments in the units' varying academic disciplines and applying an inflation factor to an established cost factor. A three year average enrollment by discipline is used in current level analysis to estimate the instructional support cost rate. Table 4 lists the instruction budget factors for each unit in the 1989 biennium.

Table 4
Instruction Program Budget Factors*
1989 Biennium

<u>Unit</u>	<u>Student Faculty Ratio 3 Year Average</u>	<u>FY 1987 Average Faculty Salary</u>	<u>Academic Year Faculty Benefits 1988</u>	<u>Academic Year Faculty Benefits 1989</u>	<u>Instruction Support Rate 1988</u>	<u>Instruction Support Rate 1989</u>
MSU	17.80	\$30,986	.19793	.19982	621.78	622.39
UM	18.89	30,986	.20051	.20272	459.30	459.75
EMC	19.21	27,772	.20607	.20856	374.94	375.31
NMC	15.24	27,495	.20457	.20667	458.59	459.04
WMC	15.35	26,495	.20429	.20647	522.16	522.67
MCMST	17.46	29,996	.20184	.20489	456.22	456.67

*Factors are shown at 100 percent before being discounted to 91.7 percent.

The instruction budget was funded by the 1985 legislature at 99 percent. In Special Session III a general fund reduction of 5 percent and a reduction in pay plan funding resulted in a net funding level representing approximately 91.7 percent for the Instruction and Support Program budgets. The current level Instruction Program is funded at the effective fiscal 1987 rate of 91.7 percent. Issue 2, presented later, discusses the fiscal impact of changing the funding level to reflect 99 percent support of the instruction budget.

Support

The Support Program includes three major activities: academic, student services, and institutional support. Expenditures relating to academic deans, libraries, intercollegiate athletics, student counselling services, registrar, budgeting, personnel, and other financial and academic administration are recorded in the support program.

The budget for the Support Program is based primarily on a cost per academic year FTE student, as in the instructional support budget. The current level analysis uses a rate which reflect similar expenditures by university and college peers at the time of the original formula study, with applied inflation.

In addition to a flat rate per student, an adjustment is allowed for schools experiencing large numbers of part-time students. This adjustment, known as the high headcount adjustment, recognizes that the support area workload is not accurately measured by the number of full-time student enrollment figures.

Table 5 lists the support rate and high headcount adjustment used for each unit in the current level analysis. The 1985 legislature funded the support budget at a 95 percent level for fiscal 1986 and a 97 percent level for fiscal 1987. Special Session III general fund reductions resulted in an effective rate of 91.7 percent funding for both the Support and Instruction Programs. Current level analysis funds the Support Program at 91.7 percent. Issue 2 discusses the financial impact of a 97 percent support level.

Table 5
Support Program Budget Factors*
1989 Biennium

Unit	- - Support Rate - -	- - High Headcount Adjustment - -	
	Fiscal 1988 and 1989	Fiscal 1988	Fiscal 1989
MSU	\$1,396	\$ 64,361	\$ 64,562
UM	1,396	100,828	101,242
EMC	1,387	72,260	73,124
NMC	1,387	-0-	-0-
WMC	1,387	11,987	12,119
MCMST	1,650	31,447	32,277

*Factors are shown at 100 percent, before being discounted to 91.7 percent.

Plant Operation and Maintenance

The Plant Operation and Maintenance Program includes those activities that relate to operation and maintenance of grounds and facilities. The budget for this program is based on fiscal 1986 expenditures with a negative adjustment for all expenditures above the legislatively appropriated levels. An annual reduction of \$229,535 was made in the current level plant budget at Montana State University. That amount was removed from the fiscal 1987 plant budget by the 1985 legislature. The 1985 legislature also allowed modifications to plant operation budgets in fiscal 1987 for new space at Montana Tech for \$180,000 and at Montana State University for \$238,414, plus an additional \$25,370 for Western Montana College in fiscal 1987 to bring maintenance costs closer to the systemwide average. Current level plant budgets were adjusted to include these modifications. An adjustment was also made in the plant budget at Montana State University for anticipated energy savings of \$259,000 annually.

Issue 4 addresses requests for hazardous waste funding.

Public Service and Research

Public service activities include non-instructional services established for the benefit of individuals and groups external to the institution. The Research Program provides financial support for research efforts to benefit Montana and for individual efforts of faculty and graduate students. Both research and public service budgets are based on fiscal 1986 actual expenditures, with adjustments for inflation and for expenditures above legislatively appropriated levels.

MONTCLIRC (Montana Criminal Law Information Research Center) was created in 1976 through a grant from the U.S. Department of Justice to provide legal research assistance to the state criminal justice system. The program was funded through a variety of grants until 1979 when state funds were appropriated. Since that time the program budget has been included with the Board of Crime Control, the Supreme Court, and since the last biennium, the University of Montana.

The MONTCLIRC program was included in the University of Montana research appropriation for the 1987 biennium and is located in the University Law School. Funds were appropriated to MONTCLIRC in the amount of \$87,500 for fiscal 1986 and \$72,925 for fiscal 1987. Language in the appropriations bill required that MONTCLIRC user fees be collected and deposited in a separate designated fund to measure the demand for the services and provide a basis for evaluation by the next legislature. User fees are charged to the attorneys, judges, and law enforcement officials who request services related to criminal case research and related issues.

User fees in fiscal 1986 totaled \$11,717. The MONTCLIRC director supplied detailed information concerning the user fee services provided during fiscal 1986. User fees were received for 900 hours of research; 80 telephone responses; 482 copies of prior memos, law reviews, and bibliographies; and registrations for the criminal law institute. The recipients of the user fee services included 127 criminal justice personnel representing 36 counties. Services in addition to those generating a user fee include distribution of a quarterly newsletter to state criminal justice personnel and production of handbooks on the state criminal code.

Expenditures from the user fee designated fund for MONTCLIRC in fiscal 1986 included \$1,232 for contracted services, leaving \$10,485 to fund activities in fiscal

1987. Expenditures from the general fund for fiscal 1986 totaled \$82,142. Of that amount, \$72,646 was expended for personal services and \$9,496 for operating expenses. The personal services included a 0.95 FTE director, a 0.94 FTE secretary, and a total of 2.54 FTE part-time personnel (student research assistants). Operating expenses included office supplies and minor equipment of \$5,335, communications for \$2,274, repair of \$1,514, and \$373 in travel and other.

The fiscal 1987 MONTCLIRC budget reflects general fund of \$72,925 plus \$16,165 from the user fee designated fund. The current level analysis continues general fund appropriations at \$72,925 for the 1989 biennium, with the expected user fee designated fund to provide approximately \$15,000 annually to complete budget needs.

Scholarships and Fellowships

The scholarships and fellowships program includes the discretionary and mandatory fee waivers granted by each unit. Discretionary fee waivers are calculated at 5.75 percent of the registration and resident incidental fees and 18.45 percent of non-resident incidental fees. Categories of students receiving mandatory fee waivers include: veterans, war orphans, prisoners of war, senior citizens, Native Americans, custodial, high school honor scholarship, community college honor, and National Merit. Table 6 lists mandatory waivers expenditures reported in fiscal 1986.

Table 6
Mandatory Fee Waivers
Fiscal 1986

Category	MSU	UM	EMC	NMC	NMC	MCMST	TOTAL
Veterans	\$ 25,044	\$ 26,687	\$24,605	\$12,675	\$ 7,991	\$ 8,739	\$105,741
War Orphans	2,700	906	--	--	--	--	3,606
POW	--	--	--	--	--	--	--
Senior Citizens	3,096	3,593	2,705	2,025	2,902	4,415	18,736
Native American	55,410	62,301	75,551	105,408	3,306	4,158	306,134
Custodial	231	462	1,101	--	--	--	1,794
High School Honor	168,174	67,134	29,832	3,003	5,212	19,269	292,624
C. College Honor	2,292	1,476	1,386	--	--	--	5,154
National Merit	6,312	1,902	--	--	--	1,413	9,627
Total	<u>\$243,259</u>	<u>\$164,461</u>	<u>\$135,180</u>	<u>\$123,111</u>	<u>\$19,411</u>	<u>\$37,994</u>	<u>\$743,416</u>

Based on fiscal 1986 actual expenditures for mandatory fee waivers, enrollment projections, and tuition and fee changes, the projection for mandatory fee waivers is \$853,284 in fiscal 1988 and \$858,390 in fiscal 1989.

