

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION

Call to Order: By Chairman Peck, on January 25, 1989, at 8:00 a.m.

ROLL CALL

Members Present: ALL

Members Excused: None

Members Absent: None

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

Announcements/Discussion: Rep. Peck announced to the Subcommittee the schedule to be on campus for Western and Montana Tech will be Feb. 3.

Rep. Peck informed the Subcommittee that Sen. Nathe has the report on the formula concerning the University Funding Study Committee.

HEARING ON UNIVERSITY SYSTEM

Tape No. C1\1:00

Presentation and Opening Statement:

Dr. James Koch, President of University of Montana, introduced the people who will be testifying. Dr. Koch introduced Ms. Sylvia Weisenburger, Vice President of Administration and Finance.

Ms. Weisenburger distributed a handout on the budget proposal. See Exhibit 1. Ms. Weisenburger stated her approach to the budget is based on a student/faculty ratio of 18.70, the current ratio from 1989 and 1990, and 18.5 for FY 1991, and hoped to reach 17. by FY 1994 in comparison to the 16.14 of the peers.

Ms. Weisenburger on faculty salary; the FY 1988 AAUP average salary is \$38,240, they adjusted the FY 1988 AAUP and changed to \$35,557. The suggested reported salary is \$33,100 for FY 1990 with an increase of 6 percent in FY 1991 for \$35,086. The average salary of \$33,100 was arrived at by averaging reported salaries at U of M, MSU and Montana

Tech and then increasing the salary by 6 percent to FY 1990 and another 6 percent in FY 1991.

Ms. Weisenburger on Instructional Support; the funding study identified the instructional support per FTE student for peer institutions at \$686 for FY 1987, UM actually spent \$342. The proposal that is being presented is to close the gap with the peers by one eighth each year. Ms. Weisenburger stated they subtracted \$342 from \$686 to arrive at \$344. One eighth or $12\frac{1}{2}$ percent of the gap is \$43 added to the \$342 will produce the FY 1990 rate of \$385 and the FY 1991 rate of \$428.

Ms. Weisenburger on Other Support: 1) Academic Support 2) Student Services, and 3) Institutional Support.

- a. Academic support costs include; academic vice president, libraries, etc.
- b. Student services includes; admissions, registrar, etc.
- c. Institutional support includes; general administrative programs that benefit all offices of the institution.

(196)

Ms. Weisenburger stated the difference in FY 1987 between peers and U of M was \$568. To close the gap by one eighth, $12\frac{1}{2}$ percent of \$568 or \$71 is added to the \$1306 base to get the figure of \$1377 for FY 1990 and \$71 added to that for FY 1991 or \$1448 per FTE student.

Rep. Kadas asked Ms. Weisenburger to briefly explain the $12\frac{1}{2}$ percent? Ms. Weisenburger explained because of the difference between U of M and the peers, U of M felt $12\frac{1}{2}$ percent was more reasonable than 15 percent or 20 percent and would be more readily acceptable by the Subcommittee.

Rep. Kadas commented on the meaning of the $12\frac{1}{2}$ percent, that after 4 bienniums (8 years) Montana units would be caught up to where the peers were in 1987.

(263)

Ms. Weisenburger went over faculty compensation: 1) Formula faculty and fringe benefit rates added together total \$16,479,790 for FY 1990 and \$17,661,547 for FY 1991 for faculty compensation. 2) The instruction support rate per student with the $12\frac{1}{2}$ percent increase will be \$385 for FY 1990 and \$428 for FY 1991. Multiplying the rate by the enrollment the instruction support will total \$2,987,215 for FY 1990 and \$3,320,850 for FY 1991. The total of instruction support and the faculty compensation totals \$19,467,005 for FY 1990 and \$20,982,399 for FY 1991.

Ms. Weisenburger on Other Support programs stated she took the enrollment times the support per FTE student to get \$10,731,185 for FY 1990 and \$11,235,032 for FY 1991.

(320)

Ms. Weisenburger commenting on the Organized Research program which includes: Bureau of Business, Economic Research Unit, Yellow Bay Biological Station, chemistry lab, etc. Ms. Weisenburger stated the incremental presentation includes the actual 1988 expenditures. The base budget is the first year of the last biennium or 1988. The method used for increasing incremental programs was whatever was spent or appropriated whichever is less, in their case expenditures were less than appropriations. Ms. Weisenburger commented on the Travel Research Program stating it is funded from proceeds from the bed tax that are statutorily appropriated and does not require general fund money but is part of the overall research program. The estimated bed tax revenue is \$120,000 for FY 1990 and 91. The total for the Organized Research Program would be \$656,137 for FY 1990 and \$656,582 for FY 1991.

Ms. Weisenburger commented on the Public Service funding used for KUFM Radio which had previously been funded by the Murdock Grant.

(410)

Ms. Weisenburger stated the operation and maintenance of the Physical Plant will have a dramatic increase in maintenance and utilities. Included in the budget for FY 1990 and 91 are inflationary rates provided to them through the executive budget. Electricity and utilities will be increased by 20 percent for FY 1990 and 29 percent FY 1991. The inflationary increase for natural gas will be 11.4 percent for FY 1990 and 15.7 percent for FY 1991. Over the biennium that will account for \$440,000 due to inflation. The total for operation and maintenance for FY 1990 is \$5,743,459, and for FY 1991, \$5,824,186.

Ms. Weisenburger stated the base budget request for instruction, research, public service, support, physical plant, scholarships and fellowships with travel research included comes to \$77,575,619 for the biennium.

Questions from the Committee Members:

(518)

Rep. Peck asked Ms. Weisenburger if she received the inflationary rates for utilities from the Governor's office, Ms. Weisenburger said she had.

Rep. Peck asked Joe Williams where the rates came from and Joe replied they are based on national figures.

Tape C1/2:000

Rep. Kadas commented on the last biennium regarding percentage cuts. Because of the way the faculty contracts are written salaries couldn't be cut, so the difference was made up by cutting their maintenance funds.

Rep. Peck asked Ms. Weisenburger why they show about a 50 percent increase in FY 1990 in maintenance. How do you leap that far in your pay? Ms. Weisenburger replied, what you see is what we actually spent, it was not what U of M had started out with in their budget of \$1.5 million for maintenance. Because of transfers into other programs as well into equipment they ended up spending \$1,067,000 rather than the \$1.5 million they had originally been funded. Ms. Weisenburger stated U of M is asking that the maintenance budget be restored back to the level it was in 1987 and the beginning of 1988 before those transfers were made.

Sen. Hammond asked Ms. Weisenburger what happened to the transfers, she stated the transfers went into other programs and are showing up in the total amount per student that the University actually spent. She stated that in 1987 they were spending \$342 per student in instruction and support area, it would have shown up in the support of FTE students in 1988 as a result of the transfer. Ms. Weisenburg stated they spent more per FTE student in 1988.

Rep. Peck stated that a significant amount of money went into capital and wanted to know what it was specifically for? Ms. Weisenburger said that Hugh Jessie would have to answer that.

(058)

Mr. Hugh Jessie, Dir. of Physical Plant, stated that when he arrived on campus, he was told they had added \$200,000 back into the budget for equipment. Mr. Jessie gave a synopsis of the equipment purchased.

(073)

Rep. Marks wanted more information on the utilities budget. He remarked that the \$1.35 million is an actual expenditure weighted by 12 percent. Then to bring it up to \$1.517 million an additional factor is included on top of that to bring it up to the FY 1990 request which is a 16 percent increase. Mr. Jessie stated that to justify the restoration of the budget, he looked at the type of year he had in the base year. The figures from the executive branch were an increase for rate increases for natural gas, etc. Mr. Jessie stated they take their adjusted base and adjust it for the rate increase figure they receive from Mt. Power. Mr. Jessie stated the only thing they modified from the executive budget was adjusted for the base year for weather included with the inflation rate.

(102)

Dr. Krause remarked that the difference between the \$1.5 million and \$1.7 million is that one is a norming, and the other is inflation, and the combination taken with a percentage causes the large increase. Rep. Marks stated that if you normalize that to a 12 percent increase you bring it up to

\$1.517 as your base and add a factor to that to bring it up to \$1.7 million. The request for FY 1990 is a 16 percent increase Rep. Marks had thought he heard they were taking a 20 and 20. Ms. Weisenburger said the inflation factor is only applied onto the electrical and natural gas components of the utility bill.

Rep. Kadas remarked we are in a seven year cycle of annual increases built into the Montana Power rate to pay for Coal Strip III.

(155)

Rep. Kadas asked if using the new proposed formula for the last two school years to arrive at the number 7,759, why does the column for fall of 1988 show 7,803 and how was the figure arrived at. Ms. Weisenburger stated it was actual FTE students enrolled at the University of Montana for the fall quarter of 1988. The official count for that quarter. FY 1988 ended June 30, 1988, fall of 1988 begins the FY 1988 and 89 school year. The figures were used for informational purposes, not in calculating the enrollment projection for the next biennium.

Ms. Weisenburger introduced Dr. Richard Barrett, Economics Dept. at U of M.

Dr. Barrett distributed a handout representing the university teachers union with an executive summary and supporting exhibits. See Exhibit 2. Dr. Barrett stated the information in the handout is the same that Ms. Weisenburger just spoke about. The one point Dr. Barrett did want to make was the issue of the student/faculty ratio which is used to derive the faculty salary budget. The difference of the gap between the student/faculty ratio at the university of Montana and that of its peers is greater than any other institution in Montana except for Montana Tech. The proposal being taken in the Regents budget to close the gap over a period of years means it will continue to have a wide gap between Montana and the peers in the coming biennium.

