

MINUTES OF THE MEETING
EDUCATION SUBCOMMITTEE
50TH LEGISLATURE

February 20, 1987

The meeting of the Education Subcommittee was called to order by Chairman Dennis Nathe at 8:08 a.m. on Friday, February 20, 1987 in Room 104 of the State Capitol.

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

HOUSE BILL 787

Representative Kelly Addy introduced HB787 which is a bill to start a Masters of Business Administration (MBA) program at Billings to be achieved by satellite uplink. The reason this is needed is that classes are filled beyond capacity and there is a tremendous market for an MBA degree in Billings.

Proponents: Senator Regan (040) stated that the approach was reasonable and economic because it links two campuses. She approves this bill.

Commissioner Carroll Krause (060) said that the Board of Regents hoped to have an MBA program in Billings. The need is realistic and he support the effort.

Mr. Donald Habbe, academic vice president of University of Montana, testified in favor of HB787.

Mr. Diancheta (075) said this would bring the expertise of the University of Montana to a major center of need. This cooperative program would capitalize on the benefits of telecommunication. He stated that this was a real and continuing need.

Mr. Ken Heikes, administrative vice president of Eastern, said the University of Montana and Eastern have worked in cooperative programs before. The need addressed by this bill has been documented by assessment studies (113).

Ms. Kelly Holmes (118), Montana College Coalition Lobbyist, said that Eastern had a proven partnership in hands on experience with a large core of businessmen. A MBA program would serve the college. She read a letter by Greg

Education Subcommittee

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Anderson, EMC Associated Student President, who supports HB787 (Exhibit 1, 1a).

Senator Jergeson asked about receiving credit and whether this would be useful for other programs in the state. The downlink and state microwave network system was discussed. It was noted that Mountain Bell would fund the receivers (189). Representative Addy spoke about the rapid change in education. This bill was needed to make education available to more people. It also has a great potential for the future.

HB787: Senator Jergeson moved to recommend DO PASS to the full house appropriation. The motion PASSED unanimously.

HOUSE JOINT RESOLUTION 16

Representative Peck (204) said this bill to study accreditation standards was referred to the subcommittee because of the appropriation. He said there was a need to reassess education. Montana schools had sued the state over equity in funding basic education. The legislative finance committee had studied the delivery of education and had not arrived at a basic education definition. The Board of Education would be granted one FTE, grade 14, to conduct a study with the cooperation of the Office of Public Instruction. The legislative finance committee would participate and provide support.

Proponents: Claudette Morton, Executive Secretary for the Board of Public Education, (278) said that the review of accreditation standards was needed. An indepth study of accreditation standards would not be possible without the appropriation for an FTE.

Mr. Ray Shackleford, representing the Office of Public Instruction (315), said that the accreditation standards need clarification and supports the bill.

Representative Peck said the Board of Public Education was understaffed. He moved to recommend DO PASS on HJR16 to the full house appropriation committee. The motion PASSED unanimously.

(Continued) UNIVERSITY SYSTEM - EXECUTIVE SESSION

Modified Requests: The hazardous waste issue was discussed. Attempting to meet standards was a problem. Montana State University was in the forefront and had the most information. President Tietz said the hazardous waste issue was a federally mandated program with no funding. This was a serious issue in the state and the universities could no

longer absorb as routine operating costs. He said that this was a growing situation with fixed costs.

(1-B) The ownership of buildings was discussed relating to responsibility. The state has ownership. A comparison between units on amounts of hazardous waste generated is addressed in the analysis book. The units are generating waste and the great quantities can not be ignored.

Chairman Nathe said the \$404,000 request for the 6 units was to handle hazardous waste and he wondered if one centralized area to handle that and transport it in would cut costs. Chairman Nathe left the meeting for other obligations and Vice Chairman Jacobson chaired the meeting.

A systemwide request was submitted in the last biennium but the units were instructed by the commissioner's office to submit separately in physical plant program. Dori Nielson suggested that because of the inconsistency that the committee examine each proposal.(153) Sib Clack suggested that the commissioner's office submit a consolidated report with costs per unit, centralizing the coordination at MSU. Vice Chairman Jacobson said to bring the coordinated plan by Monday morning with the unit costs. Chairman Nathe returned at 9:25.

President Tietz discussed the new space requests that involved buildings built with student fees. The museum was built with capital construction and does serve the state. Private grants, legacy, and private donations were also received for the Museum of the Rockies. The request is for personnel to operate the museum. Recent articles in magazines about the dinosaur work would reach 18 million people which generates notoriety.

Mr. Donald Habbe discussed the program modifications of the University of Montana. Corbin Hall was converted to academic use and the request reflects this change. The biological program request for Yellow Bay was also discussed. This is a premier facility to develop freshwater research and has proven to be effective and successful. This proposal would (410) provide personnel in organized research and it was an important investment in an organization that has growing momentum.

Mr. Ken Heikes from Eastern Montana College (483) commented that correcting the asbestos ceiling at the college was an expensive project because it was over a pool. He said their proposal also included the Montana Center for Handicapped Children to move the program from a 9 month to a 12 month operation. This provides continuous time for diagnosis of handicapped children.

President Bill Merwin, Northern Montana College, (546) said their proposal would hire a one half-time person to keep invoices of chemicals and a full-time person from 12 midnight to 8 a.m. which would provide for vacation time offsets. One other issue proposed was for a heating specialist.

President Doug Treadway, Western Montana College, said the maintenance needs doubled due to the use of the physical plant by the community and non-students. The physical plant was aging and very limited in staff. Mr. Glen Leavitt (622) said the proposal was asking for funding for a maintenance engineer if someone was sick or on vacation time.

President Lindsay Norman, Montana Tech, said that the hazardous waste modified was \$35,000 and \$20,000 of this was for a temporary structure to contain the chemicals. Other requests were for maintenance for new space in 1987 and for 1982. Maintenance dollars had never been received. He mentioned the indirect cost issue. State agencies are refusing to pay indirect costs when contractual grant work is done (044). The money was not profits and is needed to cover costs incurred. The quality of work and professionalism for state agencies was as good as for private or federal.

Funding: Dori Nielson discussed information in the total rollups for funding including the amount for scholarship and fellowship adjustment in relation to enrollment (Exhibit 4, 5). Senator Regan (326) joined the committee to provide a quorum. Dori Nielson distributed a peer tuition comparison which included FY 1986 figures (Exhibit 6).

(481) Chairman Nathe asked for tuition charges and fees from each campus. Jack Noble replied that fees in the university system were uniform. The per credit hour rate and instate tuition was the same throughout the system. The two areas that were higher, law school and pharmacy were noted. He also discussed the out-of-state tuition including the semester rate. The mandatory fees vary from each campus. The other fees that were not mandatory were course fees. The difference in peer tuition was discussed. (2-B)

ADJOURNMENT: The meeting was adjourned at 11:04 a.m. The next meeting was announced for 7:30 a.m., February 23.


DENNIS NATHE, Chairman

DAILY ROLL CALL

EDUCATION

SUB COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date

TESTIMONY PRESENTED TO THE JOINT EDUCATION SUB-COMMITTEE
FRIDAY, FEBRUARY 20, 1987

Mr. Chairman and Members of the Committee, for the record I am Kelly Holmes, Montana College Coalition lobbyist.

I rise in support of House Bill 787.

Eastern Montana College has one of the few Business Schools in our system that provides a student with classroom participation, as well as hands on experience. This spring quarter there will be a course offered on Small businesses: Entrepreneurism.

Eastern is greatly affected by its surrounding community, Billings. There is a large concentration of businessmen in the area, many of whom are involved with the School. These professionals are in luck also as they can benefit from the Business School. One class for its requirement that the class divides up into groups and studies certain businesses in the area. These students spend up to 4 or 5 hours a day working with the owners and managers on a plan; they write a research paper on their findings and submit it to the professor and to the business itself. These are a few ways the students are involved.

The businesses benefit also. The owner gets a fair and objective study on his business, he is given suggestions, opinions, facts, speculations. Many of these professionals are themselves wanting to gain a little more knowledge, further their education.

An MBA Program at Eastern would serve the College, first, and more importantly, it would allow committed professionals to continue their education at the same time.

It only makes sense that the largest city in Montana, offer its community the chance to graduate with an MBA and lead this State towards more prosperity.

Thank you.