REVENUE SOURCES

The Montana University System units are funded from several sources, including: general fund, tuition and fees, statewide six mill levy proceeds, indirect cost reimbursement, and other miscellaneous sources.

Table 7 details the current level funding estimate for each revenue source by unit for the 1989 biennium. The largest funding source is the state general fund, followed by tuition and fees, and millage.

Table 7
Revenue Sources by Unit
1989 Biennium

----- FISCAL 1988 -----								% of
Rev. Source	MSU	UM	EMC	NMC	NMC	Tech	Total	Total
General Fund	\$25,698,802	\$21,280,220	\$ 8,103,869	\$4,714,503	\$2,793,891	\$4,762,906	\$ 67,354,191	62.2
Tuit. & Fees	10,371,026	9,306,830	3,235,105	1,447,149	853,213	1,809,429	27,022,752	24.9
Millage	4,529,932	3,486,327	1,490,863	688,090	366,982	905,986	11,468,180	10.6
Ind. Costs	1,235,000	460,000	105,000	24,000	18,000	150,000	1,992,000	1.8
Other	360,000	110,000	25,000	5,000	5,000	15,000	520,000	0.5
Total	<u>\$42,194,760</u>	<u>\$34,643,377</u>	<u>\$12,959,837</u>	<u>\$6,878,742</u>	<u>\$4,037,086</u>	<u>\$7,643,321</u>	<u>\$108,357,123</u>	<u>100.0</u>
----- FISCAL 1989 -----								% of
Rev. Source	MSU	UM	EMC	NMC	NMC	Tech	Total	Total
Gen. Fund	\$25,784,191	\$21,353,903	\$8,165,425	\$4,736,502	\$2,786,883	\$4,837,025	\$67,663,929	62.1
Tuit. & Fees	10,387,316	9,327,873	3,267,067	1,461,887	861,104	1,853,647	27,158,894	24.9
Millage	4,605,656	3,544,606	1,515,786	699,593	373,117	921,131	11,659,889	10.7
Ind. Costs	1,235,000	460,000	105,000	24,000	18,000	150,000	1,992,000	1.8
Other	360,000	110,000	25,000	5,000	5,000	15,000	520,000	0.5
Total	<u>\$42,372,163</u>	<u>\$34,796,382</u>	<u>\$13,078,278</u>	<u>\$6,926,982</u>	<u>\$4,044,104</u>	<u>\$7,776,803</u>	<u>\$108,994,712</u>	<u>100.0</u>

General Fund

The current level estimate of general fund results from first applying all non-general fund sources to the estimated expenditures, with the balance being general fund. A general fund decrease of 3.6 percent is estimated for the system in the 1989 biennium under current level. Pay increases, if appropriated, will be fully funded by general fund.

Tuition and Fees

The tuition and fee estimate used in the current level analysis is based upon tuition rates charged by the University System in fiscal 1987. That rate includes the rate approved by the 1985 legislature plus a surcharge of \$2 per credit hour (\$3 if on a semester basis) totaling \$72 per full-time equivalent student. The board of regents approved the addition of the surcharge for fiscal 1987 and budget amendments for four of the units of the system. The increased income from tuition and fees was not anticipated to exceed already available authority at Montana State University and Montana College of Mineral Science and Technology. The tuition increase combines with decreased enrollment to provide tuition and fee revenue that is 3.6 percent more

than the previous biennium. Current level shows tuition and fees representing 24.9 percent of the 1989 biennium revenue for the University System. Issue 1 addresses the fiscal impact of not continuing the regents' surcharge.

Statewide Six Mill Levy

Section 15-10-105, MCA, authorizes the state to collect up to six mills on the taxable value of all real and personal property in the state. The proceeds of the levy are used to support, maintain, and improve the Montana University System and other public institutions subject to board of regents' supervision. The act establishing the 6-mill levy terminates on January 1, 1989. These funds are subject to legislative appropriation. An estimated \$11,468,180 will be available in fiscal 1988 and \$11,659,889 in fiscal 1989. These figures represent a decrease of 28.7 percent from the 1987 biennium.

Indirect Costs Reimbursement and Other

The estimated funding from these revenue sources is based on fiscal 1986 revenue. Adjustments were made for indirect cost reimbursements, with an annual reduction of \$180,000 for Montana Tech because of decreased administrative charge income from the Bureau of Mines, plus \$380,000 in excess indirect cost which the units were allowed to retain for fiscal 1986 and 1987 to meet the budget shortfall.

Until the 1987 biennium, land grant income was also included as a revenue source. A September 1984 attorney general's opinion stated that the legislature cannot appropriate revenue pledged to repay university revenue bonds. Based upon that opinion the 1985 legislature approved a University System request to remove land grant funds from general operations income, although not all land grant funds were pledged to repay bonds. General fund replaces this funding source.

ISSUE 1: ENROLLMENT ESTIMATES

It appears that enrollment in the University System will stabilize over the next few years. Approximately 42 percent of the system's first-time resident freshmen were spring high school graduates. The number of high school graduates has decreased steadily in the past few years to a low of approximately 9,800 in the spring of 1986 (the freshman class of fiscal 1987). The annual number of students graduating is then expected to increase to over 10,000 for three years before the number graduating drops lower than the fiscal 1987 figure.

Enrollment estimates used in current level analysis are developed from an enrollment projection model devised by a 1983 enrollment task force. Table 8 shows the current level and the Board of Regents estimates for the 1989 biennium.

Table 8
Enrollment Projections
Montana University System

Unit	Board of Regents			Current Level			Board of Regents Over (Under) Current Level
	FY 1988	FY 1989	Total	FY 1988	FY 1989	Total	
MSU	10,097	9,858	19,955	9,550	9,565	19,115	840
UM	8,144	8,113	16,257	7,961	7,979	15,940	317
EMC	3,480	3,487	6,967	3,239	3,271	6,510	457
NMC	1,693	1,645	3,338	1,571	1,587	3,158	180
WMC	854	861	1,715	865	873	1,738	(23)
MCMST	1,659	1,674	3,333	1,555	1,593	3,148	185
Total	<u>25,927</u>	<u>25,638</u>	<u>51,565</u>	<u>24,741</u>	<u>24,868</u>	<u>49,609</u>	<u>1,956</u>

The University System experienced an increase in enrollment each year from fiscal 1980 through 1984. However, in fiscal 1985 the enrollment began to decrease. Fiscal 1984 enrollment exceeded budgeted estimates by 128 students. However, enrollment figures used for budgeting purposes from fiscal 1985 through fiscal 1987 reflect figures that exceed actual enrollment by 898 students in fiscal 1985, 647 students in fiscal 1986, and approximately 1,208 students in fiscal 1987. Table 9 illustrates the actual versus the appropriated figures for enrollment for fiscal years 1984 to 1987.

Table 9
**Comparison of Unrestricted Actual/
Projected Enrollment to Budgeted Enrollment**
Fiscal 1984 through Fiscal 1987

Unit	1984		1985		1986		1987	
	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Projected	Budgeted
MSU	10,782	10,738	10,353	10,693	10,097	10,382	9,662	10,211
UM	8,336	8,283	8,265	8,283	8,144	8,183	8,000	8,099
EMC	3,503	3,551	3,468	3,597	3,442	3,516	3,275	3,493
NMC	1,745	1,623	1,707	1,641	1,693	1,737	1,630	1,737
WMC	882	867	880	864	854	875	880	873
MCMST	2,090	2,148	1,880	2,373	1,659	1,843	1,595	1,837
Total	<u>27,338</u>	<u>27,210</u>	<u>26,553</u>	<u>27,451</u>	<u>25,889</u>	<u>26,536</u>	<u>25,042</u>	<u>26,250</u>

Table 10 details the general fund increase resulting from using the Board of Regents enrollment estimates listed in Table 8, which are 1,956 FY FTE higher than the biennium enrollment estimates used in current level.