Dr. Barrett brought up another issue regarding the faculty salary. He stated the competitiveness of the salary will become very important because of expected turnover due to retirement. Dr. Barrett stated over the past 20 years the degree of compression in the salaries has become great enough that the salaries being paid to full professors now are not competitive in many of the national markets. Dr. Barrett said there has been an increase of salaries at various ranks since 1970. The average staff salary increase overall is 138 percent.

Rep. Peck asked Dr. Barrett if he had removed any new programs out of the last 2 categories, expenditures on higher education and state government, Dr. Barrett replied they did not.

(378)

Ron Erickson, Environmental Studies Program, U of M, stated he had just finished a 17 month study on contracts and started by identifying the problems the Regent's clearly recognized; faculty morale, competitiveness in bringing in new faculty, etc. Mr. Erickson stated that not one professor at U of M makes the average salary of a full professor nationwide and is not as high as some Community Colleges in the nation.

Rep. Kadas asked Mr. Erickson if they were including in the analysis the 6 and 6 increases plus the 5 and 5 increases or just 5 and 5? Mr. Erickson stated it is both.

Tape D1/1:000

Mr. Erickson discussing professors salaries.

Rep. Peck asked Mr. Erickson if one of the professors had a \$14,000 increase and an eight year agreement on a 1/3 contract all in retirement? Mr. Erickson replied he had heard about it, but it wasn't in his unit. Rep. Peck suggested that maybe the freeze isn't a freeze in reality because the Subcommittee does not know what is going on and has a difficult time pursuing those matters not knowing what is available.

Rep. Peck stated the Subcommittee has had strong suggestions that added increases can be avoided within the University System regarding the pay plan.

Questions From Subcommittee Members: Sen. Nathe asked Mr.

Erickson what the increased funding from 1970 to now for the system was. Mr. Erickson stated the percentage increase for state funding is 253 percent and salaries for full professors have only increased 104 percent? Mr. Erickson stated the salaries at the UM have gone from 40% of total expenditure to 33½ percent. Sen. Nathe asked where the 70 percent went? Mr. Erickson replied in a variety of places, e.g., health benefit costs, non salaried and non personnel costs, another reason is the state's percentage during the same period of total funding has risen as a total share. Average salary funding state wide is 255 percent.

Sen. Nathe wanted to know if the University costs have been an expansion due to administrative increases. Dr. Krause responded stating that on major increases the utilities budget is the greatest cost where inflation occurs, libraries, federal and state regulations have added extra costs to other support areas.

(245)

Dr. Koch stated 95 percent of graduates are in jobs from their field of study within 6 months of graduating.

Rep. Peck asked Dr. Koch if they use any of the comprehensive exams near the end of a bachelors degree program or in any of the graduate programs? Dr. Koch stated they are introducing testing on campus now and have been using the SAT, but it is very expensive.

Tape D1/2:000

Ms. Weisenburger addressing modifications not included in the base budget request. Referring to Exhibit 1 on mods; In the mod for operation and maintenance of plant, Ms. weisenburger asked for an increase for north Corbin Hall and Brantley. North Corbin Hall was converted into an academic administrative facility during the last biennium. Because of enrollment they no longer have need for the two buildings for dormitories. In 1988 they converted that space into academic facilities. Additional office space is needed requiring additional funds to add 50,000 square feet.

(045)

Rep. Peck asked Ms. Weisenburger why they need more space with less faculty? Ms. Weisenburger replied they have been acquiring houses around the area that the faculty use for office space. U of M would like to get the faculty into one area. Recently they have had to tear down the houses for needed parking space, they are using the housing rent and parking fees for revenue to do this.

Rep. Peck commenting that it seems like converting the two halls into academic facilities, especially Brantley Hall without the knowledge of the Subcommittee, is setting up precedence for transfer of funds to be doing things that are not approved by the Subcommittee. Rep. Peck felt the number one priority is transfer of funds not faculty salary. Dr. Koch stated the University of Montana Foundation will be occupying part of Brantley Hall and will help pay for part of the remodeling. Dr. Koch stated the state did not help pay for the building and now he felt the state is inheriting a pretty nice building. Rep. Peck commented to Dr. Koch about the potential of creating capital outlay down the road, turning the residence hall into administrative offices and issuing more revenue bonds to build more dormitories and then they become office spaces and so on. Dr. Koch didn't think that was likely at the University of Montana, because they have maintained a safety margin at the residence hall. They have about 200 free spaces now plus a number of students in single rooms where normally there would be 2 to a room and felt they had a pretty good cushion and truly doubted he would be coming back to the Subcommittee in the foreseeable future for any kind of circumstance like that.

Keith Wolcott asked Ms. Weisenburger for some clarification on some figures in Exhibit 1 on the funding modification for dormitory conversion. For FY 1990, 5.9 FTE to 0 for FY 1991 and wanted to know if it was a misprint or if they still had

personal services? Ms. Weisenburger stated they are looking at \$228,243 for FY 1990 which would allow them to employ 5.9 FTE which is primarily maintenance, custodians and partly includes groundkeepers and security. In 1991 they hope to keep the 5.9 and go up to \$241,944 the second year, but that would not be an addition from the first year.

Sen. Nathe asked Ms. Weisenburger continuing on the same subject as above, regarding the totals of \$228,243 and \$241,944 if that maintains both halls, Corbin and Brantley? Ms. Weisenburger replied it was for both of the facilities, but Corbin is by itself.

(196)

Rep. Kadas asked Ms. Weisenburger if this funding was for operation and maintenance and nothing for remodeling? Ms. Weisenburger stated that was correct and stated all the remodeling has been paid for from auxiliary money.

Ms. Weisenburger presenting the Billings MBA, in 1985 U of M received an appropriation for \$260,000, but the appropriation was cut before they could spend it. For 1989 they received a special appropriation for \$163,000 to support the MBA program in Billings, and are asking for continued funding. Ms. Weisenburger stated this is a program modification in Governor Schwinden's budget.

Ms. Weisenburger introduced Larry Gianchetta, Dean of the School of Business.

(226)

Larry Gianchetta, speaking for the Billings MBA for the program modification request. Mr. Gianchetta pointed out a typo error in Exhibit 1 for FY 1990 that should be 1.5 instead of 3.5. Mr. Gianchetta stated the MBA program started in the fall of 1988. They have finished one televised program. They are working to get one started for the spring quarter. Larry stated it is a 3 year cycle. If a student can start in the fall and follow succession you can finish in 3 years. Twenty three students started in the fall of 88 and think they will cap it at 40 after the first academic year.

Rep. Kadas asked Mr. Gianchetta if Rep. Addy had a bill in to do this or is it to be considered in the Subcommittee? Mr. Gianchetta replied that Rep. Addy and Pat Reagan carried the bill in the last legislative session to give us funding for the second year of the last biennium. Dr. Koch stated that Rep. Addy and Pat Reagan were behind it but Rep. McDonough was carrying the bill.

(300)

Sen. Nathe asked Dr. Koch regarding HB 77 from last session if they were talking about satellite downlinks, Mt. Bell and microwave receivers, and wanted to know what happened to them, did they work or what? Dr. Koch stated what they had

proposed was a partnership with quite a few private participants; Mt. Power who was a private participant would have been involved in the uplink, had dropped out. So they went to the next best available technology which was a land base microwave system, what they are proposing now is to continue that, and felt the solution to the state is to look to a satellite uplink to enable them to go anywhere in the state. Dr. Koch stated it is more expensive, however.

(330)

Ms. Weisenburger introduced Martin Burks, Dean of Law School to talk about the Law School modifications.

Dr. Burks distributed a handout pertaining to transactions involving property, business, wills, trusts, and estates. Dr. Burks stated the American Bar Association periodically visits the law schools in the nation for accreditation purposes. A year ago they were on the U of M campus and received the report this last spring. The accreditation team mentioned three areas of critical needs for the law school: 1) Inadequate funding for the law school library. 2) Inadequate faculty size. 3) Inadequate faculty salaries. Dr. Burks stated that even if the team had not come to their campus, this program modification request would still be before the Subcommittee. See Exhibit 3.

(412)

Dr. Burks went on to review the handout on legal programs the students need to be certifiably competent on when they graduate. Currently the student/faculty ratio in the law school is 22 to 1. Dr. Burks went on to say they are looking for an additional 3.5 FTE employees for FY 1990, which would be two new faculty members and one new staff person. In addition, they are looking for additional funding for the law library. Twenty to twenty five percent of their treatise collections carry a warning of out of date stickers.

(470)

Rep. Peck asked what a normal load consists of? Dr. Burks replied it is 6 hours per semester which is typical across the nation.

Rep. Peck asked what percent on a list of competencies does a graduate have to master? Dr. Burks replied all of them, and stated they are a long way from imposing them at this time, but that is what they are proposing, and the list of competencies will be much longer because as of now it only covers property and business and estate planning at this stage.

(509)

Rep. Kadas asked Dr. Burks about the 3.5 FTE? Dr. Burks replied to compute it they are using a \$30,000 faculty salary figure, because they would never be able to hire anyone for

a law faculty position at that level, so putting that figure together they get \$37,500, and that is where the 2.5 FTE comes from.

(530)

Rep. Marks asked Dr. Burks about the WAMI program. Would it be sufficient for lawyers, with so many in the state they're not getting the wages they should be receiving? Dr. Burks replied that 6 to 8 months after graduating, over 90 percent have been placed in positions, but it could be 100 percent if they were willing to take jobs in outlying areas, but many of them are married and have wives that have positions in particular cities and that is the only place they will look for a job.

Tape F/1:000

Weisenburger introduced Dr. Forbes to speak on the modification requests for U of M Pharmacy which is on probation at this time. See Exhibit 1.

