MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION

Call to Order: By Chairman Peck, on March 6, 1989, at 8:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

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

Announcements/Discussion: Rep. Peck announced that the Appropriation's Committee has referred 7 bills to the Subcommittee to take action on: 1) Indirect cost 2) KUSM TV Station, 3) Pharmacy, 4) Centennial Scholarship, and 5) Nursing Program.

Rep. Peck stated that the Subcommittee was called in this morning to review the University System Budget and turned the meeting over to Mr. Wolcott who will go over some of the concerns regarding the budget.

HEARING ON UNIVERSITY SYSTEM

Tape No. 1\1:000

Presentation and Opening Statement:

Mr. Wolcott distributed handouts on the summary and comparison of the Stephens/Regent's budget and the budget that the Subcommittee approved. Mr. Wolcott told the Subcommittee Members that he wanted to go over these handouts so when the Subcommittee goes before the House Appropriation's Committee they would know the situation.

Mr. Wolcott started with Exhibit 1 that shows the original Schwinden Budget of $196,301,565 the Subcommittee budget of $212,305 808 that makes a total difference of $16,004,243 which is an increase over the Schwinden budget.

(050)
Mr. Wolcott referred to Exhibit 1, page 2, that shows the Schwinden budget, the Regent's proposed additions that were accepted by the Subcommittee, and the revised budget. Mr.

Wolcott will be referring between Exhibit 1 and Exhibit 2. The summary sheet (See Exhibit 2) shows that the total Schwinden budget is $196,301,564 and the Regent's addition, for a total increase of $16,069,170. Mr. Wolcott stated these figures will go with the figures on page 2 of Exhibit 1 under the Regent's additions in the column of the total biennium for the Commissioner of Higher Education's office, shows that the Subcommittee had added $967,850. Mr. Wolcott stated the adjustments that the Commissioner's office had presented included errors in the Schwinden budget. See Exhibit 1, page 2 under the original Schwinden budget: 1) SSIG, WICHE slots, Minnesota Rural Dentistry, Vo-Tech work study, SEOG match, and the Work Study mod. Mr. Wolcott showed the Work Study mod in exhibit 1 and the modified request in Exhibit 3 for $180,54 are the same.

Community Colleges: Mr. Wolcott stated the Subcommittee had increased the Community Colleges per student costs from $3,692 to $3,907 and reduced the state support to 47 percent. Mr. Wolcott stated that the cost per student is a total increase of $295,657 for the biennium for Community Colleges. See Exhibit 1, page 2, footnote #1.

Vo-Techs: Mr. Wolcott showed where the Subcommittee had added $2,034,581 for the Vo-Techs. See Exhibit 1, page 2, footnote #1.

Six Units: Mr. Wolcott stated the six University units increased by $11,416,000. See Exhibit 1, page 2, footnote #2. Mr. Wolcott stated there are five mod topics included under this: 1) MBA, at U of M, 2) New Space mods, one for U of M, MSU and Eastern that total $455,300. Mr. Wolcott said this report came out of the Commissioner's office. 3) the Water Center mod, and 4) The Law accreditation mod. Mr. Wolcott stated the balance of the difference where the formula generated additions for the six units that totals $10.3 million.

(90)
Ag Experiment Station: Mr. Wolcott stated the Subcommittee added $814,840 and that it is made up of two items: 1) six and six increases for faculty appointments, and 2) the balance made up from the Spring Wheat Breeder mod. for a total of $188,140 for the biennium. See Exhibit 1, page 2.

Mr. Wolcott stated the remainder of the research centers are made up of the six and six salary increases for the faculty appointments. The total of all the additions amount to $16,069,170 (See Exhibit 1, page 2) and these totals also reflect on the summary sheet. See Exhibit 2. page 2.