Table 10
Expenditure and Revenue Impact To General Fund
Using Board of Regents' Enrollment Figures

----- FISCAL 1988 -----							
<u>EXPENDITURE IMPACT</u>	<u>MSU</u>	<u>UM</u>	<u>EMC</u>	<u>NMC</u>	<u>WMC</u>	<u>MCMST</u>	<u>Total</u>
Instruction	\$1,332,732	\$ 397,608	\$ 454,518	\$ 283,957	\$(26,351)	\$ 237,360	\$ 2,679,824
Support	703,613	236,390	311,453	155,169	(14,130)	159,285	1,551,780
Scholarships	65,743	22,662	15,092	17,638	(1,052)	13,740	133,823
Exp. Impact	<u>\$2,102,088</u>	<u>\$ 656,660</u>	<u>\$ 781,063</u>	<u>\$ 456,764</u>	<u>\$(41,533)</u>	<u>\$ 410,385</u>	<u>\$ 4,365,427</u>
<u>REVENUE IMPACT</u>							
Tuition/Fees	594,027	213,936	235,509	112,382	(10,850)	121,017	1,266,021
General Fund	<u>\$1,508,061</u>	<u>\$ 442,724</u>	<u>\$ 545,554</u>	<u>\$ 344,382</u>	<u>\$(30,683)</u>	<u>\$ 289,368</u>	<u>\$ 3,099,406</u>
Added Funds	<u>\$2,102,088</u>	<u>\$ 656,660</u>	<u>\$ 781,063</u>	<u>\$ 456,764</u>	<u>\$(41,533)</u>	<u>\$ 410,385</u>	<u>\$ 4,365,427</u>
----- FISCAL 1989 -----							
<u>EXPENDITURE IMPACT</u>	<u>MSU</u>	<u>UM</u>	<u>EMC</u>	<u>NMC</u>	<u>WMC</u>	<u>MCMST</u>	<u>Total</u>
Instruction	\$ 714,889	\$ 291,630	\$ 408,122	\$ 135,230	\$(28,793)	\$185,190	\$1,706,268
Support	376,892	173,097	279,154	73,769	(15,415)	124,062	1,011,559
Scholarships	35,217	16,495	23,772	8,384	(1,147)	10,702	93,423
Exp. Impact	<u>\$1,126,998</u>	<u>\$ 481,222</u>	<u>\$ 711,048</u>	<u>\$ 217,383</u>	<u>\$(45,355)</u>	<u>\$319,954</u>	<u>\$2,811,250</u>
<u>REVENUE IMPACT</u>							
Tuition/Fees	318,189	156,653	215,740	53,428	(11,837)	94,253	826,426
General Fund	<u>\$ 808,809</u>	<u>\$ 324,569</u>	<u>\$ 495,308</u>	<u>\$ 163,955</u>	<u>\$(33,518)</u>	<u>\$225,701</u>	<u>\$1,984,824</u>
Added Funds	<u>\$1,126,998</u>	<u>\$ 481,222</u>	<u>\$ 711,048</u>	<u>\$ 217,383</u>	<u>\$(45,355)</u>	<u>\$319,954</u>	<u>\$2,811,250</u>

Expenditures would increase by \$4,365,427 in fiscal 1988 and by \$2,811,250 in fiscal 1989. The increase in tuition and fees would total \$1,266,021 in fiscal 1988 and \$826,426 in fiscal 1989. The net difference would be a general fund increase of \$3,099,406 in fiscal 1988 and \$1,984,824 in fiscal 1989, or a total increase for the biennium of \$5,084,230.

Option A: Use the Board of Regents enrollment estimates for a general fund increase of \$3,099,406 in fiscal 1988 and \$1,984,824 in fiscal 1988, and a tuition and fee revenue increase of \$1,266,021 in fiscal 1988 and \$826,426 in fiscal 1989.

Option B: Maintain the current level enrollment estimates.

ISSUE 2: LEGISLATIVE FUNDING LEVEL

Since the implementation of the university funding formula, the legislature has generally chosen to fund the formula driven budget at levels less than 100 percent of peer institutions. In the 1985 session, the legislature funded the instruction budget at 99 percent both years of the current biennium and funded the support program at 95 percent for fiscal 1986 and 97 percent for fiscal 1987. Special Session III reductions in general fund resulted in an effective rate of 91.7 percent formula funding for the instruction and support programs.

A 91.7 percent funding level is utilized in current level for both the instruction and the support portions of the budget. The fiscal impact of implementing formula funding to the level anticipated by the 1985 legislature is illustrated in Table 11. Instruction costs are projected at 99 percent of the funding formula and support costs at 97 percent. Compared to current level funding of 91.7 percent, general fund would increase by \$6,317,795 in fiscal 1988 and \$6,357,153 in fiscal 1989, for a total of \$12,674,948 for the biennium.

Table 11
General Fund Cut of Funding the Formula at
99 Percent Instruction and 97 Percent Support Rather Than 91.7 Percent
1989 Biennium

Unit	FISCAL 1988			FISCAL 1989		
	91.7 % Funding	99% & 97% Funding	Increase	91.7% Funding	99% & 97% Funding	Increase
MSU	\$35,552,261	\$38,114,562	\$2,562,301	\$35,641,238	\$38,210,199	\$2,568,961
UM	27,580,649	29,551,986	1,971,337	27,672,063	29,650,165	1,978,102
EMC	10,294,531	11,022,757	728,226	10,407,787	11,144,124	736,337
NMC	5,654,650	6,061,223	406,573	5,718,643	6,129,866	411,223
WMC	3,183,313	3,412,494	229,181	3,216,213	3,447,788	231,575
NCHST	5,930,625	6,350,802	420,177	6,081,970	6,512,925	430,955
Total	<u>\$88,196,029</u>	<u>\$94,513,824</u>	<u>\$6,317,795</u>	<u>\$88,737,914</u>	<u>\$95,095,067</u>	<u>\$6,357,153</u>

Option A: Increase funding level for the Instruction Program to 99 percent for an increase of \$4,454,144 in fiscal 1988 and \$4,483,492 in fiscal 1989.

Option B: Increase funding level for the Support Program to 97 percent for an increase of \$1,863,651 in fiscal 1988 and \$1,873,661 in fiscal 1989.

Option C: Maintain current level for both the instruction and support programs at 91.7 percent.

ISSUE 3: TUITION RATES

As indicated in the current level discussion on tuition and fee revenue, fiscal 1987 University System tuition includes the rate approved by the 1985 legislature plus a surcharge. The Board of Regents approved a surcharge to meet budget needs due to budget cutbacks and declining enrollment.

The legislative approved fiscal 1987 in-state tuition rate is \$720 and the rate with the surcharge is \$792, an increase of \$72 per FTE. Out-of-state students pay both in-state and non-resident fees. The surcharge increases fiscal 1987 tuition revenue by \$1.8 million for approximately 25,000 students. Table 12 illustrates the fiscal impact if the surcharge is removed. Tuition revenue, with appropriate adjustments for scholarships and fellowships, decreases by \$1,632,527 in fiscal 1988 and \$1,640,758 in fiscal 1989. The general fund would increase by \$3,273,285.

Table 12
Fiscal Impact of Not Maintaining the Tuition Surcharge

Unit	FISCAL 1988			FISCAL 1989		
	Without Surcharge	Current Level	Difference	Without Surcharge	Current Level	Difference
MSU	\$ 8,594,549	\$ 9,223,223	\$ 628,674	\$ 8,608,049	\$ 9,237,711	\$ 629,662
UM	7,790,976	8,320,990	530,014	7,808,591	8,339,704	531,113
EMC	2,657,989	2,878,639	220,650	2,684,250	2,907,079	222,829
NMC	1,124,636	1,220,014	95,378	1,136,089	1,232,438	96,349
WMC	713,697	770,530	56,833	720,298	777,656	57,358
MCMST	1,503,004	1,603,952	100,978	1,539,732	1,643,179	103,447
System	\$22,384,851	\$24,017,378	\$1,632,527	\$22,497,009	\$24,137,767	\$1,640,758

Option A: Do not use the surcharge for a tuition and fee decrease of \$1,632,527 in fiscal 1988 and \$1,640,758 in fiscal 1989 and a corresponding general fund increase.

Option B: Maintain the tuition surcharges.