Address all correspondence to:

The Associated Students of
Eastern Montana College
Eastern Montana College
Billings, MT 59010
Phone: (406) 657-2365

The Montana Associated Students is
composed of the following organizations:

The Associated Students of
Eastern Montana College

The Associated Students of
Montana State University

The Associated Students of
Montana Tech

The Associated Students of
Northern Montana College

The Associated Students of
University of Montana

The Associated Students of
Western Montana College

MONTANA ASSOCIATED STUDENTS

of the Montana University System

February 20, 1987

Chairman Nathe and Members of the Committee:

For the record, I am Greg Anderson, President
of the Associated Students of Eastern Montana
College.

I am sorry I am unable to appear before you today,
but I am on my way to Helena.

I rise in support of House Bill 787. This program
is essential to the community of Billings and for
the placebound, successful businessman of Billings,
who are at this time unable to leave the city to
continue their education.

Students at Eastern feel it only logical that the
MBA be located in the largest city with the largest
concentration of Montana businessmen.

The MBA in Billings would not only enhance a
student's education but also the business climate
of Billings and the State of Montana.

Sincerely,


Greg Anderson, Pres. ASEMC

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

CALCULATIONS: 2/20/87 97% INSTRUCTION, 90% SUPPORT, SUBCOMMITTEE ENROLLMENT, TECH BASE ENROLLMENT,

-Fiscal 1988-		MSU	UM	EMC	NMC	MNC	MCHST	TOTAL
Instruction	\$24,235,408	\$18,596,558	\$6,381,915	\$4,190,393	\$2,321,136	\$3,825,619	\$59,541,029	
Support	11,670,562	10,137,319	4,057,543	2,124,607	1,154,867	2,328,760	31,674,058	
Research	597,925	518,179	0	0	0	43,718	1,159,822	
Public Service	10,258	206,020	231,435	9,373	0	0	457,086	
Physical Plant	5,156,872	5,216,702	2,000,181	944,384	729,090	1,377,643	15,424,872	
Scholar. & Fellowships	1,121,532	940,822	351,828	246,010	87,525	204,440	2,972,157	
Audit	40,800	39,600	39,600	32,400	31,500	40,500	224,400	
CURRENT LEVEL FY88	\$43,033,757	\$35,665,200	\$13,062,502	\$7,547,167	\$6,324,118	\$7,820,680	\$111,453,424	
FY86 ACTUAL	\$45,110,620	\$35,748,831	\$13,779,825	\$7,534,412	\$3,936,907	\$8,736,399	114,866,994	
OVER/(UNDER)FY86 LEVEL	(\$2,076,863)	(\$63,631)	(\$717,323)	\$12,755	\$387,211	(-\$915,719)	(\$3,393,570)	

-Fiscal 1989-		MSU	UM	EMC	NMC	MNC	MCHST	TOTAL
Instruction	\$23,869,704	\$18,645,270	\$6,391,724	\$4,266,713	\$2,227,033	\$3,571,305	\$59,041,749	
Support	11,675,367	10,152,700	4,056,406	2,159,559	1,141,019	2,326,970	31,512,021	
Research	597,925	519,459	0	0	0	43,747	1,161,131	
Public Service	10,258	206,013	231,447	9,373	0	0	457,091	
Physical Plant	5,348,603	5,353,991	2,054,632	969,517	744,443	1,408,730	15,879,916	
Scholar. & Fellowships	\$1,103,043	\$962,265	\$351,718	\$250,057	\$86,473	\$206,440	2,957,996	
CURRENT LEVEL FY89	\$42,604,900	\$35,839,698	\$13,085,927	\$7,655,219	\$6,268,968	\$7,555,192	\$111,009,904	
FY86 ACTUAL	\$45,110,620	\$35,748,831	\$13,779,825	\$7,534,412	\$3,936,907	\$8,736,399	114,866,994	
OVER/(UNDER)FY86 LEVEL	(\$2,505,720)	\$90,867	(\$693,898)	\$120,807	\$332,061	(\$1,181,207)	(\$3,337,090)	

Action: 2/19/87
 Agency: University System - Six Units

Instruction	FY 1986			FISCAL 1988			FISCAL 1989			Program: Instruction		
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee		
HSU	\$25,187,572	\$23,075,478	\$23,267,902	\$24,235,408	\$23,075,478	\$23,337,572	\$23,869,704					
UN	\$18,694,842	\$17,499,838	\$17,297,059	\$18,586,558	\$17,499,838	\$17,365,051	\$18,645,270					
EMC	\$6,676,322	\$6,152,031	\$6,108,552	\$6,381,915	\$6,152,031	\$6,180,416	\$6,391,724					
NMC	\$3,765,898	\$4,041,362	\$3,656,528	\$4,190,393	\$4,041,362	\$3,700,171	\$4,266,713					
NMC	\$1,790,395	\$2,235,292	\$2,072,146	\$2,321,136	\$2,235,292	\$2,094,749	\$2,297,033					
HCNST	\$4,501,281	\$3,812,871	\$3,548,995	\$3,825,619	\$3,412,871	\$3,642,083	\$3,571,305					
Total Exp.	\$60,616,310	\$56,616,072	\$55,951,362	\$59,561,029	\$56,416,872	\$56,320,062	\$59,041,749					
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

ISSUES:

1. Enrollment accepted with February 87 enrollment projections, 1550 base for TECH.
2. Funding Level: 97 percent.
3. Formula Factors

	Current Level
HSU/UM	\$30,796
EMC	\$27,772
NMC/NHC	\$27,495
HCNST	\$29,996

4. Formula Factors: Instructional Support Rate per FFFTE

	FY 1989	FY 1989
	Current Level	Current Level
HSU	\$633.14	\$633.76
UN	\$667.69	\$660.15
EMC	\$381.79	\$382.16
NMC	\$466.97	\$467.42
NHC	\$531.70	\$532.22
HCNST	\$633.14	\$635.01

*Factors not discounted

SUBCOMMITTEE EXECUTIVE ACTION

Action: 2/20/87		Agency: University System - Six Units		Program: Support	
		FY 1986		FISCAL 1989	
Support	Actual	Executive	Current Level	Subcommittee	Executive
HSU	\$13,585,047	\$11,654,429	\$12,365,879	\$11,870,962	\$11,612,829
UN	\$10,014,563	\$9,860,051	\$10,362,790	\$10,137,319	\$9,720,851
EMC	\$4,615,792	\$4,046,030	\$4,238,679	\$4,057,543	\$3,991,230
NMC	\$2,439,544	\$2,122,236	\$2,041,322	\$2,124,607	\$2,079,036
MHC	\$1,383,313	\$1,192,571	\$1,153,167	\$1,154,867	\$1,150,571
HCST	\$2,777,689	\$2,261,547	\$2,435,630	\$2,328,760	\$2,207,547
Total Exp.	\$34,815,968	\$31,114,864	\$32,597,467	\$31,674,053	\$30,762,064

ISSUES:

1. Enrollment at Feb 87 projections, 1550 base for TECH.
2. Funding Level: 90 percent.
3. Support rate: Current Level

HSU/UN	\$1,396
EMC/NMC/NHC	\$1,387
HCST	\$1,650

6. Audit costs: The subcommittee accepted funding at seventy-five percent for EMC, NMC, MHC, AND TECH, and at 50 percent for HSU and UN as in HB500, accepting the same language.

Action: 2/19/87
 Agency: University System - Six Units

Public Service	FY 1986 Actual	FISCAL 1988		Subcommittee	Executive	FISCAL 1989	
		Executive	Current Level			Current Level	Subcommittee
MSU	\$10,057	\$10,048	\$10,258	\$10,300	\$10,048	\$10,258	
UN	\$211,283	\$189,450	\$206,020	\$195,892	\$189,462	\$206,013	\$195,904
ENC	\$224,803	\$204,755	\$231,435	\$231,435	\$204,969	\$231,447	\$231,447
NPC	\$9,062	\$8,575	\$9,373	\$8,891	\$8,575	\$9,373	\$8,891
HORST	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Exp.	\$455,205	\$412,828	\$457,086	\$446,518	\$412,934	\$457,091	\$446,542

SUBCOMMITTEE EXECUTIVE ACTION

Program: Public Service

Public Service	FY 1986 Actual	FISCAL 1988		Subcommittee	Executive	FISCAL 1989	
		Executive	Current Level			Current Level	Subcommittee
MSU	\$10,057	\$10,048	\$10,258	\$10,300	\$10,048	\$10,258	
UN	\$211,283	\$189,450	\$206,020	\$195,892	\$189,462	\$206,013	\$195,904
ENC	\$224,803	\$204,755	\$231,435	\$231,435	\$204,969	\$231,447	\$231,447
NPC	\$9,062	\$8,575	\$9,373	\$8,891	\$8,575	\$9,373	\$8,891
HORST	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Exp.	\$455,205	\$412,828	\$457,086	\$446,518	\$412,934	\$457,091	\$446,542

Subcommittee Action Adjustment to Current Level

Issues:	Fiscal 1988	Fiscal 1989	
		Executive	Subcommittee

1. **Adjustments to base :** The subcommittee accepted executive budget for MSU, UN, and NPC, and current level for ENC. Current level reflects adjustments for FY86 expenditures exceeding appropriation.