(105)
Mr. Wolcott gave an overview of the Subcommittee's actions taken from the Regent's additions. Mr. Wolcott stated the reflections of this shows the Subcommittee actions on

miscellaneous funding to get the funding back up to the appropriated 1988 level. Mr. Wolcott stated the net difference from Schwinden's budget and the Subcommittee's actions from the Regent's additions was a reduction of $65,000 over the biennium. See Exhibit 1, page 3. Mr. Wolcott referred to the difference between the total additions and the Stephens proposal is a difference of $3 million. See Exhibit 2.

(128)
Mr. Wolcott gave an overview of how the Board of Regents went over the funding by $3 million. See Exhibit 2.

(145)
Mr. Wolcott stated the Schwinden budget included the Vo-Tech bond payments as general funds. When the Commissioner's office came back into the Subcommittee they proposed paying the bond payments out of the Education Trust fund, and by using the base adjustment of the $1.4 million and the Vo-Tech bond payment is the $3 million difference over Governor Stephen's proposal.

Questions from the Subcommittee Members:

Rep. Peck asked Mr. Noble if he wanted to make any comments regarding the handouts that Mr. Wolcott had just explained.

(165)
Mr. Noble commented that they reconciled with Mr. Wolcott's figures. Mr. Noble stated if the bond payments had been left to be paid out of the Education Trust fund as they have in the past the budget would have had to be reduced by $1.4 million. Mr. Noble said they would have had to bring in $1.4 million in general fund money and commit it to a basic fund expenditure and that is the reason it was left in the Education Trust fund.

Rep. Kadas asked Mr. Noble if this package had been approved by the Executive office for post secondary education? Mr. Noble stated that it was his understanding that they did.

Rep. Peck stated the reason the Commissioner's office is back before the Subcommittee is the Chairman of the House Appropriation's Committee views this as exceeding the $13 million that Governor Stephens has recommended.

(254)
Mr. Joe Williams, OBPP, explained they had agreed to the $13 million increase and stated he still hasn't reconciled with LFA at this time and assumed there weren't any differences in the figures. Mr. Williams stated that Governor Stephen's actions and the Subcommittee's actions came out higher than the Governor's office originally intended. Mr. Williams commented that he didn't know if that amount is over the $13 million in general fund support or if it came from some

other source.

Rep. Peck asked Mr. Williams to find out if it is the $13 million that the Subcommittee is supposed to be operating under? Rep. Peck told the Commissioner that he would present this if they were sure this is what the Executive office approved.

(295)
Sen. Jacobson asked Mr. Wolcott if the actual supplementals that were asked for was not correct? Mr. Wolcott replied that was correct and that basically the difference is from the University System when they withdrew their request for the six mill levy supplemental that totaled $544,000. Mr. Wolcott stated the way HB 301 is now that the Subcommittee approved budget includes the out of state tuition adjustments, the Board of Regent's adjustments, and matching money for Mt. Tech.

Rep. Peck stated there is a problem that he hadn't brought up at the beginning of the meeting that the Subcommittee needs to discuss and that is the Great Falls Vo-Tech Center. Rep. Peck stated there is a change in the contract from their original position regarding the title to the property and that they refused to give it to the Board of Regents. Rep. Peck commented that the bond payment would not be paid off with State dollars if ownership cannot be agreed upon.

Rep. Peck informed the Subcommittee that U of M has a unique problem and asked them if they would be prepared to speak about it at the next Subcommittee meeting. Ms. Weisenburger replied that they would be prepared.

Mr. Noble commented that they have reviewed the U of M situation and the Commissioner's office does not agree with them. The Board of Regents does not feel there was an error or misclassification. Rep. Peck informed Mr. Noble that it is significant enough that the Subcommittee should be aware of it.

Rep. Marks informed the Subcommittee that he and his wife would like to give a prime rib dinner to the Subcommittee Members and planned the dinner for next Tuesday night at 7:00 p.m.

(627)
Mr. Wolcott distributed a handout on the narrative of legislative intent for the Commissioner of Higher Education and suggested that the Subcommittee might want to add language into this bill.

There being no further business the Subcommittee was adjourned.

ADJOURNMENT

Adjournment At: 7:50 a.m.