ISSUE 4: HAZARDOUS WASTE

Each unit of the university system requests funds to address hazardous waste needs. Regulations were implemented in November of 1980 by federal and state agencies to ensure safe storage and disposal of generated hazardous wastes, requiring costs beyond normal plant operations. Penalties for non-compliance include criminal charges and fines. Special handling is required to manage, store, and dispose of hazardous waste. Some waste must be destroyed or transported to out-of-state disposal sites. In order for the units to come into compliance with current regulations, each unit requests funding for storage, disposal, and associated management costs. Requests are also made by five of the units for a total of 5.25 FTE, with Eastern Montana College not requesting any funding for FTE's. Unit requests also include site construction at Montana Tech and asbestos removal at Northern Montana College and Eastern Montana College for a system request of \$320,975 in fiscal 1988 and \$251,000 in fiscal 1989, as shown in Table 13.

All units except Montana State University are small generators, producing from 100 to 1,000 kilograms of hazardous waste per month. Regulations for storage and disposal are less restrictive for small generators than for large generators. Montana State University generates larger volumes of hazardous waste, provides more safeguards and management, and disposes of quantities of waste on a regular basis.

Table 13 lists the budget requests from each unit as well as an option that includes disposal and management costs based on the number of barrels of hazardous waste that require special handling. Storage barrel and transportation costs are projected at \$500 per barrel for the 1989 biennium with an additional \$500 per barrel for associated handling and processing costs. The total costs based on \$1,000 per barrel are shown in Table 13.

Table 13
Hazardous Waste Requests

- - Unit Requests - -			- - - - - Disposal Costs - - - - -			
Unit	FY 1988	FY 1989	Barrels	Cost Per Barrel	FY 1988	FY 1988
MSU	\$ 67,180	\$ 67,780	34	\$1,000	\$ 34,000	\$ 34,000
UM	93,728	93,728	8	1,000	8,000	8,000
EMC	76,000	6,000	2	1,000	2,000	2,000
NMC	11,047	10,872	1	1,000	1,000	1,000
WMC	18,020	18,020	1	1,000	1,000	1,000
MCMST	55,000	55,000	5	1,000	5,000	5,000
Total	<u>\$320,975</u>	<u>\$251,400</u>			<u>\$51,000</u>	<u>\$51,000</u>

Option A: Provide funding as requested by the units total \$320,975 for fiscal 1988 and \$251,400 for fiscal 1989.

Option B: Provide disposal cost funding for each unit at a cost of \$51,000 each year of the biennium.

Option C: Provide no additional funding for hazardous waste disposal.

UNIVERSITY SYSTEM - SIX UNITS

----- PROGRAM DIFFERENCES BETWEEN EXECUTIVE AND CURRENT LEVEL -----
 1989 Biennium

PROGRAMS

INSTRUCTION

Enrollment
 Funding level

Formula factors (instructional support rate, formula salary, benefit rates)

SUPPORT

Enrollment
 Funding level
 Support rate
 Vacancy savings \$886,150

RESEARCH

Base adjustments for expenditures over appropriation
 Vacancy Savings \$36,424

PUBLIC SERVICE

Base adjustments for expenditures over appropriation
 Vacancy Savings \$13,977

PLANT

Base adjustments for expenditure over appropriation
 Base adjustments, actions by 1985 Legislature for FY 1987
 Energy savings adjustments - MSU only
 Vacancy Savings \$209,441

FELLOWSHIPS & SCHOLARSHIPS

Enrollment
 Tuition rate
 Executive - \$720 per year
 Current level - \$792 per year (includes surcharge)

FUNDING

TUITION

Enrollment
 Tuition rate

SIX-MILL LEVY

Differing estimates

INDIRECT COST RECOVERY

Eliminated in executive

OTHER

Current level reflects FY1986 revenue

SUMMARY OF POTENTIAL REGENTS ACTIONS
FY 1986-87 and 1989 Biennium

Campus University of Montana

Program or Activity Eliminated or Reduced	Actual FY 87			Projected FY 88			Projected FY 89		
	Estimated FTE Students	Base FTE Positions	Base Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
OTHER PROGRAMS									
Intercollegiate Athletics		0.77	\$55,000	20	2.60	\$133,000			
Fees for Student Services		1.96	45,961		0.80	25,000			
Reduce Summer Student Services			2,540		1.30	31,000			
Reduce communication with public and alumni		0.55	42,046		0.50	10,000			
Employee Fitness Program		0.50	11,273						
Employee Development Program						11,000			
Employee Benefits Information		0.88	16,500						
Accounting & Audit Services		1.26	27,000		2.50	45,000			
Computing Services		0.25	3,940		1.00	30,000			
Purchasing Services		1.00	14,000						
Campus Security & Safety		0.50	8,054		0.25	9,370			
Custodial Services					1.00	63,487			
Repair and Maintenance Services		4.00	192,006		4.25	161,143			
Contingency Funds			5,000			43,000			
President's Office Staff			30,411		1.30	48,000			
Fee Waivers						51,000			
Fringe Benefit Savings						150,000			\$275,000
SUBTOTAL - OTHER PROGRAMS	0	11.67	\$453,731	20	15.50	\$811,000	0	0.00	\$275,000
TOTAL	52	29.66	\$856,779	30	22.50	\$1,084,000	435	58.10	\$1,992,000

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Program or Activity Eliminated or Reduced	Actual FY 87			Projected FY 88			Projected FY 89		
	Estimated FTE Students	Base FTE Positions	Base Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
ACADEMIC PROGRAMS									
PROGRAM ELIMINATIONS*									
Business Teacher Education 7/88							37	2.30	\$68,000
Communication Sciences & Disorders 7/88							46	11.90	317,000
Home Economics 7/88							113	8.30	201,000
Pharmacy 7/88							127	16.70	511,000
Physical Therapy 7/88							31	3.80	92,000
Religious Studies 7/88							69	6.10	200,000
Marching Band 7/87									
Conflict Management Project 7/86		0.34	\$14,991	10	0.30	\$16,000			
PROGRAM REDUCTIONS									
Journalism School to AY							12	4.00	10,000
Music									100,000
Research Support		0.73	56,174						
Graduate Teaching Assistants	42	11.49	200,000		1.00	\$25,000			
Summer Session	10	0.34	10,000						
Health Professional Education		0.45	17,000						
Associate Academic Vice President									
Attrition/Retirement/Consolidation		4.64	104,883					5.00	218,000
SUBTOTAL - ACADEMIC PROGRAMS	52	17.99	\$403,048	10	7.00	\$273,000	435	58.10	\$1,717,000

*In the case of academic program reductions, it should be emphasized that eliminations involving tenured faculty members could occur only if retrenchment were involved in accord with contractual procedures. Under those procedures, a Regents' decision must be preceded by the development of a formal retrenchment plan, campus review and recommendation by the Commissioner of Higher Education.

**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Montana State University

	FY 87			FY 88			FY 89		
	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>Degree & Date of Program Elimination</u>									
BA - Architecture - 1991	100	2.82	64,000	100	2.82	64,000	65	2.00	70,000
BA - Interior Design - 1990	13	0.00	17,000	13	0.00	17,000	10		
BS,MS - Industrial Arts - 1990	6	1.63	37,000	6	1.63	37,000	6	1.00	35,000
None - Veterinary Sci. - 1989	0	1.00	50,000	0	1.00	50,000	0	1.34	55,000
BS - Business Education - 1990	37	.27	6,000	37	.27	6,000	37	1.00	25,000
Nursing - Butte - 1987	0	0.00	100,000	0	0.00	100,000	0		
Nursing - Great Falls - 1988	20	0.00	-0-	20	0.00	-0-	20	5.00	200,000
College of Arts & Arch - ?	0	1.50	40,000	0	1.50	40,000	0		
International Education - 1987	15	1.51	36,000	15	1.51	36,000	15		
Institutional Research - 1987	0	1.09	41,000	0	1.09	41,000	0		
Marching Band - 1987	10	.52	25,000	10	.52	25,000	10		
Wrestling - 1987	22	1.00	69,000	22	1.00	69,000	22		
Skiing - 1987	15	.75	25,000	15	.75	25,000	15		
Gymnastics - 1987	9	1.00	79,000	9	1.00	79,000	9		
Native American Outreach - 1987	0	1.21	38,000	0	1.21	38,000	0		
Humanities Seminar - 1987	0	0.00	5,000	0	0.00	5,000	0		
	247	14.30	632,000	247	14.30	632,000	209	10.34	385,000