Issues:	Current Level	Executive	
		Subcommittee	Executive
MSU	\$0	(\$386)	
UN	(\$11,054)	(\$8,732)	
ENC	\$0	(\$10,769)	
NPC	\$0	(\$179)	
HORST	n/a	n/a	

2. **Vacancy Savings:** The subcommittee accepted 0% vacancy savings.
 All programs under 20 FTE.

Issues:	Fiscal 1989	
	Subcommittee	Executive

SUBCOMMITTEE ACTION

Research	FY 1986		FY 1988		FY 1989		FISCAL 1989		Program: Research	
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
HSU	\$578,210	\$530,616	\$597,925		\$530,616	\$597,925		\$597,925	\$597,925	
UN	\$631,404	\$592,758	\$518,179	\$445,254	\$594,436	\$519,459	\$446,534	\$519,459	\$519,459	\$446,534
EMC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NMC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MNC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MCBST	\$49,885	\$37,426	\$43,718	\$43,718	\$37,555	\$43,747	\$43,747	\$43,747	\$43,747	\$43,747
Total Exp.	\$1,259,499	\$11,160,800	\$11,159,822	\$11,086,897	\$11,162,607	\$11,161,131	\$11,086,206	\$11,086,206	\$11,086,206	\$11,086,206

Subcommittee Action
Adjustment to Current Level

Fiscal 1988 Fiscal 1989

ISSUES:

1. **Adjustments to base:** The subcommittee accepted the current level adjustments which reflect FY86 expenditures exceeding the appropriation.

	Current lev	Executive	
HSU	\$0	0	
UN	(\$116,064)	(423,142)	
EMC	n/a	n/a	
NMC	n/a	n/a	
MNC	n/a	n/a	
MCBST	(\$7,562)	(\$626)	

2. **MONTCLIC:** The subcommittee removed MONTCLIC appropriations from the research program at UN.

	Each year of 1989 Biennium		
	Current Level	Executive	
Appropriation	\$72,925	\$72,925	
			(\$72,925)

3. **Vacancy Savings:** The subcommittee accepted 0% vacancy savings.
All programs under 20 FTE.

tion: 2/19/87
gency: University System - Six Units

SUBCOMMITTEE EXECUTIVE ACTION

lent	FY 1986 Actual	FISCAL 1988			FISCAL 1989			FISCAL 1990			Program: Plant		
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change	Executive	Current Level
SU	\$4,852,055	\$5,397,624	\$4,804,913	\$5,156,872	\$5,596,708	\$4,973,137	\$5,348,603	\$-0.01					
H	\$5,099,031	\$5,268,397	\$5,273,469	\$5,216,702	\$5,695,863	\$5,610,778	\$5,353,991	0.0%					
MC	\$1,950,003	\$2,023,125	\$2,024,605	\$2,000,161	\$2,042,192	\$2,079,056	\$2,054,632	0.04					
MC	\$1,081,539	\$1,053,678	\$944,384	\$944,384	\$1,079,017	\$969,517	\$969,517	-0.1%					
MC	\$628,142	\$693,431	\$729,090	\$729,090	\$692,777	\$744,443	\$744,443	0.0%					
CHST	\$1,313,476	\$1,352,682	\$1,409,531	\$1,377,643	\$1,385,978	\$1,440,618	\$1,408,730	0.07					
Total Exp.	\$14,985,046	\$15,779,137	\$15,186,012	\$15,424,872	\$16,202,515	\$15,617,549	\$15,879,916	0.01					
ISSUES:													

Adjustments to base: The subcommittee accepted current level adjustments from FY86 expenditure level to FY86 appropriated levels, prior to consideration of other adjustments.

Subcommittee Action
Adjustment to Current Level

	Fiscal 1988		Fiscal 1989	
	Executive	Current Level	Executive	Current Level
HSU				
UN	(1010,920)	(10153,225)		
ENG	(0175,677)	(0148,654)		
NMC		(060,221)		
NMC	(0112,368)	(039,253)		
NCNST	(0137,731)	(028,009)		
		(054,000)		

Adjustments to base: Energy savings estimate accepted at \$146,253 to be retained by the unit to reward efficiency

	Current Level		Executive	
	Current Level	Executive	Current Level	Executive
HSU	(0259,000)	(0100,000)		
NMC				
NCNST				

Adjustments to base: The subcommittee added \$73,679 to HSU for sewer/water rate increase. Insurance costs were allowed on a consistent basis.

Adjustments to base: Current level reduction of \$229,535 reflecting legislative FY1987 reduction was accepted by the committee.

Vacuum Services annualized at 4% to four units with more than 20 FTE.

Program: Plant
\$75,679

FISCAL 1988

CURRENT LEVEL WITH SUBCOMMITTEE TOTALS

FUNDING SOURCE	HSU	UH	EMC	NMC	NMC	TECH	TOTAL
GENERAL FUND	\$26,747,832	\$22,423,415	\$8,249,047	\$5,263,285	\$3,031,169	\$4,948,580	\$70,663,328
TUIT AND FEES	10,160,993	9,185,458	3,192,592	\$1,566,792	\$902,967	\$1,801,114	\$26,609,916
MILLAGE	4,529,932	3,486,327	1,490,863	\$688,090	\$366,982	\$905,986	\$11,468,180
INDIRECT COSTS	1,235,000	460,000	105,000	\$24,000	\$18,000	\$150,000	\$11,992,000
OTHER	360,000	110,000	25,000	\$5,000	\$5,000	\$15,000	\$520,000
TOTAL FUNDS	\$43,033,757	\$35,665,200	\$13,062,502	\$7,547,167	\$4,324,118	\$7,820,680	\$111,453,424
SUBCOMMITTEE OVER(UNDER)	\$43,033,757	\$35,665,200	\$13,062,502	\$7,547,167	\$4,324,118	\$7,820,680	\$111,453,424
	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FISCAL 1989

FUNDING SOURCE	HSU	UH	EMC	NMC	NMC	TECH	TOTAL
GENERAL FUND	\$26,410,746	\$22,525,849	\$8,248,547	\$5,334,058	\$2,980,728	\$4,667,947	\$70,167,875
TUIT AND FEES	9,993,498	9,199,243	3,191,594	\$1,592,568	\$892,123	\$1,801,114	\$26,670,140
MILLAGE	4,605,656	3,544,606	1,515,786	\$699,593	\$373,117	\$921,331	\$11,659,889
INDIRECT COSTS	1,235,000	460,000	105,000	\$24,000	\$18,000	\$150,000	\$11,992,000
OTHER	360,000	110,000	25,000	\$5,000	\$5,000	\$15,000	\$520,000
SUBCOMMITTEE	\$42,604,900	\$35,839,698	\$13,085,927	\$7,655,219	\$4,268,968	\$7,555,192	\$111,009,904
CURRENT LEVEL	\$42,604,900	\$35,839,698	\$13,085,927	\$7,655,219	\$4,268,968	\$7,555,192	\$0