Dr. Forbes stated the pharmacy does have accreditation problems. About 10 years ago they changed from a product base type of curriculum to a clinical pharmacy. Before the change you could have a large class and one professor giving lectures and going into the lab., now they need additional faculty to work with students. They now use various hospitals as their labs.

(030)

In 1986 the pharmacy was visited by the accreditation board. The board found some very positive things and some areas that needed to be addressed: 1) maintaining and keeping the pharmacy school, U of M has gone forward with upgrading their critical mass, has filled most of the positions the board wanted them to fill with exception of one position, 2) faculty salaries. 3) the board was concerned with the amount of research not being produced, and asked that they find resources for the faculty to do that. Dr. Forbes commented on tests given to the students in every state after they graduate and the U of M students place higher than the national average.

(056)

Dr. Forbes stated the monies in the program mod include: 1) microcomputers, 2) an additional staff person for grant reports and to prepare articles for publication, and 3) $\frac{1}{2}$ time staff person for drug information.

(071)

Rep. Peck asked Dr. Forbes about the unpublished probation? Dr. Forbes stated it meant they were on probation but not published, now they are on published probation.

Dr. Forbes commented that there are 300 to 400 pharmacy positions

open across the nation, and 30 positions open in Montana.

(120)

Ms. Weisenburger introduced Jack Stanford, Director of the Yellow Bay Biological Station.

(130)

Mr. Stanford distributed a handout and urged the Subcommittee's support for the Yellow Bay Biological station. See Exhibit 4.

Rep. Peck asked Mr. Stanford if Rep. Mercer has a bill on this? Mr. Stanford believed he did.

Mr. Stanford stated that there are 15 people working at the biological station full time. All the laboratory equipment, facilities and housing facilities they need are there to expand water research. Mr. Stanford said in the last biennium and this biennium they have held national conferences at the station and have received significant funding from the national science foundation.

Mr. Stanford stated they are asking in their program modification for: 1) Infrastructure necessary to keep the station going. 2) A small amount of staff salary. 3) Research scientist salary and 4) Pieces of equipment they think will be matched by a matching grant from the national science foundation to enhance the research capabilities.

Mr. Stanford focused on HB 599 that passed the Legislature last session, and wanted to give an accountability for those funds. In the last session they had told legislature if they could find them some money, they would bring in three dollars to every one dollar in outside funds. To date, they have brought in \$915,000 in grants, see grant list on Exhibit 4. The return on that is around six dollars for every dollar the state gave them. Mr. Stanford read a letter of support from the Flathead Lakers, Inc., which has around 2,000 members. Dr. Stanford stated if the Committee would award the equipment request based on the original proposal to the Board of Regents for \$100,000, the funding could be contingent on matching funds from the national science foundation.

Ms. Weisenburger introduced Dr. Don Habbe, Provost and Academic Vice President.

(130)

Dr. Habbe spoke on the request for library funding. The U of M request for this biennium is for \$1.4 million. In addition they have two library requests. 1) Automation, \$520,000 over the biennium. It is basically operations and capital and would allow the university to acquire the hardware and software needed for online catalog and an automated circulation system. Dr. Habbe commented that the Mansfield

Library is one of the few research libraries that do not have that capability. 2) Additional Personnel needed to provide services in the library. The request is for \$100,000 for the second year of the biennium.

Dr. Habbe stated that in the Board of Regents request there are no personnel involved, just materials

(314)

Ms. Weisenburger gave an overall summary of the U of M total budget request. Next to the last page of Exhibit 1, shows the base and mods for the total.

Ms. Weisenburger informed the Subcommittee of two new construction projects. The business building, which is \$13.7 million dollars, and authority only to build a life science building.

Rep. Peck asked Ms. Weisenburger, exclusive of the capital projects in building, the bottom line figures compared to the current biennium, and what is the increase they are proposing, Ms. Weisenburger thought it was around 4½ to 5 percent.

(350)

Ms. Weisenburger introduced Sid Frissell, Director of the Forest and Conservation Experiment Station.

Mr. Frissell distributed a handout on the biennial report for the experiment station in 1987 and 1988. Mr. Frissell stated it contains summaries of 94 different research projects. The Experiment Station was legislatively established in 1937 to do forest research. See Exhibit 5.

(408)

Mr. Frissell commented that the coop subscribers are considering a long term commitment of \$30,000 a year for timber growth and research.

Mr. Frissell stated the GIS (Geographical Information Station) is allowing them to develop a resource management plan for the Lubrecht Experimental Forest. The new capabilities will help them assist the Department of State Lands in the development of an integrated forest management system for Montana State forests.

Mr. Frissell stated that they have a cooperative experiment station formed, made up of 20 agencies and organizations in Montana, concerned with management of lands adjacent to streams, lakes and wetlands.

Mr. Frissell stated that the base support from Legislature has allowed the experiment station to develop a strong research program. The station has an outstanding record that allows them to attract money quite easily from other agencies, such

as federal and private sources and amounts to 1 million dollars from outside funds in the last year.

Mr. Frissell commented that most of their research is centered in the 28,000 acres of the Lubrecht Experimental Forest which is the largest experimental forest of any forestry school in the United States.

(520)

Mr. Frissell stated that the current funding is inadequate to support the necessary station and experimental forest management staff to develop and maintain 50 miles of roads, 35 miles of fenceline, some 35 buildings including the \$400,000 Castles Forestry Center, 2 year round residences, and 3 housekeeping cabins, a modern mess hall, a solar dry kiln and saw mill. The experiment station has no program in place for the periodical schedule replacement of vehicles.

Mr. Frissell stated their request is for adjustments to cover the cost of equipment replacement, a budget modification for new equipment, and for a modest increase in personnel and operations. The basic request is for the replacement of vehicles in FY 1990 and a smaller increase in FY 1991 for replacement of office equipment and laboratory equipment, and a small increase in utilities. The modification which totals \$160,000, has \$35,000 in FY 1990 for equipment, second year, \$125,000 for personnel services, increases in salaries for a variety of people: 1) in research, 2) graduate research 3) assistantships, and 4) part salary for an assistant manager of the forest. 5) a small increase in operations, e.g.. supplies and materials for research projects, repairs and maintenance. Mr. Frissell hoped the Subcommittee would consider these modest increases.

Rep. Marks asked Mr. Frissell if they were conducting any research on burned timber? Mr. Frissell stated they do not because so much research has been done already. Mr. Frissell stated the bugs multiply much faster in burned timber.

Tape F1\2:000

Gary Brown, Montana State Forester and Division Administrator of the Forestry Division of the Department of State Lands, spoke in favor of the kinds of work going on in the Lubrecht Experimental Forest. Mr. Brown stated the foresters need accurate information to provide assistance to private land owners that rely on the Forest Experiment station. See Exhibit 6.

Rep. Peck asked Mr. Brown if his work is in the Lubrecht Forest? Mr. Brown replied it is not, the Department of State Lands has 1/2 million acres of state owned forest lands they manage for the trust funds. They have approximately 8 million acres of direct fire protection and about 46 million

acre cooperative relationship with 46 eastern counties and provide technical forestry assistance to private land owners. Mr. Brown commented they also have a nursery they produce seedlings for conservation purposes, etc.

Dr. Koch introduced Dr. Easton, Provost from Western Montana College.

(075)

Dr. Provost commented he did not feel they had the time to present their testimony at this time and asked Rep. Peck if it was ok if they presented their comments when the Subcommittee came to Western Montana campus on Feb. 3, 1989? Rep. Peck replied that it was ok with him.

(105)

Mike Craig, Lobbyist for ASUM from U of M, stated he gave his formal presentation to the Subcommittee when they were on U of M campus. Mr. Graig stated the students have not agreed to a specific proposal as far as tuition and the students would be meeting in Missoula that evening to discuss the issue formally, from there an official student opinion will be conveyed to the Board of Regents when they meet in Helena on Friday, Jan. 27, 1989. The comments heard from ASUM president, Jennifer Isern last Saturday, will be submitted at a later date for the record. The feelings Ms. Isern conveyed should be considered official ASUM stance. The students are not ready to endorse the 10 percent tuition increase at this time. See Exhibit 7.

(145)

Dr. Krause commented the Board of Regents will not be taking up the issue of tuition until their March meeting.

(163)

Rep. Ream, Dist. 54, urged support on the program modification funding for the Forestry Experimental Station.

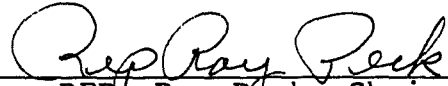
(269)

Terry Minnow, Representing Montana Federation Teacher Association, wanted to go on record for adequate funding for U of M.

There being no further business the Subcommittee was adjourned.

ADJOURNMENT

Adjournment At: 12:50 p.m.

A handwritten signature in cursive script, reading "Rep Ray Peck", written over a horizontal line.

REP. Ray Peck, Chairman

RP/cj

2121.min

DAILY ROLL CALL

EDUCATION

SUBCOMMITTEE

DATE _____

DATE Jan 25 1989

[illegible]

EXHIBIT 1

DATE Jan 25, 1989

HB U of M

FISCAL YEARS 1990-1991 BUDGET REQUEST

**UNIVERSITY
OF MONTANA**

and

**Montana Forestry & Conservation
Experiment Station**



EXHIBIT 2
DATE Jan 25, 1989
HB U of M

UNIVERSITY TEACHERS UNION
UNIVERSITY OF MONTANA
MISSOULA, MONTANA 59812

Presentation to the Education Subcommittee,
House Appropriations Committee and Senate
Finance and Claims Committee, Montana Legislature
January 25, 1989

Executive Summary
and
Supporting Exhibits

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UNIVERSITY TEACHERS UNION
UNIVERSITY OF MONTANA
MISSOULA, MONTANA 59812

Presentation to the Education Subcommittee
House Appropriations Committee and Senate
Finance and Claims Committee, Montana Legislature
January 25, 1989

Executive Summary

I. SALARY AND FUNDING HISTORY

A. Since 1970, average faculty salaries at the University of Montana have grown 138 percent. Salaries have grown most rapidly at the lower ranks, as the University has attempted to remain competitive in academic hiring.