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SUMMARY OF INITIAL REGENTS ACTIONS
FY 1986-87 and 1989 Biennium

Campus Montana Forest and Conservation Experiment Station

Program or Activity Eliminated or Reduced	Actual FY 87			Projected FY 88			Projected FY 89		
	Estimated FTE Students	Base FTE Positions	Base Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
Field Research Support		1.60	\$31,117		0.45	\$9,560			
TOTAL		1.60	\$31,117		0.45	\$9,560			

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**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Montana State University

<u>Degree & Date of Program Elimination</u>	<u>FY 87</u>				<u>FY 88</u>				<u>FY 89</u>			
	<u>Other Programs or Activities Terminated</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>		
	<u>Program Reductions (cont)</u>											
	President's Office	NA	0.00	20,000	NA	0.00	20,000					
	Advisory Council	NA	0.00	5,000	NA	0.00	5,000					
	Publications & News	NA	3.00	109,000	NA	3.00	109,000					
	Alumni Affairs	NA	1.25	30,000	NA	1.25	30,000					
	Director of Administration	NA	1.00	42,000	NA	1.00	42,000					
	Institutional Memberships	NA	0.00	12,000	NA	0.00	12,000					
	Personnel	NA	1.15	40,000	NA	1.15	40,000					
	Central Mail Service	NA	0.00	10,000	NA	0.00	10,000					
	Safety & Security	NA	0.00	10,000	NA	0.00	10,000					
	Telephone	NA	0.00	10,000	NA	0.00	10,000					
	Grants & Contracts	NA	.33	20,000	NA	.33	20,000					
	Research	NA	8.21	400,000	NA	8.21	400,000					
	Energy Savings	NA	0.00	123,000	NA	0.00	123,000					
	Classroom Maintenance	NA	0.00	50,000	NA	0.00	50,000					
	Controlled Environment Facility Operations	NA	0.00	76,000	NA	0.00	76,000					
	Subtotal		14.94	967,000		14.94	967,000					

**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Montana State University

Degree & Date of Program Elimination	Other Programs or Activities Terminated	FY 87			FY 88			FY 89		
		Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
	<u>Program Reductions</u>									
	College of Agriculture	Uncertain	.52	20,000	Uncertain	.52	20,000			
	Industrial Engineering	Uncertain	1.22	60,000	Uncertain	1.22	60,000			
	Political Science	Uncertain	1.72	49,000	Uncertain	1.72	49,000			
	Psychology	Uncertain	1.00	30,000	Uncertain	1.00	30,000			
	Speech Communications	Uncertain	1.22	60,000	Uncertain	1.22	60,000			
	Summer Session	Uncertain	6.25	125,000	Uncertain	6.25	125,000			
	Community Services	NA	.12	10,000	NA	.12	10,000			
	Continuing Education	NA	2.15	69,000	NA	2.15	69,000			
	Library	NA	0	50,000	NA	0	50,000			
	Institutional Salary Support	NA	3.40	60,000	NA	3.40	60,000			
	Vice President Research	NA	1.00	30,000	NA	1.00	30,000			
	Cultural Activities	NA	0.00	36,000	NA	0.00	36,000			
	Testing	NA	.61	25,000	NA	.61	25,000			
	Dean of Student Affairs	NA	1.00	40,000	NA	1.00	40,000			
	Faculty Council	NA	.43	15,000	NA	.43	15,000			
	Subtotal		20.64	579,000		20.64	579,000			

SUMMARY OF REGENTS ACTIONS
FY 1986-87

CAMPUS Montana State University

Degree & Date of Program Elimination	Other Programs or Activities Terminated	FY 87			FY 88			FY 89		
		Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
	Instruction		65.45	1,548,802						
	Support		51.13	1,587,052						
	Research		.02	31,540						
	Public Service		0.00	1,831						
	Physical Plant		3.99	622,464						
			<u>120.59</u>	<u>3,791,689</u>						

SUMMARY OF REGENTS ACTIONS
FY 1986-87

CAMPUS Montana State University

<u>Degree & Date of Program Elimination</u>	<u>Other Programs or Activities Terminated</u>	<u>FY 87</u>			<u>FY 88</u>			<u>FY 89</u>		
		<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>
	<u>Program Reductions (cont)</u>									
	Audit Costs				NA	0.00	20,000			
	Benefits				NA	0.00	352,000			
	Undetermined Reductions						253,704			
	Subtotal FY1987 (HB 30) - Executive Recommendation	227	49.88	2,903,704						
	1987 (HB 500 - 1987 HB 30)			2,559,299						
	Total Reductions HB 500 to FY88 Executive Recommendation			5,463,003						

SUMMARY OF REGENTS ACTIONS
FY 1986-87

Degree & Date of Program Elimination	Other Programs or Activities Terminated	FY 87			FY 88			FY 89		
		Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
	<u>SUPPORT PROGRAMS</u>									
	Dupl. Supvr.		1.0	22,333						
	Mail Clerk		1.0	14,785						
	Budget Officer		1.0	20,680						
	Dir. of Communication		1.0	43,786						
	Dir. of Auxiliaries		1.0	36,206						
	Dir. of Placement		1.0	30,940						
	All Academic Deans		2.0	107,747						
	Secretary		1.8	28,218						
			9.8	304,695						
	Pers. Office					.50	10,554			
	Alum. Ofc.& Devel.						35,000			
	Recharge Aux.						25,000			
	Library Asst.					1.0	28,000			
	Director of Grad. School					1.0	40,000			
	Sabbatical					1.2	40,000			
	Dir. of Cont. Edu.					.5	23,800			
	Counselor					.5	12,722			
	Clerical					1.0	15,000			
	Computer Support					2.0	46,000			
	Dupl. Room					1.0	18,000			
	Books and Serials						25,000			
	Oper. Reduction						80,000			
						8.7	399,076			

CAMPUS Montana Tech

Degree & Date of Program Elimination	Other Programs or Activities Terminated	FY 87		FY 88		FY 89	
		Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>ASSOCIATE DEGREES 1988</u>							
		110					
<u>UNDERGRADUATE PROGRAMS</u>							
	Mineral Processing 1988	20					
	B.A., Society & Technology 1988	10					
	Business Administration 1990	376					
	Geophysical Engrg. 1988	47					
<u>GRADUATE PROGRAMS</u>							
	Metallurgical Engrg. 1988	12					
	Mineral Processing Engrg. 1988	3					
	Geochemistry 1988	4					
	Geophysical Engrg. 1988	4					
	Geological Engrg. 1988	9					
		595					
	Faculty Reduction	9.05	280,775				
<u>FACULTY REDUCTION</u>							
	Business			3.0		103,000	
	Geol.			1.0		37,000	
	Eng. Sci.			2.0		62,000	
	Physics			2.0		66,000	
	Geophysical			3.0		120,000	
	Part-Time			3.0		50,000	
	Dept. Clerical			3.0		40,000	
	Dept. Consolidations					20,000	
	Dept. Opr. Budget					17,000	
				17.0		515,000	
891T							

SUMMARY OF PROPOSED REGENTS ACTIONS
FY 1986-87

CAMPUS Eastern Montana College

	<u>FY 87</u>			<u>FY 88</u>			<u>FY 89</u>		
	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>
<u>Proposed Program Elimination</u>									
1. <u>School of Education:</u>									
Master of Science in Special Education									
Education of the Educationally Handicapped									
Education of the Emotionally Handicapped									
Education of the Developmentally Disabled									
Total 1987	N/A	4.38	107,533						
Bachelor of Science in Education (BSED)									
German									
Health, Physical Education and Recreation									
Master of Science in Special Education									
Hearing Impaired									
Mental Retardation									
Minors									
Library Science, Teaching									
Library Science, Non-teaching									
Rehabilitation and Related Services									
Special Education, Teaching									
Special Education, Non-teaching									
Total 1988/89	N/A	-0-	-0-	N/A	5.48	143,616	N/A	5.48	143,616

