

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION

Call to Order: By Chairman Peck, on January 20, 1989, at 7:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Keith Wolcott, Senior Fiscal Analyst
Sandy Whitney, Associate Fiscal Analyst
Joe Williams, Budget Analyst, OBPP
Claudia Johnson, Committee Secretary

Announcements/Discussion: None

CONTINUATION OF EXECUTIVE ACTION ON OPI

Tape U\1:025

Mr. Haubein started where they had left off yesterday on travel for OPI. Mr. Haubein distributed a handout on prior and current travel for OPI. See Exhibit 1. The budget for 1988 was \$306,449 and LFA current level was \$310,946. In yesterday's meeting the Subcommittee had asked for the original agency request. Mr. Haubein stated it is \$493,591 for FY 1990 and \$497,743 in FY 1991 for a total of \$991,334 for the biennium. Current level for the biennium is \$625,719 the executive budget is \$781,501, and the revised request for OPI is \$980,542. See Exhibit 1.

Rep. Peck stated that it does look like the actual expenditure is about \$42,000 more than what was in the budget. Mr. Haubein stated he had a programmer go back and analyze the travel expenditures for FY 1988 and the amount of federal fund support is 73 percent for travel in FY 1988. Mr. Haubein said the request OPI gave him for this biennium calculates out to 80 percent federal funds. Mr. Haubein stated that OPI had gone back to each of the programs and determined the funding from each and did a percentage calculation.

(100)

Supt. Keenan stated that her office had separated the travel by program and addressed basically what percentage is federal

money and what percent is general fund money. See Exhibit 3.

Mr. Wolcott stated that the general fund in FY 1990 is \$191,730 or 39 percent which leaves about \$298,541 that would be split between whatever state special revenue and federal funds that are already available.

(170)

Rep. Peck stated he thought the federal money could be added in if it is available and stated it seems that the general fund is not a critical item if OPI wanted to add it in.

EXECUTIVE ACTION:

Tape U\1:181

Motion: Sen. Jacobson made the motion to add the \$147,052 for FY 1990 and \$146,896 for FY 1991 which adds federal and state special revenue funding to the travel budget for OPI.

Amendments, Discussion, and Votes: Rep. Kadas asked Sen. Jacobson if this motion added any new general fund into the travel budget? Sen. Jacobson replied that it did not. See Exhibit 3. The motion CARRIED unanimously.

Hearing on Equipment for OPI

Tape U\1:235

Mr. Groepper distributed a handout on equipment. See Exhibit 5. The three issues that are involved are: 1) film for A/V library, and 2) Lewistown Drivers Training, and 3) changing from the Honeywell computer to the state telecommunications network. Mr. Groepper stated that it would cost be an additional \$60,808 in FY 1990 and another \$22,721 for FY 1991. The Lewistown Drivers Education issue had a budget amendment to do some work on the drivers training facility for this year. Mr. Groepper stated this budget amendment had been sent back to the agency for more detail and had been brought to the Subcommittee's attention spend the funds in FY 1990. Mr. Groepper stated there is about \$100,000 in the Driver Education state special revenue fund. OPI's proposal would be to use \$25,000 for the Lewistown facility of the \$100,000 state special revenue account that has been accumulating over a period of time. Mr. Groepper stated the cost for computers is \$27,596 and the cost for film is \$8,212 from general fund.

Rep. Marks asked if a lot of the districts are not buying their own video tapes and films and if the state would be getting into something that would not be cost effective? Ms. Gail Gray replied that more districts are buying film and videos, but it would not be cost effective in the smaller districts where they only use them once a year.

Rep. Marks recommended that the Department of Administration

handle the computer equipment so the system would be useable throughout the state, instead of in a single agency only.

Rep. Peck commented that he would not vote for this motion unless Supt. Keenan could assure the Subcommittee that OPI will comply with those requirements to involve the D. of A.

EXECUTIVE ACTION ON EQUIPMENT

Tape U\2:004

Motion: Rep. Kadas moved the modified for equipment, \$60,808 in FY 1990 and \$22,721 for FY 1991. See Exhibit 5.

Amendments, Discussions, and Votes: Sen. Nathe called the question. The motion CARRIED unanimously.

EXECUTIVE ACTION ON AUDIO VISUAL RENTAL

(080)

Motion: Sen. Hammond moved to adopt the general fund of \$62,500 in place of the \$91,423 for the audio-visual rental revenue.

Amendments, Discussion, and Votes: The motion CARRIED unanimously.

EXECUTIVE ACTION ON THE SCHOOL LAW PUBLICATIONS

(108)

Motion: Sen. Hammond made the motion to change the publication in special revenue account dealing with School Law Publication to the general fund account.

Amendments, Discussion, and Votes: Sen. Nathe called the question. The motion CARRIED unanimously.

Item 6 on Exhibit 3 was skipped over because Mr. Groepper did not think there needed to be a motion on this until OPI had a better understanding of the federal money for JTPA.

Mr. Haubein stated they had taken their revenue estimates from OPI's grant awards for the updated figures and stated that the funding issue would be better dealt with in February.

Mr. Groepper gave a synopsis on the modified requests that the budget office had approved on the LFA current level. Mr. Groepper stated that historically when dealing with mods they are not entered in the budget. They are considered issue by issue. Four mods that were approved above the budget office were federal and one was general, and Mr. Groepper felt that it would make more sense to deal with all five mods together.

(160)

Dori Nielson on the ABE money in the general fund. Ms. Nielson stated that the increase in Adult Basic Education is in the

GED area from people attempting to receive their high school diploma. Mr. Nielson stated that federal money can only be used for 20 percent of the program, and in order to serve these types of people the state funds need to be increased. The request is \$53,000 the first year and \$103,000 for FY 1991. See Exhibit 6.

Mr. Williams stated that there is a problem regarding the modification in the Office of Budget and Program planning. Mr. Williams stated the request was for additional state special revenue for the ABE matching funds. A required match in FY 1990 would be at 15 percent and 20 percent for FY 1991. Mr. Williams stated his office did approve some general fund replacement in current level, and also approved a modification for \$53,905 in FY 1990 and \$103,905 in FY 1991 to cover the increase. Mr. Williams stated he had been assured by Tom Jethrod, who was then the County Director of OPI that it would be funded by state special revenue.

Rep. Marks asked if it is possible to ask for a reconciliation on this. Rep. Peck agreed and asked if OPI could back for this one item next Monday.

EXECUTIVE ACTION TO ADOPT FEDERAL MODS FOR ABCD PROGRAM

Motion: Sen. Jacobson made the motion to adopt the federal mods. See Exhibit 3.

Amendments, Discussion, and Votes: The question was called. The motion CARRIED unanimously.

The Subcommittee recessed at 8:00 a.m. from OPI and came back at 8:15 a.m. to start the agenda on the University System.

HEARING ON UNIVERSITY SYSTEM

Tape No. V\1:000

Presentation and Opening Statement:

Dennis E. Lind, Board of Regents, stated that he feels an improved attitude as far as being more positive than two years ago. Mr. Lind stated the funding study has improved the communication and attitude of cooperation. Mr. Lind stated there has been more opportunity to see the state's view in support of higher education, and the support in the six mill levy, etc.. Mr. Lind stated that since last session this is no longer "higher education" but a "post-secondary system", not only the six campuses, but a combination of the five Vo-Tech Centers in Montana. Mr. Lind stated that there is an opportunity for the coordination of all units for transferability of courses from Vo-Techs to Colleges. Mr. Lind stated that Montana needs the foresight to attract business and individuals and that can be attracted through centers of learning. FUNDING:

Mr. Lind stated that Montana is falling short in comparison to any region and nationally. ACCOUNTABILITY: Recognition in applying data instead of looking to the peers. Mr. Lind stated that Montana needs a positive framework and attitude to be able to focus on institutional rolls. Campuses can review internally the courses that are offered with the network to identify the programs and courses that might be offered elsewhere. ADMISSION STANDARDS: can reduce the amount of individuals that could be lost because they are not prepared for college and will provide long-term enrollment increases because the people will be better prepared. Dr. Lind talked about duplication and how they have merged Western Montana College and the University of Montana and it seems to be a workable solution to long-term stability for WMC by using existing resources. Dr. Lind stated that Montana needs to provide better access using telecommunications, networking the computers within the system, sharing of resources, partnerships in private, and public education has provided some economic development. Dr. Lind stated that there has been a prolific expansion in grants and research.