B. Salary growth at the University has failed to keep pace with inflation, Montana per capita income, the earnings of private sector employees, expenditures on higher education, or state government general revenue.

C. Since 1970, every category of state and local spending, except highways, has grown more rapidly than spending on higher education.

II. CURRENT SALARY COMPETITIVENESS

A. The average age of the University faculty is 47, and well over half have more than 15 years of service. The University can anticipate a surge of retirements in the near future; its competitiveness in hiring new faculty will become more critical.

B. Salaries at the University fall far below those of faculty at peer institutions, especially at the upper ranks. Full professors at the University of Montana earn 83.4% of their counterparts at peer institutions.

C. The competitiveness of the University has eroded significantly over the past 18 years. In 1970, UM salaries almost matched those of other doctorate granting universities in the Mountain West; by last year they averaged less than 80% of salaries at those institutions.

D. Salaries at the University of Montana are the lowest among the 174 universities in the nation which grant doctorates.

More

III. THE FACULTY CONTRACT

A. The current contract between the Board of Regents and the University Teachers union reflects the Regents' assessment of the seriousness of the salary situation. Low salaries now jeopardize the functioning of the institution.

B. The contract covers a four year period. During the first two years, 1987-88 and 1988-89, there have been no raises. During the next two years, 1989-90 and 1990-91, faculty will receive the same general raise as all state employees plus a partial peer catch-up adjustment averaging 6% per year.

C. The University is contractually committed to pay these raises, whether or not the legislature provides the money required. Failure to fund the contract will therefore require curtailing some aspect of the University's current program.

D. Even if the general raise for state employees during the coming biennium is as high as 5% per year, and even if faculty salaries at peer institutions increase by as little as 3.3% per year, the contract will allow only instructors and assistant professors to earn what their counterparts will. Associate professors will still earn \$2,300 less than their peers. Full professors will earn \$3,400 less.

THE LEGISLATIVE FUNDING STUDY
U. OF MONTANA

	U.M.	PEERS	%
Total expend. per student	4,488	6,800	66.0
State support per student	3,228	5,008	65.7
Instruct. prog. per student	2,303	3,329	69.2
Support prog. per student	1,306	1,804	69.7
Student /fac. ratio	18.7	16.2	

YEARS AT U.M.

FACULTY

1---15

157

More than 15

196

AVERAGE U.M. SALARIES BY RANK

<u>Rank</u>	<u>1970-71 1987-88 % Change</u>		
Professor	16,700	34,100	104
Assoc. Prof.	12,900	27,600	114
Asst. Prof.	10,900	24,600	126
Instructor	8,800	20,000	127
All ranks	12,800	30,500	138

SELECTED ECONOMIC INDICATORS

MONTANA

PERCENT CHANGE 1970 -1987

<u>INDICATOR</u>	% <u>CHANGE</u>
State govt. genl. rev. *	383
Total personal income	296
Expend. on higher ed.	253
Per capita pers. income	247
Consumer prices	189
Avg. faculty salary all ranks	<u>138</u>

*percent change is for the period 1970-1986

**INCREASE
IN OTHER MONTANA SALARIES
1970-1985**

<u>SECTOR</u>	<u>PERCENT INCREASE</u>
Agricultural services	170%
Mining	234%
Construction	128%
Manufacturing	194%
Transportation	184%
Wholesale trade	152%
Retail trade	121%
Finance, Insurance & Real estate	172%
Services	212%
All	158%
Excludes ag. and gov. payroll workers and the self-employed	

CHANGE IN REAL STATE AND LOCAL EXPENDITURES PER CAPITA 1970-1986

<u>Category</u>	<u>% Change</u>
Social Services	89
Local Services	72
Local Schools	59
All General Expenditures	52
Higher Education	12
Highways	-10

Higher education spending was 7.7% of all general state and local spending in 1986, down from 10.3% in 1970.

SALARY COMPARISONS BY RANK

1986-87

Rank	U.M.	Peers	U.M./Peers %
Prof.	33,700	40,400	83.4%
Assoc.	27,500	31,900	86.2%
Asst.	24,300	26,800	90.7%
Inst.	20,200	21,600	93.5%

**U.M. FACULTY SALARIES
COMPARED**

TO MOUNTAIN WEST CLASS 1 SCHOOLS

U.M./OTHER INSTITUTIONS

<u>Rank</u>	PERCENT	
	<u>1970-71</u>	<u>1987-88</u>
Professor	97	74
Assoc. Prof.	96	78
Asst. Prof.	96	81
Instructor	100	86

THE CONTRACT

PROBLEMS

Regents recognize seriousness of problems

Dollars

Quality

Faculty morale

GENERAL SOLUTIONS

Four year contract

Accept two year freeze

Partial peer catch-up

SPECIFIC SOLUTIONS

An adjustment

Partial peer catch-up

0-0-6-6 %

"Normal" raises

0-0-pay plan in 89-90, 90-91

Mutual risks

FUTURE COMPETITIVENESS

**How competitive will we be
in 1990-91 ?**

If peers increase 3.3%/yr. and

If payplan 5-5 for 89-90, 90-91

Peer differential

\$

Full Professor	-3400
Assoc. Professor	-2300
Asst. Professor	even
Instructor	even

AVERAGE SALARIES FULL PROFESSORS

1987-88

1. Stanford	70,800
avg. of 174 univ.	52,950

The worst ten:

165. Ball State	40,800
166. U. of Idaho	40,700
167. Kansas State	40,700
168. Texas Women's	40,400
169. Indiana State	40,300
170. U. So. Dakota	39,500
171. U. No. Dakota	38,300
172. New Mexico Inst. of Mining & Tech.	37,900
173. Texas Southern	37,800
174. U. of Montana	34,100

EXHIBIT 3

DATE Jan

RE Wym

UNIVERSITY OF MONTANA

SCHOOL OF LAW

EXIT COMPETENCIES

PERTAINING TO TRANSACTIONS INVOLVING PROPERTY, BUSINESS, WILLS,
TRUSTS, AND ESTATES

I.

General Competency

A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN THE
ACQUISITION, MANAGEMENT AND TRANSFER OF REAL PROPERTY AND
CHATTELS REAL.

Specific competencies: The graduate shall be able to:

1. Draft a "contract for deed" (installment land contract) for the sale of a residence.
2. Close a residential transaction. In this regard the graduate shall be able to (i) draft and prepare customary closing documents, (ii) select among available completed customary closing documents, (iii) evaluate and explain completed customary closing documents, and (iv) record those instruments which should be recorded in order to protect the client's interest.

Comments:

- (a) The specific identity of "customary closing documents" varies with time and location. At this time in Montana, such documents include, by way of illustration, deeds, realty transfer certificates, bills of sale, and various financing and collateral devices (e.g., trust indenture [deed of trust], mortgage, contract for deed, promissory note).
- (b) The drafters recognize that in many states, including Montana, it is not customary for lawyers to oversee closing details on smaller residential properties. Nevertheless, the drafters believe that lawyers should be familiar with real property closings in order to represent and advise clients effectively and to provide closing services when requested. Furthermore, employment of attorneys as closers, even in smaller transactions, is the prevailing custom in some regions in which graduates of the Law School practice, e.g., western Washington State.
3. Assign a vendor's interest in a contract (buy/sell or contract for deed) for the sale of real property.
4. Assign a vendee's interest in a contract (buy/sell or contract for deed) for the sale of real property.

5. Evaluate and explain a listing agreement.
6. Draft, evaluate, and explain a buy/sell agreement.
7. Draft, evaluate, and explain a construction lien or functional equivalent.
8. Draft, evaluate, and explain a residential lease.
9. Draft, evaluate, and explain a lease of a small commercial property.
10. Assign a lease to a residential or small commercial property.

Comment: An example of a "small commercial property" is a professional office. The consideration for occupancy of a "small commercial property" as the term is used here, is the payment of money, in fixed amounts or ascertainable by reference to a standard (e.g., CPI, tax bill) or based upon gross sales or similar measures.

11. Evaluate and explain the state of title to a unit of real property.
12. Recommend a course of action to a client considering whether to clear clouded title.
13. Evaluate and explain a moderately complex set of servitudes.

Comment: A typical condominium declaration is an example of a document containing a "moderately complex set of servitudes."

14. Assign the benefit and burden of a servitude, to the extent permitted by law.
15. Evaluate and explain a title insurance commitment or policy.
16. Evaluate and explain the public land use restrictions applicable to a given parcel of real property.
17. Transfer water rights.
18. Transfer mineral rights.

II.
General Competency

A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN THE ACQUISITION AND TRANSFER OF CHATTELS PERSONAL.

Specific competencies: The graduate shall be able to:

19. Transfer business licenses and permits.
20. Transfer intellectual property.
21. Transfer business goodwill.
22. Assign leases in personal property.
23. Transfer debt instruments and other choses in action.
24. Transfer livestock brands.
25. Transfer ownership interests in business enterprises.
26. Transfer inventory in bulk.
27. Evaluate and explain the legal consequences of a situation in which in which the seller and the buyer of goods use different forms.
28. Evaluate and explain the terms of a complex contract for the sale of goods.
29. Evaluate and explain the terms of a complex contract other than for the sale of goods. Included in this competency is the ability to evaluate and explain the terms of a contract for the sale of stock in a closely held corporation.