**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Montana Tech

Degree & Date of Program Elimination	Other Programs or Activities Terminated	FY 87			FY 88 ✓			FY 89		
		Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
	<u>PHYSICAL PLANT</u>									
	Carpenter		1.0	20,909						
	Machinist		.5	14,002						
	Security			20,000		1.0	40,000			
	Grounds Keeper						18,000			
	Summer Boiler Shutdown		<u>1.5</u>	<u>54,911</u>		<u>1.5</u>	<u>22,000</u>			
						<u>2.5</u>	<u>80,000</u>			
	<u>ORGANIZED RESEARCH</u>									
	Eliminate Program		1.5	42,340						

SUMMARY OF PROPOSED REGENTS ACTIONS
FY 1986-87

CAMPUS Eastern Montana College

Proposed Program Elimination	FY 87			FY 88			FY 89		
	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
3. School of Arts & Sciences:									
Total 1987	N/A	7.68	197,801						
Associate of Arts Degrees									
Art									
Communication Arts									
Chemistry Technician									
Bachelor of Arts Degrees									
Biology									
German									
Music Therapy									
Psychology									
Sociology									
Minor									
Scandinavian Studies									
Pre-Professional Program									
Engineering Technology									
Total 1988/89	N/A	-0-	-0-	N/A	6.45	186,404	N/A	8.45	186,404
4. Summer Session									
Total 1987	N/A	-0-	-0-						
Total 1988/89	N/A	-0-	-0-		1.67	37,926		1.67	37,926

SUMMARY OF PROPOSED REGENTS ACTIONS
FY 1986-87

CAMPUS Eastern Montana College

	<u>FY 87</u>			<u>FY 88</u>			<u>FY 89</u>		
<u>Proposed Program Elimination</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>
2. School of Business and Economics:									
Bachelor of Science in Business Administration									
Bank Management									
Finance									
Business Administration and Management									
Office Administration									
Public Administration									
Records Management									
Institutional Management									
Logistics Management									
Management Operations									
Transportation Management									
Logistics-Air Transportation									
Bachelor of Arts in Business Administration									
International Management									
Institutional Management, Logistics Management									
Transportation Management, Logistics-Air Trans									
Bachelor of Science in Management Operations									
Total 1987	N/A	1.62	75,632						
Associate of Arts Degree									
Data Processing									
Bachelor of Arts Degrees									
Accounting									
Economics									
Information Systems									
Total 1988/89	N/A	-0-	-0-	N/A	2.17	60,580	N/A	2.17	60,580

SUMMARY OF PROPOSED REGENTS ACTIONS
FY 1986-87

CAMPUS Eastern Montana College

	FY 87			FY 88			FY 89		
	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>Proposed Program Elimination</u>									
9. Scholarships & Fellowships									
1987	-0-		-0-	-0-		-0-	-0-		-0-
1988/89				-0-		54,404	-0-		54,404
Total	33.93		\$1,381,662	40.27		\$1,023,893	42.27		\$1,023,893

SUMMARY OF PROPOSED REGENTS ACTIONS
FY 1986-87

CAMPUS Eastern Montana College

	FY 87			FY 88			FY 89		
	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>Program Elimination</u>									
5. Athletics - 1987 1988/89	N/A	0.50	29,073		1.66	55,200		1.66	55,200
6. Support Areas -- Academic Support Student Services and Institutional Support 1987 1988/89		14.85	861,651		14.84	327,100		14.84	327,100
7. Public Service 1987 1988/89		.75	16,879		1.50	16,663		1.50	16,663
8. Operation & Maintenance of Plant 1987 1988/89		4.15	93,093		6.50	142,000		6.50	142,000

SUMMARY OF REGENTS ACTIONS
FY 1986-87

CAMPUS Northern Montana College

Degree & Date of Program Elimination	Other Programs or Activities Terminated	FY 87			FY 88			FY 89		
		Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>INSTRUCTION PROGRAM CONTINUED</u>										
min Interdisciplinary Studies, Communications										
min Interdisciplinary Studies, Environmental Resources					2.0	.20	6,521	2.0	.20	6,521
					2.4	.22	7,177	2.0	.22	7,177
					58.2	5.52	180,000	58.2	5.52	180,000
Capital Purchases				\$200,000						
Travel Restrictions				\$ 20,000						
Operating Cuts				\$ 20,000						
Vacant Faculty Positions			3.5	\$100,000						

**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Northern Montana College

Degree & Date of Program Elimination	Other Programs or Activities Terminated	FY 87			FY 88			FY 89		
		Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>INSTRUCTION PROGRAM</u>										
AS Agricultural Technology, Farm-Ranch Management		2.6	.25	8,152	2.6	.25	8,152	2.6	.25	8,152
AS Agricultural Technology, Agri-Mechanical		2.5	.24	7,826	2.5	.24	7,826	2.5	.24	7,826
AS Agricultural Technology, Agri-Services		2.8	.26	8,478	2.8	.26	8,478	2.8	.26	8,478
BT Mechanical Technology Metals, without minor		2.6	.25	8,152	2.6	.25	8,152	2.6	.25	8,152
min Canadian Studies		2.0	.20	6,521	2.0	.20	6,521	2.0	.20	6,521
min Government		1.4	.13	4,239	1.4	.13	4,239	1.4	.13	4,239
AS Electrical Technology		1.8	.17	5,543	1.8	.17	5,543	1.8	.17	5,543
AS Electronics Technology		2.2	.21	6,848	2.2	.21	6,848	2.2	.21	6,848
BT Diesel Technology, with minor		2.6	.25	8,152	2.6	.25	8,152	2.6	.25	8,152
BS Secondary Education Business Education Broadfield		4.4	.41	13,369	4.4	.41	13,369	4.4	.41	13,369
Secretarial Occupations										
BT Construction Technology, with minor		2.7	.26	8,478	2.7	.26	8,478	2.7	.26	8,478
AS Automotive Technology, Body Shop Management		4.0	.37	12,065	4.0	.37	12,065	4.0	.37	12,065
min Health		3.4	.31	10,109	3.4	.31	10,109	3.4	.31	10,109
BT Drafting Technology, Architecture, with minor		3.7	.35	11,413	3.7	.35	11,413	3.7	.35	11,413
BT Drafting Technology, Mechanical, Broadfield,		2.5	.24	7,826	2.5	.24	7,826	2.5	.24	7,826
without minor										
BT Drafting Technology Mechanical, with minor		2.2	.21	6,847	2.2	.21	6,847	2.2	.21	6,847
AS Drafting Technology, Mechanical		3.0	.28	9,130	3.0	.28	9,130	3.0	.28	9,130
BT Drafting Technology, Architectural-Mechanical		2.9	.27	8,804	2.9	.27	8,804	2.9	.27	8,804
broadfield, without minor										
min Trades/Industry Electronics		.4	.04	1,304	.4	.04	1,304	.4	.04	1,304
BS Trades/Industry Auto Secondary Education,		.4	.04	1,304	.4	.04	1,304	.4	.04	1,304
without minor										
min Interdisciplinary Studies, Travel-Transportation		1.2	.12	3,913	1.2	.12	3,913	1.2	.12	3,913
min Interdisciplinary Studies, Tribal Government		2.5	.24	7,826	2.5	.24	7,826	2.5	.24	7,826

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**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Northern Montana College

	FY 87			FY 88			FY 89		
	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>Degree & Date of Program Elimination</u>									
<u>Other Programs or Activities Terminated</u>									
<u>STUDENT SERVICES PROGRAM</u>									
Volleyball Coach/Trainer		1.00	17,000		1.00	17,000		1.00	17,000
Director of College Sports		1.00	25,000		1.00	25,000		1.00	25,000
Director of Student Affairs					1.00	39,500		1.00	39,500
Director of Placement					1.00	25,500		1.00	25,500
Director of Student Services					1.00	25,000		1.00	25,000
Director of Outdoor Activities					1.00	15,000		1.00	15,000
Indian Counselor					1.00	25,000		1.00	25,000
Special Services Counselor					1.00	19,100		1.00	19,100
Clerical Assistance					1.00	15,000		1.00	15,000
Track Program					1.00	10,000		1.00	10,000