01/27/87

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program	FY 1986			FISCAL 1988			FISCAL 1989			Program: Funding
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Executive	Current Level	
Instruction	\$60,616,310	\$56,416,872	\$55,951,362	\$59,541,029	\$56,416,872	\$50,762,064	\$56,320,042	\$59,041,749	\$51,512,021	
Support	\$34,015,960	\$31,116,864	\$32,597,467	\$31,898,458	\$32,417,872	\$32,417,872				
Research	\$1,259,499	\$1,160,800	\$1,159,822	\$1,159,822	\$1,162,607	\$1,161,131	\$1,161,131			
Public Service	\$455,205	\$412,828	\$457,086	\$457,086	\$412,934	\$457,091	\$457,091			
Plant	\$16,905,046	\$15,779,137	\$15,186,012	\$15,426,872	\$16,202,515	\$15,617,569	\$15,617,569			
Fellow/Scholarships	\$2,715,016	\$2,964,656	\$3,005,374	\$2,972,157	\$2,964,656	\$3,021,027	\$2,957,996			
Total Exp.	\$114,847,044	\$107,849,157	\$108,357,123	\$111,453,624	\$107,921,648	\$108,994,712	\$111,009,904			

FUNDING

General Fund	\$73,168,435	\$68,975,061	\$67,354,191	\$68,861,478	\$67,663,929
Tuition and Fees	\$26,300,293	\$25,313,526	\$27,022,752	\$25,313,526	\$27,158,894
Six-mill Levy	\$16,364,000	\$12,929,000	\$11,468,180	\$13,125,000	\$11,659,889
Indirect Cost Rec.	\$1,804,122	\$0	\$1,992,000	\$0	\$1,992,000
Other	\$522,124	\$636,570	\$520,000	\$621,644	\$520,000
Spending Fund Balan	\$660,070	\$0	\$0	\$0	\$0
Total Funding	\$114,847,044	\$107,849,157	\$108,357,123	\$107,921,648	\$108,994,712

ISSUES:

1. Tuition and Fees: see ISSUE 5, budget analysis, page F-88, Table 12
Executive - \$720 annual incidental fee
Current level - \$792 annual incidental fee (surcharge retained)
2. Six-mill Levy
Estimates differ
3. Indirect Cost Recoveries
HB500 specifies 85 percent of indirect cost recoveries to be deposited in current unrestricted fund
Special Session III allowed units to retain amounts exceeding the HB500 appropriated level
Executive - eliminates all indirect cost recovery, both federal and non-federal
Current Level - utilizes FY 1986 information plus additional amounts discussed in Special Session III
less approx. \$190,000 for reduction in ICR from Bureau of Mines
4. Other Sources
Current level - utilizes FY 1986 information

SUBCOMMITTEE ACTIVITIES

Agency: University System - Six Units

Scholar/Fellowships	FY 1986 Actual	FISCAL 1989			Difference	FISCAL 1989 Current Level	Difference	Program: Scholarships & Fellowships
		Executive	Current Level	Difference				
HSU	\$896,879	\$1,023,359	\$1,121,532	(\$96,173)	\$1,023,359	\$1,103,043	(\$79,694)	
UN	\$897,758	\$981,835	\$960,822	\$21,013	\$981,835	\$962,265	\$19,570	
EMC	\$312,905	\$322,850	\$351,828	(\$28,978)	\$322,850	\$351,718	(\$28,868)	
NMC	\$238,369	\$264,186	\$246,010	\$18,176	\$264,186	\$250,057	\$14,131	
NCC	\$75,057	\$83,231	\$87,525	(\$4,294)	\$83,231	\$86,473	(\$3,242)	
TECH	\$294,068	\$289,193	\$204,440	\$84,753	\$289,193	\$204,440	\$84,753	
Total Exp.	\$2,715,016	\$2,964,656	\$2,972,157	(\$7,501)	\$2,964,656	\$2,957,996	\$6,660	

ISSUES:

1. Enrollment - see Enrollment Information
2. Tuition rate - see Tuition Information
3. Mandatory Fee Waivers - see page F-02, budget analysis book
Current level - FY 1986 mand. waivers times enrollment change times tuition change
4. Discretionary Fee Waivers
Determined by multiplying 5.75 percent times anticipated registration and resident incidental fees
and 18.45 percent times anticipated non-resident incidental fees

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

MNC Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	18020	18020
2. Increase Maintenance 07	49450	53300
3. Enrollment Projection 01	-48526	-30548
4. (no decrease included for 44)		
5. 100% funding to peer ave 01	17821	17977
6. (no incr included for 44)		
7.		
8.		
9.		
10.		
	36,765	58,749

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

MCMST Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	55000	55000 (1 FTE)
2. New Space 07 (added 4/82; not appropr)	22040	22040 (2.25 FTE)
3. New Space 07 (22,500 MPER)	67500	67500 for all
4. Grounds Maint (New Space) 07	8000	8000
5. Enrollment Projections 01	-423982	-390068
6. Enrollment Projections 44	-293479	-268474
7. 100% funding to peer ave 01	31063	31063
8. 100% funding to peer ave 44	191488	191488
9.		
10.		
	(344,370)	(283,451)

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

ENC Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	76000	6000
2. Indirect Charges (revenue change to GF)	85000	85000
3. 100% funding to peer ave 44	304709	305321
4. 100% funding to peer ave 01	52339	52444
5. Faculty Salary to peer ave 01	339487	332186
6. Enrollment Mod 44	-19153	-9576
7. Enrollment Mod 01	-28448	-14063
8. Fire Insurance 44	4992	4982
9. Mt Cent Hand Child 03	59418	71612
10.		
	874,334	833,906

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

NMC Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	11047	10872 (.5 FTE)
2. 100% funding to peer ave 01	31986	30992
3. 100% funding to peer ave 44	148339	44135
4. Enrollment projection 01	-10761	-225303
5. Enrollment projection 44	-56384	-117894
6. Security Personnel 07	34000	34000
7. Heating Specialist 07	25000	25000
8. Enrollment projection 08	-6691	-14002
9.		
10.		
	79,536	(212,200)

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

MSU Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	67,180.00	67,780.00 (1.75 FTE)
2. New Space HPE 07	24,528.00	26,034.00 (.44 FTE, maint. util.)
3. New Space Museum 07	0.00	128,758.00 (2.59 FTE - 2nd yr. util. ms)
4. Workload Museum 04	220,980.00	220,980.00 (6 FTE, util. grounds)
5. 100% peer level 01	253,028.00	253,028.00
6. 100% peer level 44	899,998.00	899,998.00
7. Enrollment to projection 01	(284,279.00)	(880,542.00)
8. Enrollment to projection 44	(147,697.00)	(457,345.00)
9.		
10.		
	1,033,738.00	258,691.00

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

UM Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 44	54,364.00	54,364.00 (operations)
2. Hazardous Waste 07	39,364.00	39,364.00 (1.5 FTE)
3. Insurance 07	27,196.00	27,196.00
4. New Space 07	103,311.00	107,862.00 (2.62 FTE).util.,etc.
5. Yellow Bay 02	112,600.00	112,600.00 (4.2 FTE, operations)
6. Enrollment Project 01	104,429.00	32,453.00
7. Enrollment Project 44	58,575.00	18,224.00
8. Enrollment Project 08	5,535.00	1,722.00
9. 100% Peer Level 01	162,962.00	162,341.00
10. 100% Peer Level 44	717,812.00	715,080.00
11. Salary Base Adjust - Peers 01	877,604.00	871,524.00
12. Indirect Cost 100%, 07	400,000.00	400,000.00
13. Fire/Casual Insurance 08	27,196.00	27,196.00
14. MONTCLIRC	83,374.00	89,090.00 (2.54 and 2.7 FTE)
	2,774,322.00	2,659,016.00

*House Joint Resolution No. 16
introduced by
John McEachern Miller*

WHEREAS, the Legislative Finance Committee formed a subcommittee with the objectives of defining basic education and determining the cost of basic education in Montana;

WHEREAS, the Subcommittee on School Funding defined basic education as the Board of Public Education's school accreditation standards and, with the invaluable help of the Office of Public Instruction, determined a preliminary cost of the accreditation standards based on available fiscal data;

WHEREAS, during the Subcommittee study it became apparent that there is a need to review the accreditation standards; better articulate what performance factors are expected from the accreditation standards; receive more accurate fiscal data from the schools on the cost of implementing the standards; and provide an understandable method of coordination and articulation among the accreditation standard requirements, student performance expectations, and state funding levels; and

WHEREAS, a number of Montana school districts have filed suit against the state on the grounds that the state has failed to meet a constitutional obligation to fund its share of a basic quality education for the public school children in the state and has therefore denied an equal educational opportunity to the children;

WHEREAS, the Montana Legislature, through the Legislative Finance Committee, has made a serious and responsible attempt to address the concerns of this lawsuit, prior to court review and a decision on the merits of the case, in order to formulate appropriate public policies that may resolve the issues of the lawsuit;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

Montana Legislative Council

THIRD READING
MJR-16

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HJ016, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

Requesting that appropriate Legislative committees and the Board of Public Education work together to establish a definition of basic education for Montana Public Schools; to determine the cost of a basic education; to develop a fiscal note procedures that link education policies to the state budget process.