Comments:

- (a) A "complex contract" as the term is used in the last two competencies means a contract tailored to the details of a specific commercial transaction rather than (i) governed primarily by "default" provisions of law or (ii) based upon a standard form.
- (b) The separation of contracts into those involving the sale of goods and those which do not reflects the fact that different rules affect each kind of contract.

III.
General Competency

A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN THE LEGAL ASPECTS OF RELATIONSHIPS IN WHICH PERSONS MANAGE PROPERTY FOR OTHERS

Cross-reference: Other competencies relevant to this topic are found through this document, and notably in Sections I and IV.

Specific competencies: The graduate shall be able to identify, evaluate, and explain any legal issues arising in a transaction by reason of the relationship between:

30. agent and principal;
31. partner and co-partners;
32. directors or officers of a corporation and shareholders;
33. mutual relationships between a corporation's shareholders;
34. trustees and beneficiaries;
35. conservator and protected person;
36. personal representative (i.e., executor or administrator) and estate;
37. business promoters and firm;
38. business promoters and subscribers;
39. business promoters, inter se;
40. lender and borrower;
41. tenants of the same property;
42. tenants and holders of the underlying interest(s).

IV.
General Competency

A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN THE LEGAL ASPECTS OF CREATING, MANAGING, AND EXCHANGING WEALTH THROUGH THE MEDIUM OF THE COMMON BUSINESS FIRM OR NON-PROFIT ORGANIZATION

Cross-reference: Other competencies relevant to this Section are found throughout this document, and notably in Section III.

Specific competencies: The graduate shall be able to:

43. In consultation with a tax advisor if necessary, recommend selection of an appropriate entity for a business or non-profit organization.
44. Draft, evaluate, and explain a partnership agreement.
45. Draft, evaluate, and explain basic incorporation documents.
46. Draft, evaluate, and explain an employment agreement.
47. Given the fact pattern of an employment dispute involving hiring, promotion, and/or firing, evaluate and explain the relevant legal issues and make recommendations for resolution.
48. Given details of a firm's record keeping procedures, evaluate and explain the relevant legal issues involved and make any appropriate legal recommendations for improvement.
49. Given the operative documents for a financing plan for a medium-sized business enterprise, evaluate and explain the relevant legal issues and make appropriate legal recommendations for improvement.
50. Given the details of a firm's structure and the number and duties of its employees, evaluate and explain legal insurance requirements, and make recommendations as appropriate.

Comment: Lawyers generally are not insurance experts, and this is one area in which expert advice often is necessary. However, graduates should be aware that there are legal insurance requirements governing business and non-profit enterprises, including but not limited to, worker's compensation and unemployment insurance.

51. Evaluate a firm's actions or proposed actions and, if such is relevant, make recommendations taking into account government regulation of the market, including but not limited to, anti-trust laws, advertising regulations, fair trade laws, and securities regulations.
52. Given a fact pattern where a client faces the possible or actual dissolution of his or her firm, recommend a course of action which is tenable in the best interest of the client.

V.
General Competency

**A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN THE
MANAGEMENT OF THEIR PERSONAL ESTATES**

Cross-reference: Other competencies relevant to the topic of this section are set forth in Section III.

Specific competencies: The graduate shall be able to:

53. Draft, evaluate, and explain a power of attorney.
54. After interviewing an estate planning client, determine whether his or her estate will likely be subject to federal estate or gift taxation and, if necessary, refer that client to competent tax counsel.
55. After interviewing an estate planning client or after being provided with relevant information for a decedent's estate, determine whether that estate may be affected by community property laws.
56. Explain the effects of the Uniform Transfers to Minors Act on estate planning.
57. Identify those estate planning clients who would benefit significantly from employing the services of a professional financial planner.

Comment: "Benefit significantly" means that, after taking into consideration the cost of, and any personal or financial inconvenience from, financial planning, there would be a significant enhancement of (i) the client's short - or long-term wealth, (ii) the client's financial security, and/or (iii) the client's chances of achieving his or her financial goals --including the goal of providing for the objects of the client's bounty.

58. Effectively coordinate his or her legal services with those of a professional financial planner.

Comment: Achieving this competency and the one immediately preceding it requires that the graduate have sufficient knowledge of certain financial planning tools to be able to discuss them intelligently with professional planners and to incorporate them, if necessary, into the client's estate plan. On the other hand, an exhaustive knowledge of such tools may not be necessary for the effective practice of law in the conditions and according to the standards set forth herein. Examples of matters of which there need only be a "passing familiarity" are insurance, annuities, stocks, bonds, mutual funds, qualified and non-qualified pension arrangements, time value of money, limited partnership investments, structured settlements, and investor and consumer (e.g., securities law) protective devices.

59. Draft and supervise the execution of a simple will without pour over provisions which include (i) a testamentary trust for beneficiaries incapable of managing property and (ii) provisions appointing a

conservator and guardian.

60. Draft a revocable living trust for beneficiaries incapable of managing property.
61. Draft and supervise the execution of a simple will which includes (i) pour over provisions for a revocable living trust and (ii) provisions appointing a conservator and guardian.
62. Draft, evaluate, and explain a living will.
63. Draft and explain the common pleadings utilized in probating an estate.
64. Evaluate and explain completed probate pleadings.
65. Given relevant financial and legal information for a decedent's estate, determine whether that estate requires filing of federal estate tax or federal or state income tax returns, or both.
66. Prepare and explain the common documents required for the determination of state inheritance tax.

VI.
General Competency

**A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN
DEBTOR/CREDITOR MATTERS**

Cross-reference: Other competencies relevant to this Section are found throughout this document, and notably in Sections I and II.

Specific competencies: The graduate shall be able to:

67. Draft, evaluate, and explain basic consumer and commercial debt instruments (primarily promissory notes).
68. Secure obligations with personal property (i.e., drafting of security agreement and perfection of security interest).
69. Recommend a course of action to a creditor or debtor facing a possible or actual bankruptcy.

VII.
General Competency

A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN CERTAIN OTHER COMMON PROPERTY MATTERS.

Specific competencies: The graduate shall be able to:

70. Given a pre-nuptial, post-nuptial, or separation agreement, evaluate and explain each of its the provisions.

Comment: The scope of evaluation and explanation includes, but is not limited to, community property and tax implications.

71. Given a fact pattern involving non-marital co-habitation, evaluate and explain the legal consequences of that co-habitation.
72. Given the facts of business or property transaction, identify, evaluate, explain, and recommend a course for the resolution of any conflict of laws issues.
73. Given the facts of business or property transaction, identify, evaluate and explain any fraud issues.

VIII.
General Competency

APPLYING THE COMPETENCIES GAINED IN LITIGATION, NEGOTIATION, AND PUBLIC LAW COURSES, A GRADUATE SHALL BE ABLE TO REPRESENT CLIENTS IN CERTAIN DISPUTES INVOLVING PROPERTY AND BUSINESS INTERESTS.

Specific competencies: The graduate shall be able to represent clients in the following kinds of disputes.

- 74. A request for a zoning change.**
- 75. A zoning appeal.**
- 76. A property tax appeal.**
- 77. An action for foreclosure on real or personal property and related proceedings.**
- 78. A suit to quiet title.**
- 79. A suit involving any of the relationships set forth in Section III.**

Comment: General litigation and dispute resolution competency is not, of course, limited to the matters listed in this section. Students should also be able to represent clients in general tort, contract, and restitutionary litigation whether or not related to the property/business area. Note: exit competencies for litigation will be addressed in a separate document being prepared by the Law faculty.

EXHIBIT *gus w/3*

LAW SCHOOL PROGRAM MODIFICATION REQUEST

DATE _____

Traditional Legal Education: The current form of legal education was designed over one hundred years ago. As originally conceived, students studied legal theory but not how to practice law. They did not prepare contracts, deeds, wills or court papers. They did not negotiate, try cases, counsel clients or engage in any routine professional activity. Although the law has undergone vast changes in the last one hundred years, legal education has not.

The failure of law schools to teach students how to practice law has been the subject of increased concern by lawyers, judges and members of the public, particularly in locations like Montana where lawyers begin practice alone or with just a few other lawyers. Because of their small size, Montana law firms, unlike the large urban firms, do not have associate development programs designed to train new graduates to practice law.

University of Montana Law School Program. In response to these concerns, the University of Montana School of Law has been in the process of designing a curriculum which will better prepare our graduates to practice law in the State of Montana. The University of Montana's developing legal education program has been featured at two of the last four American Bar Association conferences on legal education. The Montana Model for legal education:

1. Emphasizes legal theory and the integration of theory and practice;
2. Emphasizes professional skill development including alternative dispute resolution skills;
3. Emphasizes the role of the law and lawyer in our society;
4. Emphasizes personal attributes - honesty, integrity, professionalism, etc.

Although the School has made some significant progress and has received national recognition for the work it has already accomplished, it has reached the limits of change because of staffing constraints of the past. Legal education historically has been staffed as an undergraduate program. For example, while most graduate programs have student-faculty ratios of approximately seven to one, the Law School operates at approximately twenty-two to one. Similarly, under the current legislative funding formula a law professor must produce 800 student credit hours each year, whereas a graduate teacher in the physical or social sciences need produce only 200. This staffing pattern provides little or no opportunity for close observation of individual student performance nor for students to receive important clinical experiences. As a result, legal education is rendered a purely academic experience, rather than a graduate program training students to be professionals who will help solve human problems.

Program Request. Beginning in 1983, the Law School proposed that the increased costs associated with its new legal education program be funded through a combination of increased student tuition and increased state appropriations. The Legislature has authorized the Law School to impose increased tuition and to use that increase to help the School move toward a graduate level of staffing. The needed staff appropriations, however, have yet to be authorized. In August 1988, the Board of Regents approved a budget modification request of \$292,000 over the biennium which would address concerns raised by the American Bar Association in its recent Accreditation Report and would at the same time enable the Law School to continue the development and implementation of our new curriculum.