(172)

Mr. Lind gave an overview of the Board of Regents priorities: 1) the need to improve faculty salaries. Mr. Lind stated it has to be addressed to maintain quality individuals within Montana's system. 2) the need to improve the condition of the libraries, 3) the instruction support in other areas that show a significant gap with peer institutions. 4) College savings bond program for the construction of needed facilities that will encourage education development. Mr. Lind stated that College savings bonds have received tremendous success in other states and request that the Subcommittee consider it to allow the needed facilities. Mr. Lind stated the need for the Subcommittee, Legislature, Governor Stephens, and the Board of Regents to cooperate in finding the source of funding on a permanent basis statewide, and suggested that the interest or revenue stream come from the coal trust fund.

Mr. Lind asked the Subcommittee to fund the University System at a level of \$17.5 million above last session's appropriation which is a little over \$18 million in general fund dollars. Mr. Lind stated they do not expect the Legislature to do this solely on their own and they are willing to make a commitment to address a portion of this problem through tuition and internal adjustments. In terms of tuition and where their problems are, the University System is looking at a 10 percent increase in tuition and mandatory fees. The amount of dollars that could be generated by the system itself is approximately \$6 million. Mr. Lind asked the Subcommittee to match that on a 2/1 for a total of \$18 million.

(355)

Mr. Lind stated that Wyoming spends \$70 million on 9,000 students, while Montana has 25,000 students and has a budget of \$60 million. Mr. Lind stated that the University System needs the funding to do the job that Montana wants them to do and asked for the Subcommittee's support.

(396)

Sen. Jacobson asked Mr. Lind if the indirect costs are included in the \$17 million over last session's appropriation? Mr. Lind replied that was correct. Sen. Jacobson commented to Mr. Lind that she had understood that the Governor was including the Vo-Tech Centers and the Community Colleges in the \$13 million and the indirect costs for the two is around \$4 million. Mr. Lind stated they do need more than what was proposed, but it is a step in recognition as to their needs. Mr. Lind stated that in assuming they can raise the \$6 million dollars with the \$13 million that would give them \$19 million.

Rep. Marks asked Mr. Lind in looking at the first biennium if they will be able to incorporate and provide the data in the personnel service system? Mr. Lind stated that the personnel system is going to be more difficult but will be cooperative in moving towards having the Vo-Tech Centers and the Community Colleges on the state pay plan this biennium. Mr. Lind was not sure if they would be able to accomplish that with all the campuses within the year.

Dr. Krause stated that he will primarily focus on some of the problems and the process he would like for the Subcommittee to adopt as far as the budgeting process. Dr. Krause distributed a handout on an overview of all the institutions and felt this would help the Subcommittee when they go on tour of the campuses.

(566)

Dr. Krause started with the program modifications and stated they were not a part of the formula presentation that had been made earlier. Dr. Krause stated as the Subcommittee is on the different campuses there will be additional explanations of program modification requests. See Exhibit 1.

Tape V\2:000

Dr. Krause started with the program modification request for the Water Research for the state of Montana and gave a brief overview of how the University System would coordinate the water research development policy formation in the state. Dr. Krause stated that Montana is the most active state in the water research area. See Exhibit 2.

(032)

Dr. Krause distributed a handout on the Western Undergraduate Exchange program. Dr. Krause gave figures of the first years activity in that program. He stated that Montana, under the Western Undergraduate program, have received 262

students this first year and felt that Montana would be a beneficiary of this program. Dr. Krause stated that Montana is the most active state in this program compared to the other institutions. See Exhibit 3.

Dr. Krause stated that one area where the University System has had a great deal of involvement in and will not show up in the budget request is when HJR 58 was adopted by the last Legislature asking the Commissioner of Higher Education to establish a task force in telecommunications. Dr. Krause stated that telecommunications in the future will be extremely important in education, and developing the network will enhance the opportunity in education throughout the state. Dr. Krause introduced Mr. Dave Evenson, Board of Regents, Director of Benefits.

Mr. Evenson distributed a handout on expenses and projections of health care costs that state agencies are facing all over Montana. Mr. Evenson stated that 11.1 percent of GNP is being spent on health care nationally. Mr. Evenson stated that the University System's projected health care costs on their plan will increase the costs by 15 percent per year. At the existing rate of inflation, Mr. Evenson stated that health care costs will double by 1991, 1995 and, again by the turn of the century. See Exhibit 4.

Rep. Peck asked Mr. Evenson how many people had memberships in the health care plan on the state payroll? Mr. Evenson replied that there is a total of 5,000 including 880 retirees, and with dependents they are looking at about 11,000 people.

Rep. Peck asked Mr. Evenson if there are deficiencies in the University System plan that could be provided by the state program? Mr. Evenson replied that the law currently allows by the state University System to consolidate with the state employee group plan. Mr. Evenson stated that there would not be any cost savings that could be realized by shifting the problem.

(276)

Jack Noble, Deputy Commissioner, Board of Regents, gave an overview on the requests of the Board of Regents for the formula. Mr. Noble distributed a handout on the budget recommendation. See Exhibit 5. Mr. Noble stated the formula request for the Board of Regents was just recently put together for the funding study and stated that they were waiting for the conclusion in part of the funding study. Mr. Noble stated that the formula submitted to the executive branch in Sept. was under the old formula and felt that the new formula will be a new beginning in funding higher education. Mr. Noble stated that the Instruction and support programs will be funded using a formula which includes the following six data elements: 1) FY FTE student enrollments. 2) Student/Faculty ratios. 3)

Instructional Faculty salary. 4) Benefit Rates. 5) Instruction support costs, and 6) Support program costs. See Exhibit 5.

(315)

Mr. Noble went over the peer institutions in comparison to Montana's institutions. See Exhibit 5, page 2.

(333)

Mr. Noble stated that S/F ratios has not altered significantly in comparison to the peers, but stated that the Board of Regents believes that the ratios should be adjusted over the next five years to close the gap on the peers. See Exhibit 5, page 3.

(400)

Under Instructional Support the costs would include all non-faculty compensation costs within the program of instruction. These would include staff support, contract services, supplies, materials, instructional equipment, etc. In support, program costs the formula includes all the operating costs which are: libraries, student services, and the methodology for support is the same as was used for instructional support. See Exhibit 5, page 4.

On student/faculty ratios, the number of faculty that it would generate are on the bottom of Schedule A. See Exhibit 5.

(558)

Schedule C is a breakdown of the instructional support costs and the support rate costs. See Exhibit 5, Schedule C.

(560)

Schedule D moves to the summary page as to how much is in there for each campus. See Exhibit 5, Schedule D.

Looking at the funding on Schedule E, Mr. Noble noted that there is no increase in tuition and fees placed into the document at this time. Mr. Noble stated that the Board of Regents wanted to discuss this with the Subcommittee regarding the concern of increases in tuition and fees when placed would go to the benefit of the particular campuses and possibly to the faculty salary increases.

Schedule E is a wrap up of the entire system. See Exhibit 5.

Tape W\1:000

Sen. Jacobson asked Mr. Noble if by dropping the millage and decreasing the property taxes that it will give you \$1.1 million? Mr. Noble replied that revenue generated by the millage would be \$1,698,000 less than what was appropriated in the current biennium. Mr. Noble stated that is what the current LFA estimates are in Schedule D. See Exhibit 5. Mr. Noble stated that the millage account is still in a deficit condition and didn't know if this appropriation in

it's current condition would resolve it.

(019)

Rep. Peck asked Mr. Noble how much the deficit would be the first year of the biennium? Mr. Noble replied that the fund deficit was approximately \$700,000 and the cash deficit is much greater and stated that they have had to borrow against that account at the end of the year for the last two years.

(045)

Sen. Jacobson asked Mr. Noble about the request of the Board of Regents over the present level of the \$17.5 million? Mr. Noble stated that the bottom line of the formula would go up \$17.5 million, but it would take \$18.6 million in general fund because the millage goes down.

Rep. Marks asked Mr. Noble that by adding all the programs that are not in the general funding such as indirect costs and tuition, what would be the total increase of the general fund? Mr. Noble replied that on Schedule E, (See Exhibit 5) the total of the six campuses would provide the general fund total for the entire system at \$19.7 million or a 11.21 percent increase of the general fund.

(082)

Rep. Kadas asked Mr. Noble if any tuition increase would be subtracted from the \$19.7 million? Mr. Noble stated that was correct. Rep. Kadas asked if the indirect costs would be added? Mr. Noble replied that it would.

(105)

Dr. Krause distributed a handout on total expenditures per student FTE. Dr. Krause stated that these are the costs as far as the peers are concerned for overall students expenditures. On Table D of Exhibit 6, Dr. Krause stated that it is the general funded millage component, that is a comparison of the state support as compared to the peers.

(120)

Dr. Krause closed the formal presentation by asking the Subcommittee to look at the amount of increase in each year of the biennium and that it becomes very real, but is less than a 9 percent increase over the biennium. Dr. Krause did not feel they would make much progress on the deficit but would make some progress due to inflationary increases in the institutions that are used for comparisons.