**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Northern Montana College

	<u>FY 87</u>			<u>FY 88</u>			<u>FY 89</u>		
	<u>Estimated</u>	<u>FTE</u>	<u>Dollar</u>	<u>Estimated</u>	<u>FTE</u>	<u>Dollar</u>	<u>Estimated</u>	<u>FTE</u>	<u>Dollar</u>
	<u>FTE</u>	<u>Positions</u>	<u>Reduction</u>	<u>FTE</u>	<u>Positions</u>	<u>Reduction</u>	<u>FTE</u>	<u>Positions</u>	<u>Reduction</u>
<u>Degree & Date</u>	<u>Students</u>	<u>Other Programs or</u>		<u>Students</u>			<u>Students</u>		
<u>of Program Elimination</u>		<u>Activities Terminated</u>							
<u>ACADEMIC SUPPORT PROGRAM</u>									
Associate Vice President	1.00		41,500		1.00	41,500		1.00	41,500
Librarian	1.00		25,000		1.00	25,000		1.00	25,000
Sabbaticals	2.00		46,000		3.00	70,000		3.00	70,000
Dean of Technology					1.00	43,000		1.00	43,000
Dean of Arts & Sciences					1.00	43,000		1.00	43,000
Dean of Education					1.00	43,000		1.00	43,000
Asst. Dean of Education					1.00	35,000		1.00	35,000
Clerical Assistance					1.00	22,500		1.00	22,500
Library Acquisitions			25,000		1.50			1.50	

**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Northern Montana College

	FY 87			FY 88			FY 89		
	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction	Estimated FTE Students	FTE Positions	Dollar Reduction
<u>Degree & Date of Program Elimination</u>									
<u>Other Programs or Activities Terminated</u>									
<u>OPERATION OF PLANT PROGRAM</u>									
Director of Physical Plant									
Custodial Assistance									
Maintenance									
Utilities Cutback									
Maintenance Cuts									
	1.00		12,000	1.00		33,500	1.00		33,500
				3.00		36,000	3.00		36,000
				1.00		25,000	1.00		25,000
			20,000						
			25,000						

CAMPUS
Northern Montana College

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**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Western Montana College

<u>Degree & Date of Program Elimination</u>	<u>Other Programs or Activities Terminated</u>	<u>FY 87</u>			<u>FY 88</u>			<u>FY 89</u>		
		<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>
Football	Athletic Director	N/A	.50	20,173	30	1.67	75,000	30	.50	17,949
Natural Heritage*	Library/AV Media	N/A	1.00	24,400	5	-0-	-0-	5	-0-	-0-
American Studies*	Classified (Full Year)	N/A	1.00	15,860	3	-0-	-0-	2	-0-	-0-
Business*	Classified (One-half Year)	N/A	2.00	20,130	40	-0-	-0-	40	-0-	-0-
Admin Merger - UM**	Adjunct Teachers	25	2.27	53,285	0	2.00	60,000	0	2.00	60,000

* Program phase out 1990

** Most fiscal impacts to be determined, estimate will cut
2.00 FTE Admin each year.

**SUMMARY OF REGENTS ACTIONS
FY 1986-87**

CAMPUS Northern Montana College

	<u>FY 87</u>		<u>FY 88</u>		<u>FY 89</u>	
<u>Degree & Date of Program Elimination</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>	<u>Estimated FTE Students</u>	<u>FTE Positions</u>	<u>Dollar Reduction</u>
<u>Other Programs or Activities Terminated</u>						
LESS REORGANIZATIONAL COSTS						270,000
TOTAL SAVINGS			596,500			599,600

Exh. b. + 3/
1-29-87

AN ACT TO REPEAL CERTAIN UNIVERSITY SYSTEM FEE WAIVERS

Section 1. Repealer. Sections 10-2-311 to 314, 20-25-421(3), and 53-30-213 are repealed.

Explanation: Deletes from the statutes the fee waiver sections that apply to veterans, war orphans, prisoners of war, etc., senior citizens, and students from the custodial institutions at Pine Hills and Mountain View.

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5

REGENT MODIFIED REQUEST

(Revised December, 1986)

FACULTY SALARY BASE ADJUSTMENT:

	<u>1988</u>	<u>1989</u>	<u>Total</u>
Required Amount	\$2,744,613	\$2,744,613	\$5,489,226

Faculty salaries in the Montana University System have eroded at an alarming rate in comparison with both regional and national levels. This is having a severe impact upon the campuses' ability to attract and retain faculty which is a serious threat to maintaining a quality educational system. While peer institutions within the geographic region are used in our salary surveys, the fact is that Montana must compete in a national market for academic scholars. Nationally, faculty salaries increased an average of 6.1% last year as compared to Montana's 1.5%. The salary data is not available for the current fiscal year, but early surveys indicate that the nationwide average will exceed the 3.25% pay plan rate provided to our faculty this year.

The most recent salary surveys in this geographic region indicate that Montana is rapidly losing its ability to compete even with its own peer institutions. (See Schedule A) It is vital to the well-being of our higher education system that the state make every effort to close the salary gap for faculty. Such an effort is not only necessary to stem the tide of out-migrating faculty, but is crucial to improving the perceived image of the state's higher education system in the minds of those young faculty that we are trying to attract. Several faculty search committees have been unsuccessful at filling positions with the desired candidates because of salary levels. Many potential candidates have expressed concern that the state doesn't seem to realize the long-term consequences of low salaries and make a concerted effort to improve the situation. This perceived lack of commitment on our state's part is just as demoralizing to existing and prospective faculty as the current salary levels themselves.

Even though Montana is facing severe economic conditions and everyone acknowledges that providing the additional funds will be difficult, there will be a long-term cost to the state of doing nothing about the problem. Not unlike physical plant and facility maintenance, it is cheaper to maintain educational quality than it is to rebuild it. Faculty salaries are the key component to quality and thus must receive the highest priority.

The attached schedules provide the justification for a base adjustment for all faculty of the Montana University System.

Schedule A - Faculty Salary Survey, 1985-86

The survey is based on 1985-86 faculty salary information supplied to the federal government on HEGIS reports. The report shows the institution, average faculty salary, number of faculty, and average faculty salary by rank.

Schedule B - Calculation of the Salary Adjustment

The assumptions used to calculate the adjustment are:

1. Enrollment estimates for the 1989 biennium as of December, 1986.
2. Student Faculty Ratio - Updated to 1986.
3. Appropriated faculty salary average for each campus. (Includes 1.5% Adjustment)
4. Salary survey averages for 1985-86 for U of M and MSU.
5. Ratio of college to university salaries as per formula guidelines.
6. Benefit rate of 20%.

Schedule C - Staffing Patterns by Rank

This shows the faculty staffing mix for each of the university peers.

Attachments

669T

MONTANA UNIVERSITY SYSTEM

Faculty Salary Survey - FY 1985-86
University Peers

Rank	Average Faculty Salary	Peer Institution Survey	Total No. of Faculty	Average Full Professor	Average Associate Professor	Average Assistant Professor	Average Instructor	Average Non-Ranked
1.	\$35,916	University of Wyoming	546	\$43,515	\$32,629	\$28,060	\$27,536	\$18,526
2.	\$33,986	University of Nevada - Reno	307	\$41,562	\$33,047	\$27,066	\$23,188	\$24,250
3.	\$33,501	University of Nevada - Las Vegas	326	\$41,453	\$33,606	\$28,790	\$27,168	\$21,564
4.	\$32,388	University of Idaho	354	\$37,854	\$29,581	\$26,258	\$20,274	--
5.	\$31,930	Utah State University	494	\$39,074	\$31,426	\$25,759	\$21,851	\$20,317
6.	\$31,650	University of New Mexico	737	\$40,224	\$29,702	\$24,708	\$19,392	\$22,432
7.	\$31,562	Northern Arizona University	471	\$41,255	\$30,438	\$26,556	\$21,897	\$28,644
8.	\$31,535	New Mexico State	554	\$38,876	\$29,765	\$24,407	\$19,161	--
9.	\$30,400	North Dakota State University	413	\$37,371	\$30,510	\$26,240	\$20,675	--
10.	\$29,779	University of North Dakota	429	\$36,732	\$30,020	\$25,055	\$20,896	\$18,330
11.	\$28,434	University of South Dakota	271	\$35,573	\$27,698	\$24,058	\$18,331	--
12.	\$27,706	Idaho State University	261	\$33,502	\$27,897	\$23,999	\$20,818	--
13.	\$26,993	South Dakota State University	332	\$31,937	\$26,914	\$23,073	\$20,843	--
	<u>\$31,539</u>	Weighted Average of Peers	423	<u>\$39,013</u>	<u>\$30,523</u>	<u>\$25,623</u>	<u>\$20,956</u>	<u>\$18,182</u>
	\$29,651	Montana State University	532	\$36,440	\$29,296	\$24,852	\$19,329	\$24,248
	\$29,084	University of Montana	374	\$33,070	\$26,528	\$23,473	\$19,854	--

Source: HEGIS Report Form 2300.3, 1985-86.