UNIVERSITY OF MONTANA
Flathead Lake Biological Station

EXHIBIT 4
DATE Jan 25
HB U of M

Brief Description of Program Modification:

With over 4 million dollars in extramural support since 1980, the Biological Station has developed a state-of-the-art research and academic program in ecology. Studies of Montana's many lakes and streams are emphasized. Because of the economic importance of water and land-water interactions in Montana, data generated by studies at the Biological Station are essential for wise management of the State's natural resources and value-added uses of these resources.

Although it is recognized as a Center of Excellence within the UM system, the Biological Station is presently funded, not as an integrated research/academic unit of the UM system, but primarily on the basis of its long history as a summer academic facility. Thus, a program modification is requested to provide base support for the very high profile research program that has been initiated with private gifts and grants.

The University request is \$420,730 in base funding for this biennium

Accountability to HB 599 (\$150,000 appropriation last session):

Grants and Contracts - 1 July 1987 to 1 July 1989

Project	Funding Agency	Amount
International Stream Workshop	National Science Foundation	\$ 59,900
Research Vessel	National Science Foundation	88,000
Hyporheos Ecology	National Science Foundation	220,000
Water Quality - Flathead Lake	Agency Consortium	95,000
North Shore Sediment	Montana Power Company	30,000
Missouri River	Montana Power Company	188,000
Red Bench Fire	U.S. Forest Service/GNP	12,500
Forest Cooperative	USFS/Plum Creek	89,000
Glacier Lakes	Glacier National Park	20,000
Echo Lake	Private	4,500
Flathead Lake Leachate	Water Quality Bureau	30,000
Clark Fork River	EPA	5,200
GNP Leachate	Glacier National Park	5,700
Lake McDonald Ecosystem	Glacier National Park	6,000
Flathead Lake Zooplankton	Water Center	24,000
Flathead Lake Limiting Nutrients	Soap & Detergent Assoc.	21,000
Historical Records	Plum Creek/USFS	17,000
	TOTAL	<u>\$915,800</u>

\$1 invested by the State has been matched by \$6 from extramural sources

Flathead Lakers, Inc.

— A Non-Profit Corporation of Flathead Lake Residents —

P.O. Box 290 :- Polson, Montana 59860

EXHIBIT

DATE

HB

January 24, 1989

Honorable Member of Montana
State Legislature
State Capitol
Helena, Montana 59620

Dear Person:

The Flathead Lakers have long supported the education and research work of the Flathead Lake Biological Station. This work is vital to the conservation of Montana's most important natural resource: the Flathead River-Lake ecosystem. The Biological Station has now achieved an international stature. Flathead Lakers and Montanans in general have benefited greatly from this high-profile and state-of-the-art research program

Maintenance of our high quality of life and sensible economic growth in the Flathead requires the leadership provided by the interactive work of the Biological Station. We urge all legislators to invest in Montana's future by funding the request of the University for base funding of its Biological Station.

Sincerely,

Richard F. Wollin

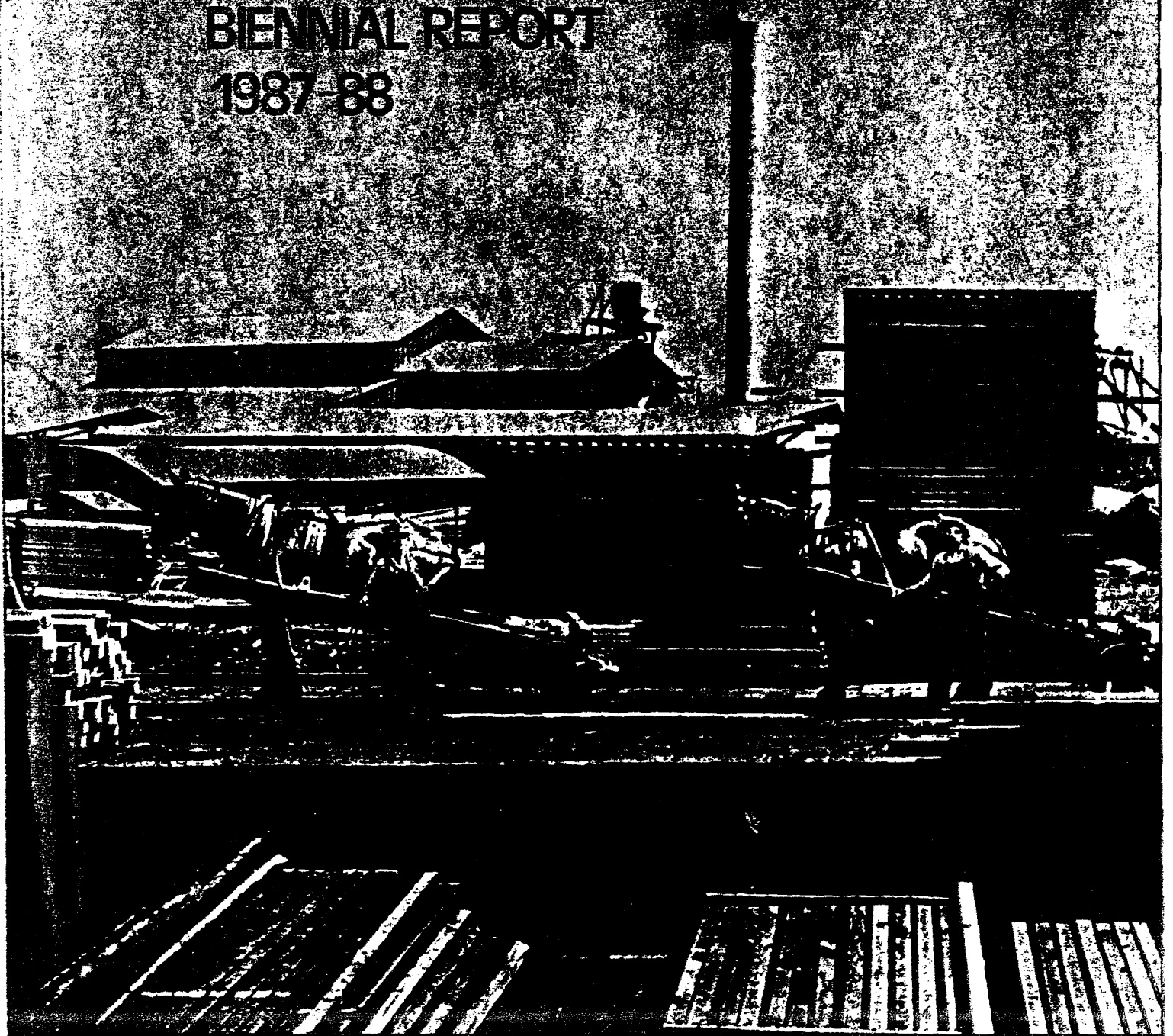
Richard F. Wollin
President

EXHIBIT 5
DATE Jan 25, 1989
HB

UNIVERSITY
OF MONTANA

Montana Forest and Conservation Experiment Station

BIENNIAL REPORT
1987-88



School of Forestry • University of Montana • Missoula

TESTIMONY
FORESTRY DIVISION
DEPARTMENT OF STATE LANDS
SUPPORT OF THE MONTANA FOREST AND
RANGE EXPERIMENT STATION

EXHIBIT 6
DATE Jan 25
HB

THE FORESTRY DIVISION, DEPARTMENT OF STATE LANDS IS RESPONSIBLE FOR THE MANAGEMENT OF STATE FOREST LAND AND FOR PROVIDING ASSISTANCE TO PRIVATE FOREST LAND OWNERS. TO MEET THESE MANDATES OUR FORESTERS NEED ACCURATE AND TIMELY RESEARCH INFORMATION THAT ADDRESSES SPECIFIC CONDITIONS FOUND IN MONTANA'S FORESTS. THEY NEED HELP IN ANSWERING SUCH QUESTIONS AS HOW MUCH IS THE FOREST CAPABLE OF GROWING, WHAT SPECIES GROW BEST WHERE, AND HOW WILL FOREST TREATMENTS AFFECT OTHER RESOURCE VALUES. IT WOULD BE NEITHER PRACTICAL NOR EFFICIENT FOR THE FORESTRY DIVISION TO TRY TO CONDUCT THIS RESEARCH WITH EXISTING FIELD PERSONNEL. WE RELY ON THE MONTANA FOREST AND RANGE EXPERIMENT STATION TO CONDUCT THE BASIC AND APPLIED RESEARCH WE NEED.

THE LUBRECHT EXPERIMENTAL FOREST INCLUDES APPROXIMATELY 8,000 ACRES OF STATE FOREST LANDS WHICH ARE MANAGED BY THE FORESTRY DIVISION TO ALLOW CONTINUING LAND MANAGEMENT RESEARCH BY THE EXPERIMENT STATION. THE DIVISION HAS ACTIVELY PARTICIPATED ON EXPERIMENT STATION STEERING AND ADVISORY COMMITTEES, RESEARCH COOPERATIVES AND, WHEN POSSIBLE, PROVIDED FIELD ASSISTANCE FOR STATION PROJECTS. THE RESULT HAS BEEN A STRONG COOPERATIVE RELATIONSHIP BENEFITING BOTH THE EXPERIMENT STATION AND THE FORESTRY DIVISION.