(300)

Proponents Testimony and who they represent:

Jim Spring, President of Montana Ambassadors, distributed a handout on higher education. Mr. Spring stated he is in support of 100 percent retention of the research grant direct costs and read pages 22, 23, and 24 of his handout. See Exhibit 7.

(338)

Rep. Kadas asked Mr. Spring that if he supports higher education and how important is the sales tax to economic development? Mr. Spring replied they support increased funding for higher education and support tax reform which is more than a sales tax. Mr. Spring stated he sees that as a positive towards the economic climate.

Rata Sheeny, Represents the Alumni of the University of Montana, and stated she is in support of the report she heard today.

Tom McIntyre, Graduate of Montana Tech, Alumni Assoc., commented on the disparity of the funding for the University System and urged the Subcommittee's support for the funding of higher education.

Debra Schlisinger, Legislative Chair for the Montana Library Assoc., urged the support of the Subcommittee and commented that the libraries of the state depend on the funding in the University System.

(475)

Terry Minow, representing the Montana Federation of Teachers, rose in support of adequate funding for the funding of the University System. Ms. Minow stated that the LFA budget does not address the University funding study and asked the Subcommittee to make a commitment to those findings.

There being no further business the Subcommittee was adjourned.

ADJOURNMENT

Adjournment At: 11:00 a.m.



REP. Ray Peck, Chairman

RP/cj

1721.min

DAILY ROLL CALL

EDUCATION

SUBCOMMITTEE

DATE _____

Jan 20, 1989

[illegible]

EXHIBIT 1
DATE Jan 20
HB OPI

Jan 20
#38
tape u
side 1

Office of Public Instruction
Travel Budget

Fiscal 1986 Actual	\$331,633
Fiscal 1988 Actual	373,977
Fiscal 1988 Budgeted	306,449
Fiscal 1990 LFA CL	310,946
Fiscal 1991 LFA CL	314,773

	<u>Fiscal 1990</u>	<u>Fiscal 1991</u>	<u>Biennium</u>
Original Agency Request	\$493,591	\$497,743	\$991,334
LFA Current Level	310,946	314,773	625,719
Executive Budget	389,692	391,809	781,501
Revised OPI	490,271	490,271	980,542

3501 01 00000

AGENCY: SUPERINTENDENT OF PUB INSTRUCT

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

09:46 AM 18-Jan-89

BUDGET ITEM	FY 1988 Actual	Fiscal 1990			Fiscal 1991			FY 88-90 % Change
		Executive	LFA Curr Lvl	Difference	Executive	LFA Curr Lvl	Difference	
FTE	121.90	118.40	121.90	-3.50	118.40	121.90	-3.50	0.00%
Personal Services	\$3,290,078	\$3,423,221	\$3,375,278	\$47,943	\$3,429,054	\$3,380,723	\$48,331	2.59%
Operating Expenses	1,717,116	1,918,937	1,660,227	258,710	1,871,977	1,614,292	257,685	-3.31%
Equipment	109,595	91,065	60,631	30,434	88,890	60,631	28,259	-44.68%
Non-Operating	336,450	387,912	359,208	28,704	387,912	359,208	28,704	6.76%
TOTAL EXPENSES	\$5,453,239	\$5,821,135	\$5,455,344	\$365,791	\$5,777,833	\$5,414,854	\$362,979	0.04%
FUNDING								
General Fund	\$2,503,522	\$2,593,622	\$2,513,947	\$ 79,675	\$2,567,255	\$2,545,473	\$21,782	0.42%
State Special Rev	552,829	557,679	583,033	(82,593)	557,688	583,033	(25,345)	15.82%
Federal Revenue	2,396,888	2,669,834	2,358,364	368,709	2,652,890	2,286,348	366,542	-4.00%
TOTAL FUNDING	\$5,453,239	\$5,821,135	\$5,455,344	\$365,791	\$5,777,833	\$5,414,854	\$362,979	0.04%

Current Level

ISSUE 1: Deleted Positions

The executive budget deleted 6.0 FTE which are in LFA current level. Four of these FTE are positions which were deleted by the Appropriations Committee and will be included under Appropriation Committee Policy. The other two, which are position #18 Administrative Officer IV and position #167 Personal Staff result in the Executive Budget being lower by \$77,802 in fiscal 1990 and \$77,843 in fiscal 1991.

ISSUE 2: Position Upgrade

The executive budget includes an upgrade of a grade 12 Personnel Specialist to a grade 18 Career Executive Assignment which is not included in LFA current level. The difference is \$13,837 in fiscal 1990 and \$13,840 in fiscal 1991.

ISSUE 3: Travel

LFA current level has included travel at the fiscal 1988 budgeted level with an inflationary increase applied to motor pool travel costs. The executive budget was based on fiscal 1988 actual expenditures and adjusted per the agency request. The executive budget is higher by \$78,746 in fiscal 1990 and \$77,034 in fiscal 1991. The subcommittee should consider this issue with Issue 13.

ISSUE 4: Other Operating Expenses

The executive budget is higher than LFA current level in all other operating expenses by \$7,970 each fiscal year. This difference is primarily in the Driver's Training Program in which the executive budget includes base adjustments for additional training and insurance costs.

ISSUE 5: Equipment

LFA current level based the equipment budget on the previous three years' budgeted equipment levels. The executive budget is higher than the LFA current level by \$28,334 in fiscal 1990 and \$26,159 in fiscal 1991. The subcommittee should consider this with Issue 14.

ISSUE 6: Audio/Visual Library

LFA current level raises the issue of continuing the Audio/Visual Program (see page E-26, LFA Budget Analysis). The current level points out the declining use, revenues, and increasing general fund support for this program as reasons for legislative consideration of this issue. LFA current level funds the program using revenues at fiscal 1988 levels. This includes \$28,900 less general fund than the executive and \$28,900 more in state special revenue than the executive in the program for each fiscal year of the biennium.

ISSUE 7: Excess Fund Balance in Driver Education Program

The issue of an excess fund balance in the Driver's Education Program fund is raised on page E-26 of the LFA Budget Analysis. This excess fund balance of \$100,596 could be used as a funding source in fiscal 1990 on a one-time basis.

Modified Requests

ISSUE 8: ESEA Title II Grant

The executive budget includes a modified request for ESEA Title II math/science grant at \$80,000 for each fiscal year (Page 31 Governor's Education Budget).

ISSUE 9: Byrd Scholarship Grant

A modified request of \$36,000 each fiscal year is included in the executive budget for the Byrd Scholarship Program (Page 33 Governor's Education Budget).

ISSUE 10: ECIA Chapter I Grant

This modified request in the executive budget is for increased spending authority in Chapter I funds. This would add 1.50 FTE and cost \$99,311 in fiscal 1990 and \$99,309 in fiscal 1991 (Page 33 Governor's Executive Budget).

ISSUE 11: McKinney Homeless Grant

The executive budget includes a modified request for authority to spend McKinney Homeless Grant funds. This request is for 1.0 FTE and \$49,397 in fiscal 1990 and \$29,402 in fiscal 1991. (Page 33 Governor's Executive Budget).

ISSUE 12: Adult Basic Education - School Distribution

The modified request is for \$53,905 in fiscal 1990 and \$103,905 in fiscal 1991 as additional matching funds for the Adult Basic Education Program. This modified will be funded with state special revenue funds.

Appropriation Committee Policy

Vacancy Savings
Add for LFA Current Level
Add for Executive Budget

Fiscal 1990
\$212,431
67,433

Fiscal 1991
\$212,971
67,551

Position Deletions (Each Fiscal Year of the Biennium)

<u>Position Number</u>	<u>Title</u>	<u>FTE</u>	<u>General Fund</u>	<u>Other</u>
00076	Accounting Clerk III	1.00	\$ -0-	\$16,265
90001	Office Clerk I	0.25	3,125	-0-
00058	Education Program Rep.	1.00	30,403	-0-
00189	Admin. Clerk II	0.50	8,759	-0-
00032	Education Program Rep.	0.50	-0-	15,202
00142	Program Spec. II	1.00	26,628	-0-
90002	Office Clerk II	0.10	1,332	-0-
90006	Film Library Clerk I	0.10	1,421	-0-
00097	Mail Clerk III	1.00	-0-	16,624
00145	Program Officer II	1.00	27,874	-0-
00154	Data Entry Officer III	0.50	7,600	-0-
00068	Film Library Clerk	1.00	-0-	14,208
Total Deleted		7.95	\$107,142	\$62,299

Additional Issues

ISSUE 13: Travel

The Office of Public Instruction is requesting additional travel budget in excess of the LFA current level by \$179,325 in fiscal 1990 and \$175,498 in fiscal 1991.