MONTANA UNIVERSITY SYSTEM

Schedule of Modified Budget Request
Faculty Salaries
1989 Biennium
(Revised)

	<u>MSU</u>	<u>U of M</u>	<u>EMC</u>	<u>NMC</u>	<u>TECH</u>	<u>WMC</u>	<u>System Total</u>
FY FTE Enrollment (1989 Biennium)	9,573	7,983	3,276	1,736	1,527	947	25,042
Student/Faculty Ratio	17.80	18.89	19.21	15.24	17.46	15.35	17.95
Estimated FTE Faculty	538	423	171	114	87	62	1,395
Appropriated Average Faculty Salary Guideline	29,850	29,850	26,706	26,487	28,897	26,487	28,977
Salary Survey (1985-86 FY)	31,539	31,539	28,227	27,975	30,530	27,975	30,616
Amount Required Per Full-Time Faculty Member	1,689	1,689	1,521	1,488	1,633	1,488	1,639
Total Salary Dollars Required	908,682	714,447	260,091	169,632	142,071	92,256	2,287,179
ADD: Employee Benefits @ 20%	181,736	142,889	52,018	33,926	28,414	18,451	457,434
TOTAL AMOUNT REQUIRED (1987-88)	1,090,418	857,336	312,109	203,558	170,485	110,707	2,744,613
TOTAL AMOUNT REQUIRED (1988-89)	1,090,418	857,336	312,109	203,558	170,485	110,707	2,744,613
BIENNIUM TOTAL	<u>2,180,836</u>	<u>1,714,672</u>	<u>624,218</u>	<u>407,116</u>	<u>340,970</u>	<u>221,414</u>	<u>5,489,226</u>

Source: HEGIS Report Form 2300.3, 1985-86.

MSU/UM PEERS
FACULTY HEADCOUNT AND STAFFING PATTERN COMPARISONS BY RANK
FY 1985-86

Campus	Total Faculty	Full Professor	Percent	Assoc. Professor	Percent	Asst. Professor	Percent	Instructor	Percent
University of Wyoming	546	274	50%	142	26%	124	23%	6	1%
University of Nevada - Reno	307	114	37%	117	38%	75	24%	1	0%
University of Nevada - Las Vegas	326	91	28%	141	43%	81	25%	13	4%
New Mexico State University	554	222	40%	161	29%	147	27%	24	4%
Utah State University	494	182	37%	174	35%	114	23%	24	5%
University of Idaho	354	157	44%	107	30%	89	25%	1	0%
University of New Mexico	737	284	39%	224	30%	218	30%	11	1%
Northern Arizona University	471	119	25%	189	40%	138	29%	25	5%
North Dakota State University (Estimate)	413	140	34%	129	31%	122	30%	22	5%
University of North Dakota	429	136	32%	148	34%	104	24%	41	10%
Montana State University	532	175	33%	160	30%	176	33%	21	4%
University of Montana	374	193	52%	96	26%	72	19%	13	3%
University of South Dakota	271	97	36%	74	27%	65	24%	35	13%
Idaho State University	261	76	29%	76	29%	93	36%	16	6%
South Dakota State University	332	122	37%	77	23%	99	30%	34	10%
PEER GRAND TOTALS (Excluding MSU/UM)	5,495	2,014	36%	1,759	32%	1,469	27%	253	5%
AVERAGE OF PERCENTAGES (Excluding MSU/UM)			36%		32%		27%		5%

Source: HEGIS reports as supplied by campuses to the federal government and the AAUP.
Data compiled by Steve Hample and Kathy Melcher, Institutional Research Office, Montana State University.

University of Colo.	30,000	15
University of Missouri	35,000	17
University of Cal.	36,000	18
Berkeley		
University of Wisconsin	40,000	26
Ohio State	42,000	4
Columbia	15,000	15
University of Mississippi	20,000	23
University of Iowa	25,000	16
Rutgers	17,000	6
Cornell	13,000	19
University of Texas	44,000	21
Montana State University	8000	5
Harvard		229
Princeton		160
Yale		171
USMA West Point		61
UNIVERSITY OF MONTANA	8000	23

Sample of Institutions in the U.S.
which regularly send Rhodes
Scholars to Oxford College, England.

THE UNIVERSITY OF MONTANA WITH 23 IS
19th AMONG ALL UNIVERSITIES IN THE
UNITED STATES.

A CENTER OF EXCELLENCE!

John H. Toole

Former Chairman of the
Montana Committee for the
selection of Rhodes Scholars

John H. Toole

1-29-57 Exh. b. 4
6

Jamie Gerondakis
P.O. Box 8435
Missoula, MT 59807

House Appropriations Committee
Representative Dennis Nathe
Capitol Station
Helena, MT 59620

Dear Representative,

Have you ever wondered what makes a young intelligent woman, go out into the world and ruins her options as to the vast variety of careers available to her by becoming a stripper?.

I did one day, after having grown tired of that type of life. I sought help and got it, but, I did not get this help until I was sufficiently educated, both in morals, intellect and in psychological aspects of my well being.

The reason for this letter is to show you a type of make over. Enclosed you shall find three pictures, one for every member. Picture one is to show how I was living before I arrived to the University of Montana in Missoula.

As a stripper I had no way up and no way out I lived in a mire that I am sure none of you would like your daughter in. I was not so lucky to have the likeness of you for parents, therefore I took the road of ignorance and plunged endlessly into a social underworld that few people see without disgust.

As a student in picture number two, I found through mainly three departments, my road to betterment in regards to life. One, is the Department of Religious Studies, through which I learned basic morals that I had overlooked before. Two, is the Center for Student Development, Helen Watkins, PhD., with her help I was able, as a twenty-nine year old returning student, able to cope with the stress of a new world. Three, the department of English, whose Shakesperean specialist, Dr. Walter King, taught me a lot about writing and Shakespeare, whom incidently, Dr. James Koch, our emminent president says he quotes often in his speeches. The Third and last picture is Jenny who is also a part of the picture. As a mother of an eight year old girl, I would like to say that her life is much better now, and that she is proud that she has a Junior in English Education for a mother rather than a stripper.

The purpose of this entire letter is to beg you to please save every aspect of the University of Montana that helps to encourage human beings to become the type of individuals I am sure you all are, those that realize their ultimate potential.

Last of all, I believe in each and everyone of you to find that an education with all its moral, and psychological foundations is priceless, and if the budget call for more money, then why not create a revenue so that Montana can catch up, go ahead, with TAXES!

Hopefully, *Jamie Gerondakis*
Jamie Gerondakis



VISITOR'S REGISTER

Education

SUBCOMMITTEE

AGENCY(S) Overview Univ. SystemDATE 1-29-87

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
Robert Charles Waltham	Myself	~	
Gay Gerard-Brewer	myself	X	
Albert R. Brewer	Myself + Libby Public Schools	X	
Janet Cox-Billings	myself - Friends of Education	X	
CAROL KRAUSE	COMM. OF H. ED.	X	
DENNIS LIND	CHMN. - Bd of Regents	X	
Dea. Mc Carthy	Bd of Regents	X	
CHARLES BILKENHEUSER	VETERAN FEE WAIVERS	X	
Jack Bollari	Graduate Student - MSU		X
Burke Townsend	US / Commissioner's Office	X	
Lee N. Von Kuster	U. of M.	X	
Capt. L. McLaughlin	MSU Veterans		X
Greg Stotzel	MSU		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.
 IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.