AN EXAMPLE OF THE COOPERATION BETWEEN THE EXPERIMENT STATION AND THE FORESTRY DIVISION ARE CURRENT EFFORTS TO JOINTLY DEVELOP AN INTEGRATED FOREST MANAGEMENT INFORMATION SYSTEM FOR THE MANAGEMENT OF STATE LANDS. THE INFORMATION SYSTEM WILL ALLOW THE INTEGRATION OF FOREST RESOURCE DATA AND TIMBER VALUE AND COST DATA WITH COMPUTER DECISION SOFTWARE AND A COMPUTER MAPPING SYSTEM. WITH THIS SYSTEM STATE LAND'S FORESTERS WILL HAVE GREATER ASSURANCE THAT PLANNED ACTIVITIES ON STATE LANDS WILL NOT ONLY PRODUCE THE GREATEST REVENUE FOR THE SCHOOL TRUST, BUT ALSO ADDRESS ENVIRONMENTAL CONCERNS. IT IS ONLY THROUGH THE HELP AND COOPERATION OF BOTH THE EXPERIMENT STATION AND THE FORESTRY DIVISION THAT THE INTEGRATED FOREST RESOURCE INFORMATION SYSTEM WILL BECOME A REALITY.

MONTANAS' FORESTS ARE RAPIDLY CHANGING FROM MATURE OLD GROWTH TO YOUNG, SMALL SECOND GROWTH. WITH THIS CHANGE, IT BECOMES EVEN MORE IMPORTANT THAT THE MONTANA FOREST AND CONSERVATION EXPERIMENT STATION CONTINUE TO BE A CREDIBLE SOURCE FOR NEW RESEARCH INFORMATION THAT IS CURRENT AND APPLICABLE TO MONTANAS' FORESTS.

EXHIBIT 7
DATE 1-25-89
RE UM / Student tuition

Appropriations Subcommittee on Education

House Bill 100 - Rep. Bardanouve

Hearing: January 25th, 1989, Room 104.

Good morning, Mr. Chairman and members of the committee. For the record, my name is Mike Craig and I represent the Associated Students of the University of Montana. My time with you will be brief as you have already heard the official ASUM position during your tour of the UM campus on Saturday (January 21, 1989).

Students have yet to agree to any specific proposal as far as tuition is concerned. The ASUM Senate will meet this evening in Missoula to discuss this issue. From there, an official student opinion will be conveyed to the Board of Regents when they meet this Friday.

The comments you heard from ASUM President Jennifer Isern on Saturday will be submitted if there is no objection. The feelings Jennifer conveyed should, at this time, still be considered the official ASUM stance.

Students are not ready to endorse the proposed 10 percent tuition increase at this time. In many respects, ASUM views a tuition hike like cod liver oil. They can be forced to swallow it, but they are not going to like it.

Jennifer Isern covered just about everything else that was necessary during the Saturday hearing. However, I would like to reiterate at this time that ASUM feels that increases in financial aid support to students are necessary if they are going

to be forced to pay more for a college education.

ASUM is also concerned about the loss of faculty who are looking for employment elsewhere. Students are fortunate to benefit from those faculty who choose to remain, providing a sense of continuity in the learning process. That continuity does have a positive effect on the quality of education at the University of Montana.

Finally, ASUM is honored that this committee made the time to visit our beautiful campus and listen to the concerns of students. ASUM is equally honored that the reason Senator Boylan missed his first roll call vote in twenty years was to visit the University of Montana.

Appropriations Subcommittee on Education

House Bill 100 - Bardanouve

University of Montana Campus, January 21, 1989.

Good Afternoon, Mr. Chairman and members of the Subcommittee. For the record, my name is Jennifer Isern. I represent the Associated Students of the University of Montana as ASUM President. ASUM feels that there are several issues in the appropriations process that should be addressed from a student perspective.

Tuition (handout)

First and foremost, the Subcommittee should be made aware of the student frustrations that result from an ongoing dialogue among legislators, Regents, the Commissioner, University administrators, faculty, and the media concerning tuition. Yesterday in Helena, the subcommittee was provided with information concerning the funding of the University System, including some specifics on tuition. The information was submitted on behalf of the Regents and students by the chairman of the Board of Regents. A consensus of student feelings on tuition increases has never been formally addressed by the state student association or ASUM. We feel that students or student representatives should be speaking on behalf of students.

However, University of Montana students have yet to be invited to participate in deliberations concerning the increases in tuition that may occur.

University students know that we are receiving a good education for what we now pay. At the same time, we are not blind to the fact that it may cost more to retain a quality education. But we know how much more we can contribute without sacrificing the opportunity to attend school and receive that quality education.

Please remember, students are primarily a low-income group. Students may be prepared to agree to "reasonable" increases in tuition, spread out over a period of years to lessen the impact on the ability to meet basic living costs. However, what students feel is "reasonable" may be substantially different than what others believe is "reasonable." Students only ask that we be a part of the dialogue in the search for a funding solution, rather than be forced to read about the supposed "inevitable" and "unavoidable" tuition increases that we are told to expect.

Additionally, parents who contribute financial support to a college education for their children should have some say in what they believe is a "reasonable" increase on their already strained finances. At the University of Montana, there is a healthy mixture of two types of students - those who are dependent on parental support and those who are not. Nearly 40% of the student population here at the University of Montana is non-traditional, that is, over 25, married, or has children. ASUM believes it is a fair request that these interests and changing demographics be considered in all discussions of tuition and fee increases.

You have before you a ten-year history of tuition and fees for a full-time student at the University of Montana. As you can see, the costs have increased at an overwhelming rate. ASUM provides you with this information because we feel that this historical picture is important in understanding our frustration. We ask that you keep these figures in mind whenever the topic of tuition is raised.

Special Fees

ASUM also asks that you be sensitive to the special fees that law, pharmacy, and physical therapy students have previously agreed to pay in order to keep those quality programs operational. Those fees are not reflected in the provided material.

Financial Aid

Another major concern from students has to do with financial aid. Many people operate under the assumption that an increase in tuition would trigger a corresponding increase in financial aid eligibility. That is only partially true.

The maximum PELL Grant amount students may qualify for is currently \$2200 per year. Most eligible out-of state students and students with dependents have reached that eligibility threshold. An increase in tuition would most often mean that these students would have to take out loans to make up the difference if other forms of aid or income are not available.

In-state students are typically eligible for PELL Grants up to \$2130 per year. Conceivably, even a \$70 per increase in tuition would boost their eligibility to the federal threshold. Any increase beyond that means that those students have to find additional tuition financing.

It is important to remember that students who are eligible for amounts near the federal limit are typically low-income, so they have more difficulty meeting the costs of college and living . This information is especially concerning since over half of University of Montana students receive PELL Grants. Presently, the federal government has made no indication that the ceiling on individual PELL Grant awards will be raised to help offset the increasing costs of college.

State Work Study

State work study is also important to many UM students. The Vo-Techs are now within the administration of the Regents, and Vo-tech students may also qualify for the program. This may spread a limited pool of funds thinner than it already is, and erode further the financial resources of students.

Assistantships

Furthermore, the link between adequate funding and the ability to attract quality graduate students to fill teaching and research assistantships is often overlooked. The better those graduate students can be compensated, the more they can add to a quality education for undergraduates.

Libraries (handout)

As stated, ASUM is concerned with the level of the quality of education University students are receiving. One of the crucial bases for a quality education is a solid library. The Mansfield Library has provided ASUM with a list of journals that they have had to discontinue over the past ten years because of the rising costs. That list is 61 pages in length. You have already been made aware of the needs of the Mansfield and Law libraries during your tour, so we need not belabor the point. However, from a student perspective, it can not be emphasized enough that a library with adequate and current materials enables the University to educate and research - continuing its excellent tradition.

Faculty and Staff Salaries

In other matters, ASUM is of course very supportive of increased levels of pay for both faculty and staff. There is no dispute that they are underpaid. It is also well known that the state will have to struggle in any attempt to fund the increases necessary to recruit and retain the excellence in faculty and staff. Quality of education is affected by salary levels. Students rely on many services and interactions from UM staff and faculty, and the delivery of those services should not be hindered or influenced by a lack of incentive or morale caused by low salaries.