ISSUE 14: Equipment

Issue 14 #235

The agency is requesting additional equipment budget of \$60,808 in fiscal 1990 and \$23,422 in fiscal 1991 over LFA current level.

ISSUE 15: Request for Additional Special Education Funding

The Office of Public Instruction is requesting and additional \$7.7 million each fiscal year of the 1991 biennium in the Distribution to Public Schools Program.

ISSUE 16: Request for Additional Vocational Education Funding

The Office of Public Instruction is requesting an additional \$900,000 each fiscal year of the biennium in the Distribution to Public Schools Program.

ISSUE 17: Changes in Federal Discretionary Funds

The Office of Public Instruction is requesting that the amounts in some of the Federal Discretionary Funds be changed to reflect more current revenue projections.

- - - - - Change From Current Level - - - - -

- - - - - Fiscal 1990 - - - - - - - - - - Fiscal 1991 - - - - -

<u>Current Level</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
Issue 1: Deleted Positions	\$ (77,802)		\$ (77,843)	
Issue 2: Position Upgrade	13,837		13,840	
Issue 3: Travel (Refer to Issue 13)	78,746		77,034	
Issue 4: Operating Expenses	7,970		7,970	
Issue 5: Equipment (Refer to Issue 14)	28,334		26,159	
Issue 6: Audio Visual	28,900		28,900	
Issue 7: Excess Funds Driver's Ed.	(100,596)		-0-	\$ (28,900)
				-0-
<u>Modified Requests</u>				
Issue 8: ESEA Title II		80,000		80,000
Issue 9: Byrd Scholarship		36,000		36,000
Issue 10: ECIA Chapter I		99,311		99,309
Issue 11: McKinney Homeless		49,397		29,402
Issue 12: ABE		53,905		103,905
<u>Additional Requests</u>				
Issue 13: Travel	179,325		175,498	
Issue 14: Equipment	60,808		23,422	
Issue 15: Special Education	7,700,000		7,700,000	
Issue 16: Voc-Ed	900,000		900,000	
Issue 17: Federal Discretionary		(338,984)		(367,426)

EXHIBIT 3
DATE Jan 20, 1989
HB OPI

MOTIONS

1. Replace 7.95 cut by Cobb's proposal; reinstate \$_____.
2. Restore \$183,747 travel in FY90
\$184,362 travel in FY91
3. Increase equipment by \$35,214 in FY90
\$25,000 FY90 is for Lewistown Drivers' Ed
Maintain existing fund balance. Use balance to fund
planned equipment purchases in this biennium and next
biennium.
4. Publications - make account #03138 a General Fund account
(relates to \$53,000 in special revenue account for printing)
Decrease Special Revenue Account by _____.
Increase General Fund by _____.
5. A.V. Library -- adopt option A by L.F.A. for funding A.V.
Library (reduces revenue estimate by \$28,500)
6. Update distribution numbers.
7. Motion to take to full appropriations:
"Intent of legislature that the Department pursue the
lawsuit and seek supplemental funding as needed."
8. Move the 5 mods approved by the Budget Office.
9. Move the Special Services mod.
10. Move the Vo. Ed. mod.
11. De-earmarking indirect cost pool.

EXHIBIT 3
DATE Jan 20
HB OPI

OFFICE OF PUBLIC INSTRUCTION
TRAVEL REQUEST

FISCAL YEAR 1990

FISCAL YEAR 1991

Prg01 - 100% GENERAL FUND

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
\$ 10,653	\$ 9,728	\$ 925

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
\$10,653	\$ 9,728	\$ 925

Prg02 - APPROX 65% GENERAL FUND

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
89,523	56,985	32,538

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
89,523	56,380	33,143

Prg03 - APPROX 43% GENERAL FUND

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
36,498	30,569	5,929

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
36,498	30,569	5,929

Prg05 - APPROX 56% GENERAL FUND

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
69,781	56,370	13,411

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
69,781	56,370	13,411

Prg06 - APPROX 24% GENERAL FUND

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
283,816	152,872	130,944

<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
283,816	152,872	130,944

AGENCY	<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
TOTAL	\$490,271	\$306,524	\$183,747

	<u>OPI</u>	<u>LFA</u>	<u>DIFFER</u>
	\$490,271	\$305,919	\$184,362

OFFICE OF PUBLIC INSTRUCTION
TRAVEL AMENDMENT

BY PROGRAM BY FUNDING SOURCE

		FY90	
	GEN FND	STATE	FED & OTHER
PROG 01 - CHIEF STATE SCHOOL OFFICER			
11 - SUPERINTENDENT	\$ 925		
PROG 02 - BASIC SKILLS			
21 - ADMINISTRATION	9,070		789
22 - CURRICULUM CONSULTANTS	3,672		1,892
23- A/V LIBRARY	234	156	
24- OTHER FEDERAL			9,046
25 - TRAFFIC SAFETY	2,050		
26 - VETERANS/INDIAN ED	172		3,244
27 - DRIVER'S ED			2,213
PROG 02 TOTAL	\$15,198	\$ 156	\$17,184
PROG 03 - VOCATIONAL ED			
30 - ADMINISTRATION	\$2,289		\$ 2,383
31 - SPECIAL ED	15		267
32 - ABE	411		544
PROG 03 TOTAL	\$2,715	\$ 0	\$ 3,214
PROG 05 - ADMIN SERVICES			
50 - ADMINISTRATION	\$ 4,240		\$ 320
51 - INDIRECT COST POOL	268		
52 - SCHOOL FOOD	1,373	515	6,695
PROG 05 TOTAL	\$5,881	\$ 515	\$ 7,015
PROG 06 - SPECIAL SERVICES			
60 - ADMINISTRATION	\$ 954		\$ 2,581
61- SPECIAL ED	4,867		49,213
62 - EHA TITLE IV			12,309
63 - SEX DESEGREGATION			18,332
64 - CHAPTER I			22,391
65 - GIFTED AND TALENTED	2,880		
66- MISC FEDERAL GRANTS			14,142
67 - AUDIOLOGY	3,275		
PROG 06 TOTAL	\$11,976	\$ 0	\$118,969
AMEND LFA TRAVEL - FY90	\$36,695	\$ 671	\$146,381

enrolled

EXHIBIT 4
DATE Jan 20
HB OP I

OFFICE OF PUBLIC INSTRUCTION

Equipment Request

		-----Fiscal 1990-----			-----Fiscal 1991-----		
		Budget			Budget		
LFA Budget		\$60,631			\$60,631		
OpI Increased Request							
Films		\$8,212	\$1,474	\$6,738	\$1,571	\$1,571	
Lewistown Drivers Training							
elec/power	\$10,000						
lighting	\$ 5,000						
water system	\$ 5,000						
mobile class	\$ 5,000						
Computers		\$27,596	\$27,596		\$20,150	\$20,150	
		<u>\$60,808</u>	\$29,070	\$6,738	<u>\$22,721</u>	\$20,150	-0-
Total		\$121,439			\$83,352		

Budget Detail For Equipment Justification

EXHIBIT 5
DATE Apr 20
HB OPI

Local Area Networks Detail

1227 11th Ave. Detail

\$ 2,760 Convert from Omninet to Arcnet 24 work stations
at \$ 115.00 = 2,760.

=====
\$ 2,760

1300 11th Ave. Detail

\$ 2,000 memory upgrade for file server to 4 meg.
\$ 1,725 15 network boards
\$ 1,000 Connect Macintosh computers to network
\$ 5,000 200 Meg disk capacity for Certification
\$ 2,000 Memory upgrade , add 2 meg 10 @ \$ 200

=====
\$ 11,725

Capitol Building Detail

\$ 1,150 10 network boards
\$ 5,000 Communications x.25 protocol

=====
\$ 6,150

=====
\$ 20,635 Network total

Honeywell Replacement Detail

\$ 4,000 386 CPU
\$ 4,000 4 Meg memory
\$ 9,000 230 Meg disk drives
\$ 9,600 Database software
\$ 4,850 Tape backup system

=====
\$ 31,450

OFFICE OF PUBLIC INSTRUCTION
DISTRIBUTION TO SCHOOLS

	-----Fiscal 1990-----			-----Fiscal 1991-----		
State Funds	Current Level	Updated OPI	MOD	Current Level	Updated OPI	MOD
Special Education	\$27,361,646	\$27,361,646	\$7,700,000	\$27,361,646	\$27,361,646	\$7,700,000
Special Ed Contingency	500,000	500,000		500,000	500,000	
ABE	146,095	146,095	53,905	146,095	146,095	103,905
Secondary Vo-Ed	-0-	-0-	900,000	-0-	-0-	900,000
Transportation	6,252,894	6,252,894		6,252,894	6,252,894	
School Lunch	599,397	599,397		599,397	599,397	
Gifted and Talented	100,000	100,000		100,000	100,000	
Impact Aid	5,000	5,000		5,000	5,000	
Federal Discretionary Funds						
JTPA	470,000	508,602		470,000	508,602	
Adult Basic Education	525,208	475,208		525,208	498,968	
McKinney Homeless Act	150,000	140,414		150,000	70,212	
EHA-Preschool Incentive	50,000	50,000		50,000	50,000	
EHA-B	475,000	425,000		505,000	505,000	
EHA-Architectural	-0-	32,000		-0-	-0-	
Carl Perkins Vo-Ed Act	2,300,000	2,000,000		2,300,000	2,000,000	
TOTALS	38,935,240	38,596,256	8,653,905	38,965,240	38,597,814	8,703,905
	=====	=====	=====	=====	=====	=====