ASSUMPTIONS:

1. The costs of the Interim Legislative Committee can be absorbed by the Legislative Council budget.
2. The Board of Public Education will require 1 FTE grade 14, and additional operating expenses for contracted services, supplies, postage, travel and computer time.
3. This process will involve 9 public meetings for public hearings around the state, 3 task force meetings, and 1 general meeting for public participation.

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY88</u>	<u>FY89</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
FTE	2.0	3.0		1.0		2.0	3.0	1.0
Personal Services	\$ 69,191	\$ 94,191	\$ 25,000		\$ 69,090	\$ 94,090	\$ 25,000	
Operating Expenses	\$ 34,505	\$ 56,605	\$ 22,100		\$ 32,221	\$ 57,946	\$ 25,725	
TOTAL	\$ 103,696	\$ 150,796	\$ 47,100		\$ 101,311	\$ 152,036	\$ 50,725	
General Funds	\$ 103,696	\$ 150,796	\$ 47,100		\$ 101,311	\$ 152,036	\$ 50,725	

David L. Hunter DATE 1/28/02
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Ray Peck DATE 1/29/02
RAY PECK, PRIMARY SPONSOR

Fiscal Note for HJ 16, as introduced.

1 INTRODUCED BY Alley
2 BILL NO. 717
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO
5 EXTEND BY SATELLITE THE UNIVERSITY OF MONTANA MASTER OF
6 BUSINESS ADMINISTRATION PROGRAM TO BILLINGS, TO BE OFFERED
7 IN COOPERATION WITH PROGRAMS AT EASTERN MONTANA COLLEGE BUT
8 WITH A DEGREE FROM THE UNIVERSITY OF MONTANA."

THE JOURNAL OF CLIMATE

11 Section 1. **Appropriation.** There is appropriated from
12 the state general fund \$163,000 to the board of regents of
13 higher education for the extension by satellite of the
14 university of Montana master of business administration to
15 Billings, Montana, to be offered in cooperation with
16 programs at eastern Montana college but with a degree from
17 the university of Montana. This appropriation is effective
18 for the fiscal year beginning July 1, 1987.

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INTRODUCED BILL
#6.797



FULL-TIME TUITION COMPARISON PER ACADEMIC YEAR

School	In-state tuition (annual)	Out-of-state tuition (annual)	Accepting students from out-of-state	Years required for accredited degree
Montana State University	\$1,064.25	\$2,882.25	yes	5
Arizona State University	\$1,196.00	\$4,628.00	yes	5
Cal Poly, Pomona	\$648.00		no	5
Cal Poly, San Luis Obispo	\$742.00		no	5
Kansas State University	\$1,290.00	\$3,200.00	yes	5
University of California, Berkeley	\$1,346.00	\$5,432.00	in-state priority	6
University of Idaho	\$1,010.00	\$3,101.00	yes	5
University of Nebraska	\$1,575.00	\$4,284.00	yes	6
University of Oregon	\$1,486.50	\$4,189.50	yes	5
University of Southern California	\$8,424.00	\$8,424.00	yes	5
University of Washington	\$1,605.00	\$4,461.00	yes	6
Washington State University	\$1,530.00	\$4,446.00	in-state priority	5

NOTES

1. Architecture students are required to graduate from an accredited school in order to be eligible to take licensing exams.
2. To meet accreditation requirements, some schools offer five-year programs, and some schools offer six-year programs. Most six-year schools require a tuition increase for the last two years. This increase is not reflected in the above figures.
3. Although there are schools that offer four-year architectural programs, these programs are not accredited by the National Architectural Accreditation Board.
4. Above information received through telephone calls made to admissions offices of listed universities on February 19, 1987. Written information to follow for verification.

FULL-TIME TUITION COMPARISON PER ACADEMIC YEAR

School	In-state tuition (annual)	Out-of-state tuition (annual)	Accepting students from out-of-state	Years required for accredited degree
Montana State University	\$1,064.25	\$2,882.25	yes	5
Arizona State University	\$1,196.00	\$4,628.00	yes	5
Cal Poly, Pomona	\$648.00		no	5
Cal Poly, San Luis Obispo	\$742.00		no	5
Kansas State University	\$1,290.00	\$3,200.00	yes	5
University of California, Berkeley	\$1,346.00	\$5,432.00	in-state priority	6
University of Idaho	\$1,010.00	\$3,101.00	yes	5
University of Nebraska	\$1,575.00	\$4,284.00	yes	6
University of Oregon	\$1,486.50	\$4,189.50	yes	5
University of Southern California	\$8,424.00	\$8,424.00	yes	5
University of Washington	\$1,605.00	\$4,461.00	yes	6
Washington State University	\$1,530.00	\$4,446.00	in-state priority	5

NOTES

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3. Although there are schools that offer four-year architectural programs, these programs are not accredited by the National Architectural Accreditation Board.
4. Above information received through telephone calls made to admissions offices of listed universities on February 19, 1987. Written information to follow for verification.

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

CALCULATIONS: 2/20/87 97% INSTRUCTION, 90% SUPPORT, SUBCOMMITTEE ENROLLMENT, TECH BASE ENROLLMENT,

-Fiscal 1988-

	HSU	UM	ENC	NMC	NMC	NCMST	TOTAL
Instruction	\$24,235,408	\$18,586,553	\$6,381,915	\$4,190,393	\$2,321,136	\$3,825,619	\$59,541,029
Support	11,870,962	10,137,319	4,057,543	2,126,607	1,154,867	2,328,760	31,674,058
Research	597,925	518,179	0	0	0	43,718	1,159,822
Public Service	10,258	206,020	231,435	9,373	0	0	457,086
Physical Plant	5,156,872	5,216,702	2,000,181	944,384	729,090	1,377,643	15,424,872
Scholar. & Fellowships	1,121,532	960,822	351,828	246,010	87,525	204,640	2,972,157
Audit	40,800	39,600	39,600	32,400	31,500	40,500	224,400
CURRENT LEVEL FY88	\$43,033,757	\$35,665,200	\$13,062,502	\$7,547,167	\$4,324,118	\$7,820,680	\$111,653,626
FY86 ACTUAL	\$45,110,620	\$35,748,831	\$13,779,825	\$7,534,412	\$3,336,907	\$8,736,399	116,846,994
OVER/(UNDER)FY86 LEVEL	(92,076,863)	(883,631)	(9717,323)	\$12,755	\$387,211	(9915,719)	(83,393,570)

-Fiscal 1989-

	HSU	UM	ENC	NMC	NMC	NCMST	TOTAL
Instruction	\$23,869,704	\$18,645,270	\$6,391,724	\$4,266,713	\$2,297,033	\$3,571,305	\$59,041,749
Support	11,675,367	10,152,700	4,056,406	2,159,559	1,161,019	2,326,970	31,512,021
Research	597,925	519,459	0	0	0	43,747	1,161,131
Public Service	10,258	206,013	231,447	9,373	0	0	457,091
Physical Plant	5,348,603	5,353,991	2,054,632	969,517	744,443	1,408,730	15,879,916
Scholar. & Fellowships	11,103,043	9962,265	351,718	250,057	886,473	204,440	2,957,996
Audit							
CURRENT LEVEL FY89	\$42,604,900	\$35,839,693	\$13,085,927	\$7,655,219	\$4,268,968	\$7,555,192	\$111,009,904
FY86 ACTUAL	\$45,110,620	\$35,748,831	\$13,779,825	\$7,534,412	\$3,936,907	\$8,736,399	\$114,846,994
OVER/(UNDER)FY86 LEVEL	(92,505,720)	\$90,867	(9693,898)	\$120,807	\$332,061	(81,181,207)	(83,837,090)