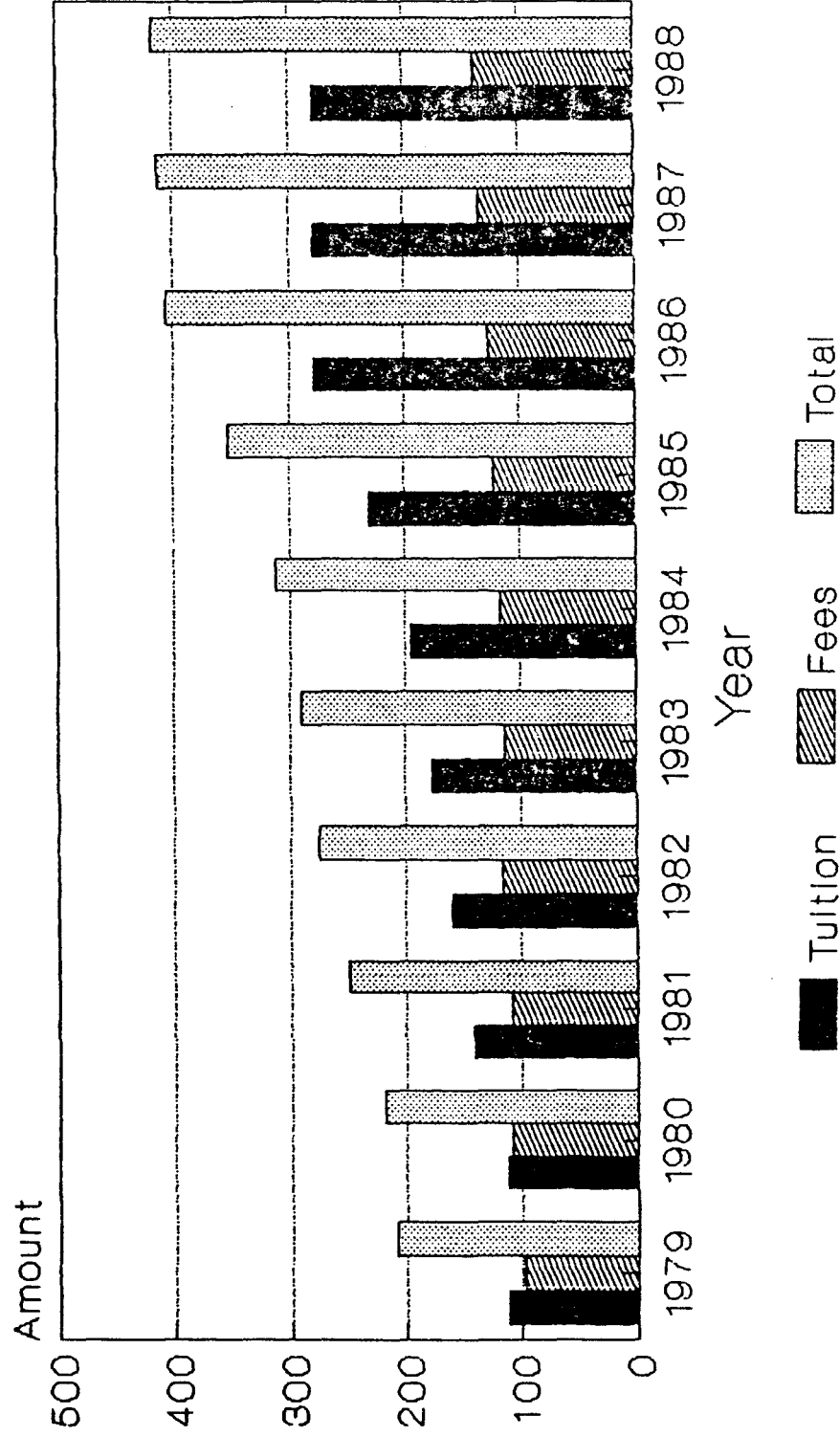
Conclusion

In conclusion, you as lawmakers need to know that students share your same frustrations when it comes to continuing problems between the Legislature

and the Administration of the University System. That is, the problems between creating policy and funding that policy. During the 1988 general election, the Montana electorate overwhelmingly expressed their support for the University System through R-106. The people of Montana support higher education. According to the University Funding Study, UM students contribute 25 percent of the total costs to operate the University of Montana. But the financial burden students carry should not have to be overwhelming, especially when students' ability to influence funding and policy decisions remains minimal.

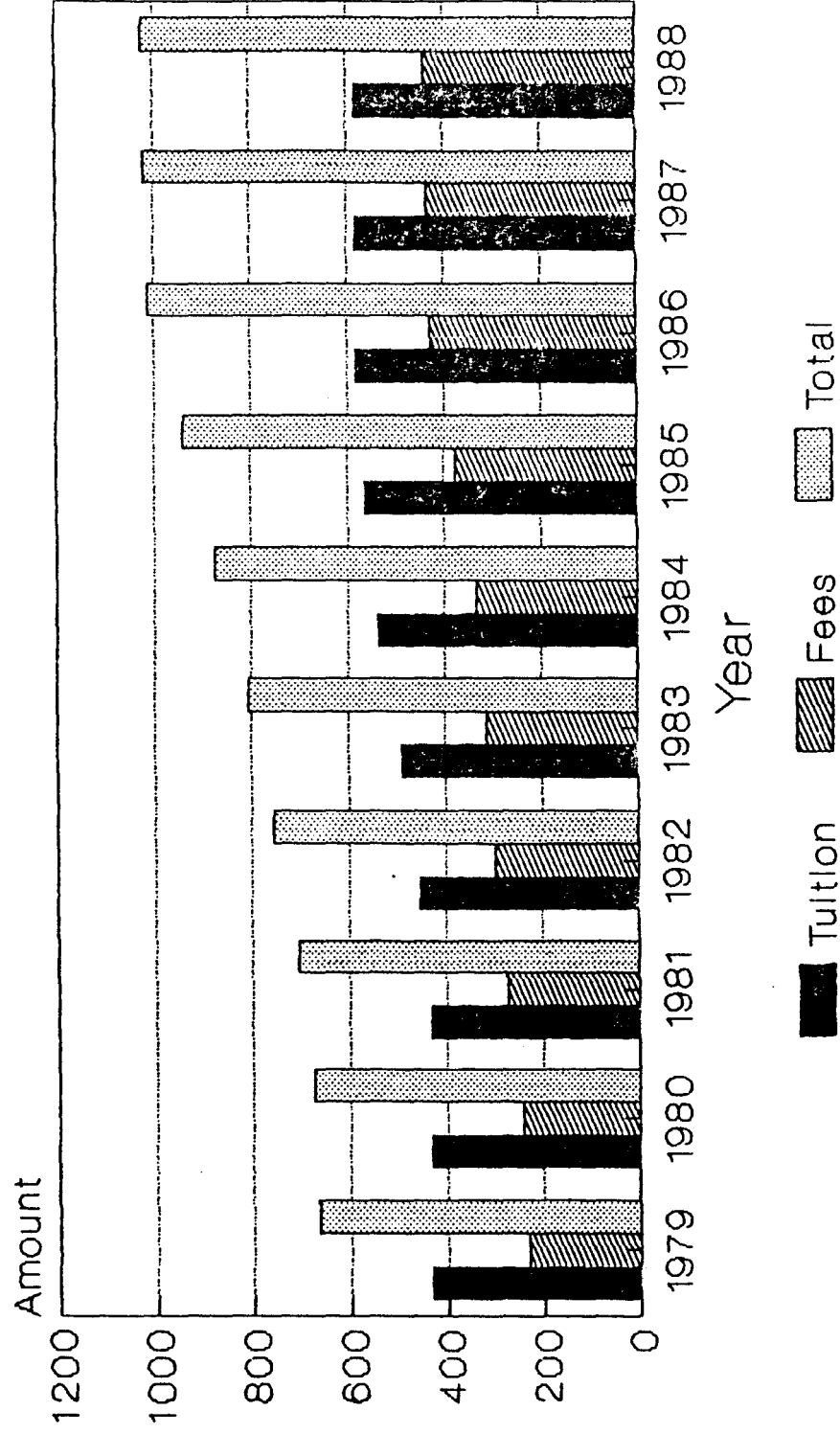
Mr. Chairman and members of the committee, thank you for hearing the concerns of the students of the University of Montana.

Tuition/Fees In-State



Source: Compiled by ASUM from CHE

Tuition/Fees Out-of State



Source: Compiled by ASUM from CHE

Because the number one priority of the board is to improve faculty salaries, the regents' budget recommendation for the coming biennium does not alter the current student/faculty ratio significantly. The board believes, however, that the ratios should be adjusted over the next five years to more closely reflect the peer levels. The board would suggest the following transition.

EXHIBIT 7
DATE Jan 25
HE

	1987		1990	1991	1992	1993	1994
	Peer	Current	1990	1991	1992	1993	1994
MSU	16.14	17.84	17.84	17.50	17.50	17.25	17.00
UM	16.14	18.70	18.70	18.50	18.00	17.50	17.00
EMC	19.16	19.09	19.09	19.00	19.00	19.00	18.50
NMC	15.91	15.45	15.45	15.50	15.50	15.50	15.50
WMCUM	15.03	15.52	15.52	15.50	15.50	15.50	15.50
MCMST	11.61	17.32	17.32	16.50	16.00	15.50	15.00

The student/faculty ratio is a good indicator of faculty productivity at an aggregate institutional level. The peer study survey indicated that Montana campuses were operating right at or near the average to as much as 149% of the peer average at Montana Tech. (See productivity columns on Schedule A.)

AVERAGE FACULTY SALARIES (Schedule B)

The budget recommendation for faculty salaries on the six campuses incorporates a 6% per year increase into the formula components for the instruction program. This is the number one priority of the regents for the coming biennium. The board feels that the 6% should be folded into the average faculty salary formula component as a "catch-up" factor rather than attempting to incorporate the increase in the state pay plan bill. Such an approach would be similar to treating the faculty group as the equivalent of an overall "state classification pay plan upgrade." This has been done for large segments of classified state employees whose salaries under the state pay plan were too low to attract and retain qualified employees. (Computer programmers, accountants, and medical doctors--for example.)

Schedule B shows that the projected average salary for Montana faculty after incorporating the 6% increases in 1990 and 1991 will still be below the 1988 reported regional average faculty salary for similar type institutions. Using the legislative fiscal analyst's method of salary indexing and adjusting for tax capacity shows that a 6% increase is still justified. (See Table 19, F-82 LFA Analysis)

The formula approach recommended by the regents does not adopt salary indexing as a formula technique nor does the board employ tax capacity as a weighting factor. Salary indexing by discipline seems to countermand

VISITOR'S REGISTER

SUBCOMMITTEE

AGENCY (S)

DATE

Jun 25, 1989

DEPARTMENT

Univ of Mont.

NAME	REPRESENTING	SUP- PORT	OP- POSE
Shirley Stearns	University of Montana	✓	
Don Habbt	" " "	✓	
Gary G. Brown	DSL	✓	
Joan Newman	U of M	✓	
Carol Braune	Comm of H. Ed.	✓	
James V. Koch	U of M	✓	
Richard N. Bennett	UTD	✓	
Jack Stanford	U of M (Bio Station)	✓	
Eric Van Houten	WMC	✓	
Ron Erickson	U of Montana	✓	
Dave Fultz	" " "	✓	
Don Spencer	" " "	✓	
Glen Leavitt	WMC	✓	
Laurie Neils	Univ. System	✓	
Bob Kelly	WMC		
Mike Craig	ASUM	✓	
Terry Mow	MFT	✓	

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