EXHIBIT 6
DATE Jan 20, 1991
HB OPI

Bob R. Thompson

EXHIBIT 7
DATE Jan 20
HB OPI

OFFICE OF PUBLIC INSTRUCTION

MONTANA ADULT BASIC EDUCATION SUMMARY 1985-1988 (1-16-89)

ITEM	FISCAL 1985	FISCAL 1986	FISCAL 1987	FISCAL 1988	PERCENT CHANGE 1985-88
Number of Centers	20	20	23	23	13.0%
Total Enrollment	5301	5526	5517	5793	8.5%
Using Federal Dollars	3520	3817	3794	4164	15.5%
Using State Dollars	1781	1709	1723	1629	(9.3%)
* Level I (Gr. 0-8)	3122	3029	2813	2887	(8.1%)
* Level II (Gr. 9-12)	2179	2497	2704	2906	25.0%
Gender					
Male	2441	2651	2766	2707	9.8%
Female	2860	2875	2751	3086	7.3%
Age					
16-24	2657	2584	2290	2428	(9.4%)
25-44	2203	2428	2620	2766	20.4%
45-59	385	463	518	548	29.7%
60+	56	51	89	51	(9.8%)
Handicapped	711	663	797	843	15.7%
Receiving Public Assistance	1067	1307	1432	1588	32.8%

Top 4
195
side 2

see 4
side 2
190

Ten percent of the interest from the Educational Trust is dedicated to Adult Basic Education and Vocational-Technical Centers.

For the 1991 biennium, the LFA and OBPP estimate the following 10 percent interest revenue.

227

	Fiscal '90	Fiscal '91
LFA	\$230,030	\$270,206
OBPP	\$125,000	\$124,000



MONTANA UNIVERSITY SYSTEM

AND POSTSECONDARY EDUCATION

AN OVERVIEW OF THE
MONTANA UNIVERSITY SYSTEM
AND
COMMUNITY COLLEGES

OFFICE OF THE
COMMISSIONER OF
POSTSECONDARY EDUCATION

EXHIBIT 2
DATE Jan 20
HB University System

MONTANA UNIVERSITY SYSTEM

PROGRAM MODIFICATION REQUEST: 1990-1992 Biennium

Water Research, Information and Education Programs

Background: Early in 1988, long before the impacts of the past Summer drought were recognized or widely predicted, The Water Policy Committee requested that the Office of the Commissioner of Higher Education facilitate coordination of water related research and allied educational programs within the State of Montana. As part of that coordination effort, the Commissioner prepared a report on the current status of both research and educational programs within the State. A copy of that report is included as an appendix to this program modification request. In addition to summarizing the current state of the system in this critical area, the Commissioner agreed to conduct a review of all water related program modification requests originating within the system, and to use that review process as a mechanism to facilitate the preparation of a consolidated program request reflecting the needs of the entire University System, including the relevant College and University campuses as well as the Montana Bureau of Mines and Geology and the Agricultural Experiment Station.

As related in the Commissioner's report, significant water related research and educational programs are being currently conducted at the University of Montana in Missoula, Montana State University and the Agricultural Experiment Station in Bozeman, and at Montana Tech and the Bureau of Mines and Geology in Butte. Support for continued advances in research and academic opportunities that are critical to state-wide economic development as well as assured preservation of quality water supplies for recreation, agricultural, industrial and household use has led the Montana University System to propose a coordinated, complementary approach to program modification requests to the 1989 Legislature.

Commencing in FY 1990-91, the second year of the coming biennium, and operating under the supervision of the Commissioner of Higher Education, the Montana University System requests legislative appropriation of \$1,682,562 in support of related program modification in the following areas:

<u>Area of Emphasis</u>	<u>Campus</u>
Biological Research:	University of Montana/Yellow Bay
Hazardous Materials:	
Analytical Center and Hazardous Substances in Groundwater	Montana Tech/Bureau
Toxic Materials Laboratory	Montana State University
Water Resource Management:	
Groundwater Information Center	Bureau of Mines and Geology
Water Resources Center	MSU and Agriculture Experiment Station

Coordination and Control: The three critical areas of emphasis listed above have been reviewed and recommended for funding by the Board of Regents of Higher Education. Repetitive components have been addressed and largely eliminated from the original campus requests except in circumstances where necessary, on-site administrative and/or scientific and technical services require unavoidable duplication of effort.

To ensure the most efficient application of funds, and working with the Vice Presidents for Research as well as other appropriate unit directors, the Commissioner of Higher Education will oversee coordination of effort and reporting of progress to relevant State agencies, including the Water Policy Committee.

Water is fast becoming the Nation's most precious natural resource. Each unit of the Montana University System has its respective historic mission and a distinctive role within the system's research program that has led to particular individual institutional focus within the area of water resources. Thus, the System is ideally poised to become a major influence in development of statewide programs to guarantee wise and conservative use of water in the years to come. For example, the outstanding research programs of the Biological Research Station at Yellow Bay are not duplicated elsewhere in the state, but the results of those programs are available to benefit all state agencies. Similarly, Montana State University has a long history of leadership in research focused on interaction of water with crops, soils and agricultural chemicals while Montana Tech and the Bureau of Mines have evolved extensive programs designed to monitor and control hazardous substances in our precious groundwater. Working cooperatively, these institutions have become a comprehensive resource poised to assist the State of Montana as we move into a century of diminishing water resources and increasing environmental consciousness.

Following is a summary of the individual components which comprise the program modification request:

BIOLOGICAL RESEARCH:

Campus: University of Montana

Regent's Requested Amount: \$215,365

Summary: The Biological Station's research program has been very successful in leveraging limited State support into extensive extramural funding. With over 4 million dollars in extramural support since 1980, the University of Montana Biological Station of Flathead Lake has developed a state-of-the-art research program in ecology. Studies of Montana's many lakes and streams are emphasised at the Station. Because of the importance of water and land-water interactions throughout Montana, data generated by studies at the Station are essential for wise management of the State's natural resources and for the productive commercial utilization of these resources.

Although it is recognized as a Center of Excellence supporting the entire Montana University System and the State, the Biological Station is presently funded entirely on the basis of its long history as a summer academic facility, and not as an integrated research and academic unit of the System. This segment of the University system program modification provide base support to maintain a high level research program which will continue to be largely supported by private gifts and extramural grants.

<u>Budget:</u>		<u>Comments</u>
Personal Services	140,365	4.0 FTE
Operations	20,000	
Capital Equipment	55,000	Research Vessel
	<hr/>	
TOTAL	\$215,365	

HAZARDOUS MATERIALS I.

Area of Emphasis: Analytical Center: Mineral and Hydrogeologic Resources; and
Hazardous Substances in Groundwater: Field Sampling Interpretation and Data Retrieval

Campus: Montana Tech/Bureau of Mines

Regent's Requested Amount: \$1,045,910

Summary, Analytical Center: Increasing concern with the quality of surface and groundwater in Montana requires a laboratory equipped with a level of analytical instrumentation equal to the task of thorough and accurate monitoring, and an adequate staff properly trained in the determination of water quality parameters as well as evaluation of trace levels of toxic and hazardous materials. In the past this function has been performed largely by the Analytical laboratory of the Montana Bureau of Mines and Geology which now finds itself with aging equipment and insufficient staff. This segment of the program modification request addresses the establishment of an Analytical Center for Mineral and Hydrogeological Resources. Housed on the Montana Tech campus, the state-wide Center will include both new equipment and the existing analytical instrumentation already in use in the research and instructional programs of the Bureau and the College. The Center will include all resources of the Bureau's existing laboratory technical staff as well as two additional professionals supporting the Center under the direction of the Chief Chemist.

The Center will provide all Montana with analytical services capability and research expertise devoted to effective monitoring and utilization of water resources throughout the State. Coordinating its activities with the Water Center in Bozeman, with the Biological Station at Flathead Lake and with all other appropriate State agencies, the Center will provide Montana with key analytical services designed to foster and support effective use of dwindling groundwater resources.