Action: 2/19/87
Agency: University System - Six Units

SUBCOMMITTEE ACTION								
Instruction	FY 1986		FISCAL 1988		Program: Instruction			
	Actual	Executive	Current Level	Subcommittee				
HSU	\$25,187,572	\$23,075,478	\$23,267,982	\$24,235,408	\$23,075,478	\$23,337,572	\$23,869,704	
UN	\$18,874,942	\$17,99,838	\$17,297,059	\$18,586,558	\$17,499,838	\$17,365,051	\$18,645,270	
ENC	\$6,676,322	\$6,152,031	\$6,108,652	\$6,381,915	\$6,152,031	\$6,180,616	\$6,391,724	
NPC	\$3,765,898	\$4,041,362	\$3,656,528	\$4,190,393	\$4,041,362	\$3,700,171	\$4,266,713	
MHC	\$1,790,395	\$2,335,292	\$2,072,146	\$2,21,136	\$2,235,292	\$2,094,749	\$2,297,033	
MCNST	\$4,301,281	\$3,412,871	\$3,548,995	\$3,825,619	\$3,412,871	\$3,642,083	\$3,571,305	
Total Exp.	\$60,616,310	\$56,616,872	\$55,951,362	\$59,541,029	\$56,416,872	\$56,320,042	\$59,041,749	
	=====	=====	=====	=====	=====	=====	=====	=====

ISSUES:

1. Enrollment accepted with February 87 enrollment projections, 1550 base for TECH.

2. Funding Level: 97 percent.

3. Formula Factors

	Current Level
--	---------------

HSU/UN	\$30,986
ENC	\$27,772
NPC/MC	\$27,495
MCNST	\$29,996

4. Formula Factors: Instructional Support Rate per FYFTE

	FY 1988	FY 1989
	Current Level	Current Level
HSU	\$633.14	\$633.78
UN	\$467.69	\$468.15
ENC	\$381.79	\$382.16
NPC	\$466.97	\$467.42
MHC	\$531.70	\$532.22
MCNST	\$633.14	\$635.01
		633.14

*Factors not discounted

SUBCOMMITTEE EXECUTIVE ACTION

Action: 2/20/87		Agency: University System - Six Units		Program: Support			
Support	FY 1986 Actual	FISCAL 1988		FISCAL 1989		FISCAL 1990	
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
NSU	\$13,585,047	\$11,694,429	\$12,365,879	\$11,870,962	\$11,612,829	\$12,303,666	\$11,675,367
UN	\$10,014,583	\$9,800,051	\$10,362,790	\$10,137,319	\$9,720,851	\$10,307,012	\$10,152,700
ENC	\$4,615,792	\$4,044,030	\$4,238,679	\$4,057,543	\$3,991,230	\$4,227,371	\$4,056,406
NMC	\$2,439,544	\$2,122,236	\$2,041,322	\$2,124,607	\$2,079,036	\$2,018,472	\$2,159,559
MHCST	\$1,383,313	\$1,192,571	\$1,153,167	\$1,154,867	\$1,150,571	\$1,121,464	\$1,141,019
	\$2,777,689	\$2,261,547	\$2,435,630	\$2,326,760	\$2,207,547	\$2,439,887	\$2,326,970
Total Exp.	\$34,815,98	\$31,114,864	\$32,597,467	\$31,674,058	\$30,762,064	\$32,417,872	\$31,512,021

ISSUES:

1. Enrollment at Fall 87 projections, 1550 base for TECH.
2. Funding Level: 90 percent.
3. Support rate: Current Level

NSU/UN	\$1,326
ENC/NMC/NEC	\$1,307
MHCST	\$1,650

6. Audit costs: The subcommittee accepted funding at seventy-five percent for ENC, NMC, MHC, AND TECH, and at 50 percent for NSU and UN as in HB500, accepting the same language.

Action: 2/19/87

Action: 2/19/87

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Agency:	University System - Six Units					
	FY 1986			FISCAL 1989		
	Public Service	Executive	Current Level	Subcommittee	Executive	FISCAL 1989- Current Level
PSU	\$10,057	\$10,048	\$10,250	\$10,300	\$10,048	\$10,258
UM	\$211,283	\$189,450	\$206,020	\$195,892	\$189,462	\$206,013
EHC	\$224,803	\$204,755	\$231,435	\$231,435	\$204,849	\$231,447
NMC	\$9,062	\$8,575	\$9,373	\$8,891	\$8,575	\$9,373
WMC	90	90	90	90	90	90
MCMST	60	60	60	60	60	60
Total Exp.	\$455,205	\$412,826	\$457,086	\$446,518	\$412,334	\$457,091

TSCIE

1. Adjustments to base : The subcommittee accepted executive budget for NSU, UNI, and NMC, and current level for EMC. Current level reflects adjustments for FY85 conditions, assuming continuation

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HSU	\$0	(8386)
LH	\$0	(86,732)
EMC	\$0	(810,769)
NPC	\$0	(9179)
HIC	n/a	n/a

2. Vacancy Savings: The subcommittee accepted 0% vacancy savings. All positions under 20 FTE.

Subcommittee Action Adjustment to Current Level

Fiscal 1988 Fiscal 1989

1417 5781 1417 5781

\$7,010 **\$10,568** **\$10,549**

SUBCOMMITTEE ACTION

Action: 2/17/87
 Agency: University System - Six Units

Research	FY 1986		-FISCAL 1988		Executive	Subcommittee	Executive	Current Level	-FISCAL 1989	Program: Research
	Actual	Current	Actual	Current						
HSU	\$578,210	\$530,616	\$597,925	\$597,925	\$530,616		\$597,925	\$597,925	\$597,925	
UN	\$631,404	\$592,758	\$518,179	\$445,254	\$594,436		\$519,459	\$446,534	\$446,534	
EHC	90	90	90	90	90		90	90	90	
NPC	90	90	90	90	90		90	90	90	
MPC	90	90	90	90	90		90	90	90	
HCHST	\$49,885	\$37,426	\$43,710	\$43,710	\$37,555		\$43,747	\$43,747	\$43,747	
Total Exp.	\$1,259,499	\$1,160,800	\$1,159,822	\$1,086,897	\$1,162,607		\$1,161,131	\$1,088,206	\$1,088,206	

ISSUES:

1. **Adjustments to base:** The subcommittee accepted the current level adjustments which reflect FY86 expenditures exceeding the appropriation.

	Current lev		Executive
	HSU	UN	
	0	0	
EHC	(\$116,064)	(923,142)	
NPC	n/a	n/a	
MPC	n/a	n/a	
HCHST	(97,561)	(8826)	

2. **NONTCLIC:** The subcommittee removed NONTCLIC appropriations from the research program at UN.

Appropriation	Each year of 1989 Biennium	
	Current Level	Executive
	\$72,925	\$72,925

3. **Vacancy Savings:** The subcommittee accepted 0% vacancy savings.
 All programs under 20 FTE.

Subcommittee Action
 Adjustment to Current Level

Fiscal 1988 Fiscal 1989

	Fiscal 1988	Fiscal 1989
	(\$72,925)	(\$72,925)

Action: 2/19/87
Agency: University System - Six Units

SUBCOMMITTEE EXECUTIVE ACTION

Plant	FY 1986 Actual	FY 1986		FISCAL 1988		FISCAL 1989		Program: Plant	
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change	
HSU	\$4,852,885	\$5,397,624	\$4,804,913	\$5,156,872	\$5,536,708	\$4,973,137	\$5,348,603	-0.01	
UN	\$5,099,031	\$5,268,397	\$5,273,489	\$5,216,702	\$5,405,843	\$5,410,778	\$5,353,991	0.05	
ENC	\$1,950,003	\$2,023,125	\$2,024,605	\$2,000,181	\$2,042,192	\$2,079,056	\$2,054,632	0.04	
NPC	\$1,081,559	\$1,053,678	\$944,584	\$944,584	\$1,079,017	\$969,517	\$969,517	-0.17	
NPC	\$688,162	\$685,431	\$729,090	\$729,090	\$692,777	\$744,443	\$744,443	0.00	
MCST	\$1,313,476	\$1,352,882	\$1,409,531	\$1,377,643	\$1,385,978	\$1,440,618	\$1,408,750	0.07	
Total Exp.	\$14,985,046	\$15,779,137	\$15,186,012	\$15,424,872	\$16,202,515	\$15,617,549	\$15,879,916	0.01	
ISSUES:									

1. **Adjustments to base:** The subcommittee accepted current level adjustments from FY86 expenditure level to FY86 appropriated levels, prior to consideration of other adjustments.