Summary, Hazardous Materials: This part of the program modification request is coordinated with and closely related to the toxic materials emphasis listed below for Montana State University. In addition, using the resources of the state-wide Analytical Center for Minerals and Hydrogeologic Research, it will provide sampling and data retrieval services for the Biological Station.

With universally increasing awareness of the impacts of both drought and the potential presence of hazardous substances in groundwater, the hydrology division of the Montana Bureau of Mines and Geology is experiencing an enormous increase in requests for information regarding groundwater availability and contamination. Some of these are received in the form of "emergency" requests.

Requests emerge from a variety of sources, including state and federal agencies involved in hazardous substances clean-up as well as assessment programs derived from State Mini-Superfund activities and programs targeted at abandoned mine reclamation. This program modification will provide a base level of support to enable the Hydrology Division, along

with the College's Division of Environmental and Natural Sciences to assist those state agencies, and others who require data regarding hazardous substances in groundwater by providing (i) both office and on-site information, (ii) equipment and supplies to conduct limited, emergency on-site sampling and analysis, (iii) travel to affected sites throughout the State and (iv) support for non-site specific research including means to determine the fate and characterization of substances in the unsaturated hydrogeologic zone, methods of isolation of heavy and toxic metals and enhanced recovery of such substances.

Budget: Analytical Center

Comments:

Personal Services:	\$98,953
Operations:	101,047
Capital Equipment	750,000
Total	<u>\$950,000</u>

2.0 FTE

Analytical Instrumentation

Budget: Hazardous Materials

Comments:

Personal Services:	70,410
Operations:	15,500
Capital	10,000
Total	<u>95,910</u>

2.20 FTE

Overall Total: \$1,045,910

HAZARDOUS MATERIALS II.

Area of Emphasis: Toxic Materials Laboratory
Campus: Montana State University
Regent's Requested Amount: \$95,910

Summary: Montana State University has a long history of research into the management, handling, neutralization and stabilization of hazardous materials. The disposition of such substances, particularly with respect to their fate upon introduction into the State's surface waters, becomes increasingly critical to the maintenance of water quality throughout Montana. Effective realization of the potential created by this body of knowledge, and establishment of a level of base support that will enable coordination with the research programs at the University of Montana, Montana Tech and the Montana Bureau of Mines and Geology requires a level of funding that will satisfy the following objectives: (i) to organize and assist research into the management, handling, neutralization and stabilization of toxic materials; (ii) dissemination of relevant information regarding hazardous materials; and, (iii) to work closely with the System's research and academic programs in the applied sciences, especially in environmental engineering at Montana State University and Montana Tech, as well as with their respective Centers of Excellence in the materials sciences, to develop appropriate ways to deal with toxic materials in the Montana environment.

<u>Budget:</u>		<u>Comments:</u>
Personnel Services:	\$70,410	2.0 FTE
Operations:	15,500	
Capital:	10,000	
Total	<u>\$95,910</u>	

WATER RESOURCE MANAGEMENT

Area of Emphasis: Water Resources Center (Bozeman) and
Groundwater Information Center (Butte) and
Agricultural Experiment Station

Campus: MSU Water Center, Bureau of Mines,
Montana Tech and the Agricultural
Experiment Station

Regent's Requested Amount: \$261,287

Summary, Ground Water Information Center: The Groundwater Information Center is a service program currently located within the Hydrology Division of the Montana Bureau of Mines and Geology. Requests for groundwater information are routinely processed from around the entire State, with typically more than 1000 requests for information answered annually by the Center. Requests range from the very simple that require only a few minutes of response to extremely complex issues involving extensive policy and resource management issues. A large portion of the information that comprises the data base for the Center is located on two large computer databases. Most of this information is derived from well logging information that arrives at the Center from the Department of Natural Resources and Conservation as well as from other sources. Personnel and operational support to add new data to the data bases has historically come from non-general fund sources, leading to a lack of continuity in the maintenance of the data collection. That is, when short term soft funding is available, data entry and evaluation tends to catch up with the backlog of data awaiting entry. Currently the data entry process is more than one year behind with no relief in sight.

The Ground Water Information Center acts in concert with the Water Resources Center at Montana State University in developing state-wide programs to provide Montana's citizens with up-do-date water resource information. This segment of the Water Resources Management program modification request will add the necessary personnel to provide timely data entry and evaluation services for both Centers.

Summary, Water Resources Center: The State of Montana continues to invest considerable resources to manage and develop its precious water resources wisely. Research provides the information necessary to enable the development of water policy. Likewise, educational programs are necessary to keep the public properly informed regarding water issues and water policies. This program activity will provide MSU based, system coordinated, water education offerings that will benefit water users, resource managers and policy makers throughout Montana. In particular, this program element will be of great utility to both the legislative and executive branches in the formulation of water policies and guidelines for effective management and use.

Summary, Agricultural Experiment Station: Survival of both agriculture and municipalities depends upon wise management of water. Problems associated with depletion and pollution of both surface and groundwater reserves are of critical importance to the State of Montana and the Nation. In Montana, headwaters of one of America's largest agricultural and commercial waterways, approximately 96% of water withdrawal is by agriculture. Unfortunately, adequate information on the effects that

agricultural delivery systems have upon water quality is severely lacking. This program element consists of a joint water quality and management approach that involves the Agricultural Experiment Station, Cooperative Extension Service along with the other water agencies, e.g., the Water Center at Montana State University and the Ground Water Information Center within the Hydrogeology Division of the Bureau of Mines and Geology to develop knowledge, information and public understanding of appropriate ways to prevent groundwater contamination while maintaining high agricultural productivity.

Budget:

Comment:

Personal Services	\$212,787
Operations	36,500
Capital Equipment	12,000
Total	<u>\$261,287</u>

7.5 FTE

MONTANA UNIVERSITY SYSTEM: BUDGET COMPARISON REQUEST - WATER RESOURCES
Fiscal Year 1990-1991

BUDGET SUMMARY BY AREA OF EMPHASIS

	Biological Research	Hazardous Substances	Water Resource Management	Total
Personal Services	\$140,365	\$251,756	\$212,787	\$604,908
(FTE)	4.0	5.95	7.5	17.45
Operations	\$20,000	\$144,047	\$36,500	\$200,547
Capital Equipment	\$55,000	\$810,107	\$12,000	\$877,107
TOTAL	\$215,365	\$1,205,910	\$261,287	\$1,682,562

BUDGET SUMMARY BY CAMPUS

	U of M	Tech/Bureau	MSU/Ag Station	Total
Personal Services	\$140,365	\$224,633	\$239,910	\$604,908
Operations	\$20,000	\$133,547	\$47,000	\$200,547
Capital	\$55,000	\$800,107	\$22,000	\$877,107
TOTAL	\$215,365	\$1,158,287	\$308,910	\$1,582,562

Table 1

WESTERN UNDERGRADUATE EXCHANGE

ENROLLMENT SUMMARY

FALL 1988

EXHIBIT 3DATE Jan 20HB University System

STATE OF ATTENDANCE (Number of institutions enrolling WUE students)	STATE OF RESIDENCE											ATTENDANCE TOTALS
	AK	CO	HI	ID	MT	NV	NM	ND	UT	WY		
Alaska (2)	X			1			1					2
Colorado (5)	14	X	10	2	1	1	6	1		4		39
Hawaii (1)			X				1					1
Idaho (5)	38	2	1	X	114	27			1	7		190
Montana (6)	39	28	4	33	X	7	3	42	12	94		262
Nevada (0)						X						0
New Mexico (1)	5						X			1		6
North Dakota (2)	10	11	1	2	64		2	X		4		94
Utah (9)	2	4		23	5	6	1		X	5		46
Wyoming (1)	1	1			1					X		3
Residence Totals	109	46	16	60	186	41	14	43	13	115		643

Table 2A

WESTERN UNDERGRADUATE EXCHANGE

ENROLLMENT AT TWO-YEAR INSTITUTIONS - 1988/89

STATE OF ATTENDANCE	STATE OF RESIDENCE											ATTENDANCE TOTALS
	AK	CO	HI	ID	MT	NV	NM	ND	UT	WY		
Alaska	X										X	
Colorado	2	X				1				1	4	
Hawaii			X								N/A	
Idaho	11	1		X	104	23				7	146	
Montana					X						0	
Nevada						X					0	
New Mexico							X				N/A	
North Dakota								X			N/A	
Utah	1	3		6	3	1	1		X	3	18	
Wyoming										X	N/A	
Residence Totals	14	4	0	6	107	25	1	0	0	11	168	