Current Level	Executive		Subcommittee Action	
	Fiscal 1988	Fiscal 1989	Adjustment to Current Level	
HSU	(1010,920)	(10153,225)		
UN	(10175,677)	(1048,654)		
ENC		(960,221)		
NPC		(939,253)		
NPC	(1012,368)	(926,009)		
MCST	(10137,731)	(954,000)		

2. **Adjustments to base:** Energy savings estimate accepted at \$146,253 to be retained by the unit to reward efficiency

Current Level	Executive		Subcommittee Action	
	Fiscal 1988	Fiscal 1989	Adjustment to Current Level	
HSU	(10259,000)	(10100,000)		\$259,000

3. **Adjustments to base:** The subcommittee accepted current level additions, increasing HSU's addition by \$36,573 to \$273,987 to reflect a full year's costs.

Current Level	Executive		Subcommittee Action	
	Fiscal 1988	Fiscal 1989	Adjustment to Current Level	
HSU	\$236,414	\$226,414		
NPC	\$25,370			
MCST	\$180,000			

4. **Adjustments to base:** The subcommittee added \$75,679 to HSU for sewer/water rate increase. Insurance costs were allowed on a consistent basis.

5. **Adjustments to base:** Current level reduction of \$229,535 reflecting legislative FY1987 reduction was accepted by the committee.

6. **Vacancy Savings applied at 4% to four units with more than 20 FTE.**

Plant	Executive		Subcommittee Action	
	Fiscal 1988	Fiscal 1989	Adjustment to Current Level	
HSU	\$6,766	\$24,424		
UN	\$25,370			
ENC	\$180,000			
TECH	\$31,888			

\$149,465

FISCAL 1988

CURRENT LEVEL WITH SUBCOMMITTEE TOTALS

FUNDING SOURCE	HSU	UH	EMC	NPC	HPC	TECH	TOTAL
GENERAL FUND	\$26,747,832	\$22,423,415	\$8,249,047	\$5,263,285	\$3,031,169	\$4,948,580	\$70,663,328
TUITION AND FEES	10,160,993	9,185,458	3,192,592	\$1,566,792	\$902,967	\$1,801,114	\$26,809,916
MILLAGE	4,529,932	3,486,327	1,490,863	\$688,090	\$366,982	\$905,986	\$11,468,180
INDIRECT COSTS	1,235,000	460,000	105,000	\$24,000	\$18,000	\$150,000	\$1,992,000
OTHER	360,000	110,000	25,000	\$5,000	\$5,000	\$15,000	\$520,000
TOTAL FUNDS	\$43,033,757	\$35,665,200	\$13,062,502	\$7,547,167	\$4,324,118	\$7,820,680	\$111,453,424
SUBCOMMITTEE OVER(UNDER)	\$43,033,757	\$35,665,200	\$13,062,502	\$7,547,167	\$4,324,118	\$7,820,680	\$111,453,424
	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FISCAL 1989

FUNDING SOURCE	HSU	UH	EMC	NPC	HPC	TECH	TOTAL
GENERAL FUND	\$26,410,746	\$22,525,049	\$8,248,567	\$5,334,058	\$2,980,728	\$4,667,947	\$70,167,875
TUITION AND FEES	9,993,498	9,199,243	3,191,594	\$1,592,568	\$892,123	\$1,801,114	\$26,670,140
MILLAGE	4,605,656	3,544,606	1,515,786	\$699,593	\$373,117	\$921,131	\$11,659,889
INDIRECT COSTS	1,235,000	460,000	105,000	\$24,000	\$18,000	\$150,000	\$1,992,000
OTHER	360,000	110,000	25,000	\$5,000	\$5,000	\$15,000	\$520,000
SUBCOMMITTEE	\$42,604,900	\$35,839,698	\$13,085,927	\$7,655,219	\$4,268,968	\$7,555,192	\$111,009,904
CURRENT LEVEL	\$42,604,900	\$35,839,698	\$13,085,927	\$7,655,219	\$4,268,968	\$7,555,192	\$0

SUBCOMMITTEE ACTION

Agency: University System - Six Units						Program: Funding		
Program	FY 1986 Actual	FY 1986		FISCAL 1989		FISCAL 1989		
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
Instruction	\$60,616,310	\$55,416,872	\$55,951,362	\$59,541,029	\$56,416,872	\$56,360,042	\$59,041,749	
Support	\$34,815,968	\$31,114,864	\$32,597,467	\$31,898,458	\$30,762,064	\$32,417,872	\$31,512,021	
Research	\$1,259,499	\$1,160,800	\$1,159,822	\$1,159,822	\$1,162,607	\$1,161,131	\$1,161,131	
Public Service	\$4,555,205	\$4,112,828	\$4,557,086	\$4,557,086	\$4,112,934	\$4,57,091	\$4,57,091	
Plant	\$14,985,046	\$15,779,137	\$15,186,012	\$15,424,872	\$16,202,515	\$15,617,549	\$15,879,916	
Fellow/Scholarships	\$2,715,016	\$2,964,656	\$3,005,374	\$2,972,157	\$2,964,656	\$3,021,027	\$2,957,996	
Total Exp.	\$114,847,044	\$107,849,157	\$108,357,123	\$111,453,424	\$107,921,648	\$108,994,712	\$111,009,904	
FUNDING								
General Fund	\$73,168,435	\$68,975,061	\$67,354,191	\$68,861,478	\$67,663,929			
Tuition and Fees	\$24,308,293	\$25,313,526	\$27,022,752	\$25,313,526	\$27,158,894			
Six-mill Levy	\$16,304,000	\$12,924,000	\$11,468,180	\$13,125,000	\$11,659,889			
Indirect Cost Rec.	\$1,804,122	\$0	\$1,992,000	\$0	\$1,992,000			
Other	\$522,124	\$636,570	\$520,000	\$621,644	\$520,000			
Spenddown Fund Balan	\$660,070	\$0	\$0	\$0	\$0			
Total Funding	\$114,847,044	\$107,849,157	\$108,357,123	\$107,921,648	\$108,994,712			

ISSUES:

1. Tuition and Fees: see ISSUE 3, budget analysis, page F-88, Table 12
 Executive - \$720 annual incidental fee
 Current level - \$792 annual incidental fee (surcharge retained)
2. Six-mill Levy
 Estimates differ
3. Indirect Cost Recoveries
 HB500 specifies 85 percent of indirect cost recoveries to be deposited in current unrestricted fund
 Special Session III allowed units to retain amounts exceeding the HB500 appropriated level
 Executive - eliminates all indirect cost recovery, both federal and non-federal
 Current Level - utilizes FY 1986 information plus additional amounts discussed in Special Session III
 less approx. \$190,000 for reduction in ICR from TECH from Bureau of Mines
4. Other Sources
 Current Level - utilizes FY 1986 information

SUBCOMMITTEE ACTIVITIES

Agency: University System - Six Units

Scholar/Fellowships	FY 1986		FISCAL 1989		Difference	Executive	Current Level	FISCAL 1989 Difference	Difference
	Actual	Executive	Current Level	Difference					
PSU	\$896,879	\$1,023,359	\$1,121,532	(\$98,173)	\$1,023,359	\$1,103,043	\$1,023,359	(\$79,684)	
UN	\$897,738	\$981,835	\$960,822	\$21,013	\$961,835	\$962,265	\$961,835	\$19,570	
EMC	\$312,905	\$322,850	\$351,828	(\$28,978)	\$322,850	\$351,718	\$322,850	(\$28,868)	
NPC	\$238,569	\$264,188	\$246,010	\$18,178	\$264,188	\$259,057	\$264,188	\$14,131	
WPC	\$75,057	\$83,231	\$87,525	(\$6,294)	\$83,231	\$86,473	\$83,231	(\$3,242)	
TECH	\$294,068	\$269,193	\$204,440	\$84,753	\$289,193	\$206,440	\$289,193	\$84,753	
Total Exp.	\$2,715,016	\$2,964,656	\$2,972,157	(\$7,501)	\$2,964,656	\$2,957,996	\$2,964,656	\$6,660	

ISSUES:

1. Enrollment - see Enrollment Information
2. Tuition rate - see Tuition Information
3. Mandatory Fee Waivers - see page F-92, budget analysis book
Current level - FY 1986 mand. waivers times enrollment change times tuition change
4. Discretionary Fee Waivers
Determined by multiplying 5.75 percent times anticipated registration and resident incidental fees
and 18.45 percent times anticipated non-resident incidental fees

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIAL

NUC Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	18020	18020
2. Increase Maintenance 07	49450	53300
3. Enrollment Project 01 (no decrease included for 44)	-46526	-30548
5. 100% funding to peer ave 01 (no incr included for 44)	17821	17977
6.		
7.		
8.		
9.		
10.		
	36,765	58,749

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIAL

NCMST Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	55000	55000 (1 FTE)
2. New Space 07 (added 4/82; not approp)	22040	22040 (2.25 FTE)
3. New Space 07 (22,500 HPER)	67500	67500 for all new space)
4. Grounds Maint (New Space) 07	8000	8000
5. Enrollment Projections 01	-425982	-390068
6. Enrollment Projections 44	-293479	-268474
7. 100% funding to peer ave 01	31063	31063
8. 100% funding to peer ave 44	191488	191488
9.		
10.		
	(344,370)	(283,451)

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

EWC Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	76000	6000
2. Indirect Charges (revenue change to GF)	85000	85000
3. 100% funding to peer ave 01	304709	305321
4. 100% funding to peer ave 01	52339	52444
5. Faculty Salary to peer ave 01	339487	332186
6. Enrollment Mod 44	-19153	-9576
7. Enrollment Mod 01	-28448	-14063
8. Fire Insurance 44	4982	4982
9. Mt Cent Hand Child 03	59418	71612
10.	874,334	833,906

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

MNC Program Modifications	1st Year Next Bienn	2nd Year Next Bienn
1. Hazardous Waste 07	11047	10872 (.5 FTE)
2. 100% funding to peer ave 01	31986	30992
3. 100% funding to peer ave 44	148339	44135
4. Enrollment projection 01	-107761	-225303
5. Enrollment projection 44	-56384	-117894
6. Security Personnel 07	34000	34000
7. Heating Specialist 07	25000	25000
8. Enrollment projection 08	-6691	-14002
9.	79,536	(212,200)
10.		

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

MSU Program Modifications	1st Year Next Bienn		2nd Year Next Bienn	
1. Hazardous Waste 07	67,180.00	67,780.00	(1.75 FTE)	
2. New Space HPE 07	24,528.00	26,034.00	(.44 FTE, maint. util.)	
3. New Space Museum 07	0.00	128,758.00	(2.59 FTE - 2nd yr. util. ms)	
4. Workload Museum 04	220,980.00	220,980.00	(6 FTE, util. grounds)	
5. 100% peer level 01	253,028.00	253,028.00		
6. 100% peer level 44	899,998.00	899,998.00		
7. Enrollment to projection 01	(284,279.00)	(880,542.00)		
8. Enrollment to projection 44	(147,697.00)	(457,345.00)		
9.				
10.				

1,033,738.00 258,691.00

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

UM Program Modifications	1st Year Next Bienn		2nd Year Next Bienn	
1. Hazardous Waste 44	54,364.00	54,364.00	(operations)	
2. Hazardous Waste 07	39,364.00	39,364.00	(1.5 FTE)	
3. Insurance 07	27,196.00	27,196.00		
4. New Space 07	103,311.00	107,862.00	(2.62 FTE, util.,etc.)	
5. Yellow Bay 02	112,600.00	112,600.00	(4.2 FTE, operations)	
6. Enrollment Projection 01	104,429.00	32,453.00		
7. Enrollment Projection 44	58,575.00	18,224.00		
8. Enrollment Projection 08	5,535.00	1,722.00		
9. 100% Peer Level 01	162,962.00	162,341.00		
10. 100% Peer Level 44	717,812.00	715,080.00		
11. Salary Base Adjust - Peers 01	877,604.00	871,524.00		
12. Indirect Cost 100% 07	400,000.00	400,000.00		
13. Fire/Casual Insurance 08	27,196.00	27,196.00		
14. MONTCLIRC	83,374.00	89,090.00	(2.54 and 2.7 FTE)	

2,774,322.00 2,659,016.00

*House Joint Resolution No. 16
Introduced by
Chairwoman Miller*

WHEREAS, the Legislative Finance Committee formed a subcommittee with the objectives of defining basic education and determining the cost of basic education in Montana;

WHEREAS, the Subcommittee on School Funding defined basic education as the Board of Public Education's school accreditation standards and, with the invaluable help of the Office of Public Instruction, determined a preliminary cost of the accreditation standards based on available fiscal data;

WHEREAS, during the Subcommittee study it became apparent that there is a need to review the accreditation standards; better articulate what performance factors are expected from the accreditation standards; receive more accurate fiscal data from the schools on the cost of implementing the standards; and provide an understandable method of coordination and articulation among the accreditation standard requirements, student performance expectations, and state funding levels; and

WHEREAS, a number of Montana school districts have filed suit against the state on the grounds that the state has failed to meet a constitutional obligation to fund its share of a basic quality education for the public school children in the state and has therefore denied an equal educational opportunity to the children;

WHEREAS, the Montana Legislature, through the Legislative Finance Committee, has made a serious and responsible attempt to address the concerns of this lawsuit, prior to court review and a decision on the merits of the case, in order to formulate appropriate public policies that may resolve the issues of the lawsuit;

NOTE PROCEDURE THAT LINKS EDUCATION POLICIES TO THE STATE BUDGET PROCESS; AND REQUIRING A REPORT OF THE FINDINGS OF THE COORDINATED STUDY TO THE 51ST LEGISLATURE.

WHEREAS, a number of Montana school districts have filed suit against the state on the grounds that the state has failed to meet a constitutional obligation to fund its share of a basic quality education for the public school children in the state and has therefore denied an equal educational opportunity to the children;

WHEREAS, this further analysis needs to be done with significant opportunity for participation by all groups and individuals concerned about public education and public tax dollars.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

THIRD READING
HJR-16

STATE OF MONTANA - FISCAL NOTE
Form RD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HJ016, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

Requesting that appropriate Legislative committees and the Board of Public Education work together to establish a definition of basic education for Montana Public Schools; to determine the cost of a basic education; to develop a fiscal note procedures that link education policies to the state budget process.

ASSUMPTIONS:

1. The costs of the Interim Legislative Committee can be absorbed by the Legislative Council budget.
2. The Board of Public Education will require 1 FTE grade 14, and additional operating expenses for contracted services, supplies, postage, travel and computer time.
3. This process will involve 9 public meetings for public hearings around the state, 3 task force meetings, and 1 general meeting for public participation.

FISCAL IMPACT:

Expenditures:

	FY88	FY89	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
			2.0	3.0	1.0	2.0	3.0	1.0
FTE			\$ 69,191	\$ 94,191	\$ 25,000	\$ 69,090	\$ 94,090	\$ 25,000
Personal Services			\$ 34,505	\$ 56,605	\$ 22,100	\$ 32,221	\$ 57,946	\$ 25,725
Operating Expenses			\$ 103,696	\$ 150,796	\$ 47,100	\$ 101,311	\$ 152,036	\$ 50,725
TOTAL								
General Funds	\$ 103,696	\$ 150,796	\$ 47,100	\$ 101,311	\$ 152,036	\$ 50,725		

David L. Hunter DATE 1/28/02
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Ray Peck DATE 1/29/02
RAY PECK, PRIMARY SPONSOR

Fiscal Note for HJ 16, as introduced.
HJR-16

1 House BILL NO. 711
2 Alley Rep
3
4 INTRODUCED BY

4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO
5 EXTEND BY SATELLITE THE UNIVERSITY OF MONTANA MASTER OF
6 BUSINESS ADMINISTRATION PROGRAM TO BILLINGS, TO BE OFFERED
7 IN COOPERATION WITH PROGRAMS AT EASTERN MONTANA COLLEGE BUT
8 WITH A DEGREE FROM THE UNIVERSITY OF MONTANA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Appropriation. There is appropriated from
12 the state general fund \$163,000 to the board of regents of
13 higher education for the extension by satellite of the
14 university of Montana master of business administration to
15 Billings, Montana, to be offered in cooperation with
16 programs at eastern Montana college but with a degree from
17 the university of Montana. This appropriation is effective
18 for the fiscal year beginning July 1, 1987.

-End-

INTRODUCED BILL.
HB. 711