Table 2B

WESTERN UNDERGRADUATE EXCHANGE

ENROLLMENT AT FOUR-YEAR INSTITUTIONS - 1988/89

STATE OF ATTENDANCE	STATE OF RESIDENCE												ATTENDANCE TOTALS
	AK	CO	HI	ID	MT	NV	NM	ND	UT	WY			
Alaska	X				1		1						2
Colorado	12	X	10	2	1		6	1		3			35
Hawaii			X				1						1
Idaho	27	1	1	X	10	4			1				44
Montana	39	28	4	33	X	7	3	42	12	94			262
Nevada						X							N/A
New Mexico	5						X			1			6
North Dakota	10	11	1	2	64		2	X		4			94
Utah	1	1		17	2	5			X	2			28
Wyoming	1	1			1					X			3
Residence Totals	95	42	16	54	79	16	13	43	13	104			475

Table 4, Continued
ENROLLMENT BY PROGRAM

MONTANA

FOUR-YEAR INSTITUTIONS - 1988/89

INSTITUTION AND PROGRAM	STATE OF RESIDENCE										TOTALS
	AK	CO	HI	ID	NV	NM	ND	UT	WY		
<u>Eastern Montana College</u>											
Art/BA										1	1
Art Education										1	1
Art/Ext. BA										1	1
Accounting										2	2
Elementary Education							2			10	12
English Education										1	1
General Business Administration										1	1
General Studies				1			1			6	8
Health, Physical Education, & Recreation										1	1
Management	1									1	2
Marketing										1	1
Mathematics	1										1
Medical Science/preprofessional									1	1	1
Music/BA									2	2	2
Music Comb. Education									1	1	1
Nursing/preprofessional							1				1
Psychology					1				1	1	2
Rehabilitation and Related Services	1								1	1	2
Special Education/Elementary Ed.	1								2	3	3
Sociology										1	1
TOTAL	4			1	1		4			35	45

MONTANA FOUR-YEAR INSTITUTIONS - 1988/89 (Continued)

INSTITUTION AND PROGRAM	STATE OF RESIDENCE										TOTALS
	AK	CO	HI	ID	NV	NM	ND	UT	WY		
<u>Montana College of Mineral Science and Technology</u>											
Chemistry								1		1	1
Computer Science	1			1				1		1	3
Engineering Science	1	1		1			1				4
Environmental Engineering									2		2
Geophysical Engineering				1				1			1
Metallurgical Engineering											1
Mining Engineering				2							2
Occupational Safety & Health									1		1
Petroleum Engineering	1			1					1		3
TOTAL	3	1		6			1	3	4		18
<u>Montana State University</u>											
Agricultural Business		2					1				3
Agromony							2				2
Animal Science							2				2
Architecture	2	1			1				5		9
Art	1			1					3		5
Biological Sciences		4	1	1				1	5		12
Business	2	1		3	2	1	6	1	8		24
Chemical Engineering		1		2			1		1		5
Chemistry				1							1
Civil Engineering	1	1					1				3
Computer Science		1		1			1				3
Economics			1								1
Electrical Engineering	4						1	1	1		7
Electrical & Electronic Engineering Tech.							1				1
Elementary Education	1			1							2
Engineering/General	2								1		3
English											1
Film and Television Production	1	5		1					4		11
General Studies	4	5		4		2	8	1	10		34
Home Economics							2				2

MONTANA FOUR-YEAR INSTITUTIONS - 1988/89 (Continued)

INSTITUTION AND PROGRAM	STATE OF RESIDENCE										TOTALS
	AK	CO	HI	ID	NV	NM	ND	UT	WY		
<u>Montana State University (Continued)</u>											
Horticulture					1				2	3	
Interior Design		1								1	
Mechanical Engineering	2		1				2		1	6	
Music		1							1	2	
Nursing	2								2	4	
Physical Education		1	1	1			3		4	10	
Physics	1									1	
Political Science	1						1			2	
Psychology		1						1	1	3	
Secondary Education							1			1	
Sociology	1						1			2	
Speech Communication											
TOTAL	25	25	4	16	4	3	34	5	51	167	
<u>Northern Montana College</u>											
Elementary Education								1		1	
Secondary Education/Social Science								1		1	
TOTAL								2		2	
<u>University of Montana</u>											
Journalism	1	2		1			2			6	
Radio/Television	4							2		6	
TOTAL	5	2		1			2	2		12	

MONTANA FOUR-YEAR INSTITUTIONS - 1988/89 (Continued)

INSTITUTION AND PROGRAM	STATE OF RESIDENCE										TOTALS
	AK	CO	HI	ID	NV	NM	ND	UT	WY		
<u>Western Montana College</u>											
Art Education				1						1	
Business, Communications, and Dist. Ed.									1	1	
Elementary Education				3						3	
General Education	1			2					1	4	
General/Undecided					1				1	2	
Physical Education	1			2	1				1	5	
Social Studies Education				1			1			2	
TOTAL	2			9	2		1		4	18	
MONTANA FOUR-YEAR INSTITUTION TOTALS:	39	28	4	33	7	3	42	12	94	262	

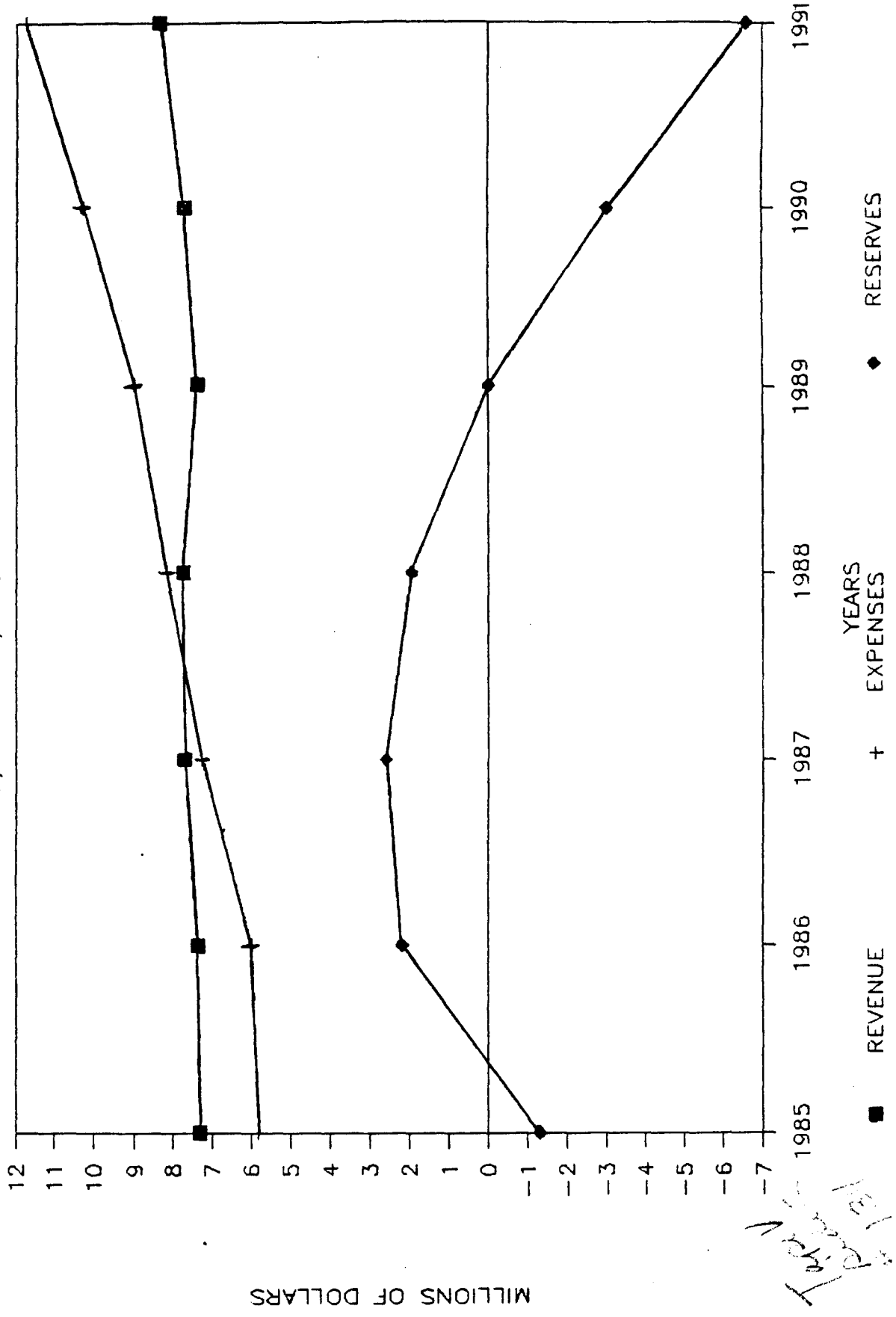
EXHIBIT 4

DATE Jan 20

HB University System

MONTANA UNIVERSITY SYSTEM

REVENUE, EXPENSES, RESERVE PROJECTIONS



Revenue and Expenses

Table IV: MONTANA UNIVERSITY SYSTEM

GROUP BENEFITS PROGRAM

Projected Income, Expenses and Reserves

	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>Projected FY 1989</u>	<u>Projected* FY 1990</u>	<u>Projected* FY 1991</u>
Income							
Premium	\$7,042,514	\$7,155,581	\$7,421,360	\$7,462,157	\$7,100,000	\$7,574,000	\$8,285,000
Interest Earnings	\$93,509	\$239,426	\$300,464	\$308,360	\$300,000	\$150,000	75,000
Refunds	\$192,031	0	0	0	0	0	0
Total Income	\$7,328,054	\$7,395,007	\$7,721,824	\$7,770,517	\$7,400,000	\$7,724,000	\$8,360,000
EXPENSES							
Operating	\$52,127	\$58,715	\$62,240	\$83,847	\$90,000	\$95,000	\$90,000
Wellness	\$49,660	\$209,264	\$266,496	\$326,936	\$300,000	\$300,000	\$300,000
Minimum Premium	\$948,538	\$1,089,742	\$850,863	\$1,178,333	\$1,200,000	\$1,500,000	\$1,700,000
Claims	\$4,770,000	\$4,642,028	\$6,107,000	\$6,571,908	\$7,400,000	\$8,400,000	\$9,660,000
Total Expenses	\$5,820,325	\$5,999,749	\$7,286,599	\$8,160,524	\$8,990,000	\$10,295,000	\$11,750,000
Beginning Fund Balance	\$0	\$1,507,727	\$4,363,992	\$4,799,217	\$4,409,210	\$2,819,210	\$248,210
Reserve Transfers	\$0	\$1,461,007	\$0	\$0	\$0	\$0	\$0
Excess Income over Expenses	\$1,507,727	\$1,395,258	\$435,225	\$(390,007)	\$(1,590,000)	\$(2,571,000)	\$(3,390,000)
Ending Balance	\$1,507,727	\$4,363,992	\$4,799,217	\$4,409,210	\$2,819,210	\$248,210	\$(3,142,000)
Required Reserves							
IBNR	\$1,431,472	\$1,157,313	\$1,194,395	\$1,211,698	\$1,419,240	\$1,680,000	\$1,740,000
Claim Stabilization	\$1,400,000	\$1,000,000	\$1,000,000	\$1,200,000	\$1,400,000	\$1,600,000	\$1,700,000
Total Reserve Requirement	\$2,831,472	\$2,157,313	\$2,194,395	\$2,411,698	\$2,819,240	\$3,280,000	\$3,440,000
Excess Reserve (deficit)	(1,323,745)	\$2,206,679	\$2,604,822	\$1,977,512	\$30	(3,031,790)	\$(6,582,000)

The projected deficit reserves include the monthly contribution as proposed in Governor Schwinden's Executive

MONTANA UNIVERSITY SYSTEM
Group Health Insurance

Projected Impact of Required Premium Increase of 35%

<u>Category</u>	<u>Current Rate</u>	<u>State FY 88 Contribution</u>	<u>Current Out-of-Pocket</u>	<u>35% Inflationary</u>	<u>Proposed FY 90 State Contribution</u>	<u>Out-of-Pocket</u>
Employee	\$115.00	\$115.00	0	\$155.25	\$125.00	\$ 30.25
Employee + 1	145.34	115.00	\$30.34	196.21	125.00	71.21
Employee + 2	180.21	115.00	65.21	243.28	125.00	118.28
Joint Emp. Spouse	115.00	115.00	0	155.25	125.00	30.25
Joint Emp. Spouse + 1	115.00	115.00	0	155.25	125.00	30.25
Joint Emp. Spouse + 2	115.00	115.00	0	155.25	125.00	30.25
Retiree	85.47		85.47	115.38		115.38
Retiree + 1	120.34		120.34	162.46		162.46
Retiree + 2	155.21		155.21	209.53		209.53
Retiree + Spouse						
(Spouse Elig. for Med.)	107.63		107.63	145.30		145.30
Retiree (Med. Elig.)	54.82		54.82	74.01		74.01
Retiree (Med. Elig.) + 1	89.69		89.69	121.08		121.08
Retiree (Med. Elig.) + 2	124.56		124.56	168.16		168.16
Retiree + Spouse (Both Medicare Eligible)	57.89		57.89	78.15		78.15
Retiree + Spouse (Both Medicare Eligible) + 1	83.04		83.04	112.10		112.10

TABLE VII: ADDITIONAL COST CONTAINMENT PROGRAMS

- o Decrease coinsurance from 80% to 75%
Credit: 2.2%
 - o Increase stop loss from \$2,000 to \$4,000.
Credit: 3.0%
 - o Increase deductible from \$200 to \$250.
Credit: 2.9%
 - o Increase deductible from \$200 to \$300.
Credit: 5.5%
 - o Eliminate supplemental accident provision
Credit: 1.0%
 - o Reduce the maximum lifetime pay out on the plan
from an unlimited amount to a \$500,000 lifetime
maximum.
Credit: .5%
 - o Apply a \$25 deductible to any emergency room
visit unless a hospital confinement results.
Credit: .7%
 - o Apply a \$50 deductible to any emergency room
visit unless a hospital confinement results.
Credit: 1.0%
-
-

EXHIBIT

5

DATE

Jan 20

HB

University System

BOARD OF REGENTS

1991 BIENNIUM BUDGET RECOMMENDATION

UNIVERSITY FUNDING STUDY - COMPARATIVE DATA

TABLE A

TOTAL EXPENDITURES
Per Student FTE

EXHIBIT 6
DATE Jan 20 1989
HB University of Idaho

<u>UNIT</u>	<u>MONTANA</u>	<u>PEERS</u>	<u>MT % PEERS</u>
MSU	\$4,502	\$6,800	66.2%
UM	\$4,488	\$6,800	66.0%
EMC	\$4,117	\$4,903	84.0%
NMC	\$4,407	\$4,769	92.4%
WMC	\$4,336	\$5,802	74.7%
MCMST	\$5,447	\$8,032	67.8%

Tape u
side 1
#105

TABLE B

INSTRUCTIONAL PROGRAM
Per Student FTE

<u>UNIT</u>	<u>MONTANA</u>	<u>PEERS</u>	<u>MT % PEERS</u>
MSU	\$2,517	\$3,329	75.6%
UM	\$2,303	\$3,329	69.2%
EMC	\$1,978	\$2,466	80.2%
NMC	\$2,203	\$2,424	90.9%
WMC	\$1,970	\$2,737	72.0%
MCMST	\$2,713	\$4,006	67.7%

TABLE C

SUPPORT PROGRAM
Per Student FTE

<u>UNIT</u>	<u>MONTANA</u>	<u>PEERS</u>	<u>MT % PEERS</u>
MSU	\$1,321	\$1,874	70.5%
UM	\$1,306	\$1,874	69.7%
EMC	\$1,443	\$1,648	87.6%
NMC	\$1,453	\$1,546	94.0%
WMC	\$1,511	\$1,947	77.6%
MCMST	\$1,626	\$2,403	67.7%

TABLE D

STATE
Per Student FTE

<u>UNIT</u>	<u>MONTANA</u>	<u>PEERS</u>	<u>MT % PEERS</u>
MSU	\$3,325	\$5,008	66.4%
UM	\$3,288	\$5,008	65.7%
EMC	\$3,112	\$3,352	92.8%
NMC	\$3,478	\$3,768	92.3%
WMC	\$3,319	\$4,391	75.6%
MCMST	\$4,062	\$4,899	82.9%

PARTNERSHIP FOR PROGRESS

An Economic Development Proposal

of the

Montana
AND ITS PEOPLE

VISITOR'S REGISTER

AGENCY(S)

DEPARTMENT

EducationBoard of RegentsHigher Education

SUBCOMMITTEE

DATE

Jan 20, 1989

NAME	REPRESENTING	SUP- PORT	OP- POSE
<u>Tommy Intyre</u>	<u>Montana Tech</u>	✓	
<u>Rita Sherry</u>	<u>U of M</u>	✓	
<u>Ed W. Johnson</u>	<u>MSU</u>	✓	
<u>Bruce M. Hecish</u>	<u>MSU</u>	✓	
<u>John Morrison Jr.</u>	<u>MSU Alumni</u>	✓	
<u>Carol Krause</u>	<u>Comm. of Higher</u>	✓	
<u>James B. Smith</u>	<u>Mont. Ambassador</u>	✓	
<u>W. Michael Burton</u>	<u>WMC</u>	✓	
<u>Norris E. Lind</u>	<u>Bo of Regents</u>	✓	

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