Rep. Ray Peck

REP. Ray Peck, Chairman

RP/cj

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DAILY ROLL CALL

EDUCATION SUBCOMMITTEE

DATE March 6, 1989

NAME	PRESENT	ABSENT	EXCUSED
REP. RAY PECK, CHAIRMAN	✓		
SEN. SWEDE HAMMOND, VICE CHAIRMAN	✓		
SEN. PAUL BOYLAN	✓		
SEN. JUDY JACOBSON	✓		
REP. MIKE KADAS	✓		
REP. BOB MARKS	✓		
SEN. DENNIS NATHE	✓		

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EXHIBIT

DATE M-Ch...

HB University System

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	Fiscal 1990	Fiscal 1991	Total Biennium	Fiscal 1990	Fiscal 1991	Total Biennium	Fiscal 1990	Fiscal 1991	Total Biennium
Commissioner of Higher Ed									
Admin	$856,059	$841,769	$1,697,828	$821,088	$801,403	1,622,491	($34,971)	($40,366)	($75,337)
Student Assistance	3,838,022	3,967,797	7,805,819	4,270,479	4,329,190	8,599,669	432,457	361,393	793,850
Ed for Econ. Sec	0	0	0	0	0	0	0	0	0
Group Insurance	0	0	0	0	0	0			
Talent Search	0	0	0	0	0	0	0	0	0
Vo-Tech Admin	74,895	71,756	146,651	83,689	80,637	164,326	0	0	0
GSL	0	0	0	0	0	0	8,794	8,881	17,675
Regents Admin	32,817	32,868	65,685	32,817	32,868	65,685	0	0	0
Vo-Tech Bond Pmts	730,905	717,068	1,447,973	730,905	717,068	1,447,973	0	0	0
Total CHE	$5,532,698	$5,631,258	$11,163,956	$5,938,978	$5,961,166	$11,900,144	$406,280	$329,908	$736,188
Community Colleges	3,024,317	3,069,988	6,094,305	3,207,671	3,182,291	6,389,962	183,354	112,303	295,657
Vo-Techs	5,889,126	5,887,661	11,776,787	6,986,719	6,824,649	13,811,368	1,097,593	936,988	2,034,581
Six Units	73,506,099	73,555,525	147,061,624	75,579,179	82,898,787	158,477,966	2,073,080	9,343,262	11,416,342
Ag Experiment	6,188,358	6,200,174	12,388,532	6,603,749	6,821,902	13,425,651	415,391	621,728	1,037,119
Extension Service	2,069,790	2,069,202	4,138,992	2,146,188	2,303,698	4,449,886	76,398	234,496	310,894
Bureau of Mines	1,201,081	1,206,271	2,407,352	1,254,014	1,275,109	2,529,123	52,933	68,838	121,771
Forestry Experiment	630,321	639,696	1,270,017	654,455	667,253	1,321,708	24,134	27,557	51,691
	$98,041,790	$98,259,775	$196,301,565	$102,370,953	$109,934,855	$212,305,808	$4,329,163	$11,675,080	$16,004,243

	Schwinden Budget				Regents Additions			Revised Budget		
	Fiscal 1990	Fiscal 1991	Total Biennium		Fiscal 1990	Fiscal 1991	Total Biennium	Fiscal 1990	Fiscal 1991	Total Biennium
Commissioner of Higher Ed										
Admin	$856,059	$841,769	$1,697,828					856,059	841,769	1,697,828
Student Assistance	3,838,022	3,967,797	7,805,819	1.	475,457	492,393	967,850	4,313,479	4,460,190	8,773,669
Ed for Econ. Sec	0	0	0					0	0	0
Group Insurance	0	0	0					0	0	0
Talent Search	0	0	0					0	0	0
Vo-Tech Admin	74,895	71,756	146,651					74,895	71,756	146,651
GSL	0	0	0					0	0	0
Regents Admin	32,817	32,868	65,685					32,817	32,868	65,685
Vo-Tech Bond Pmts	730,905	717,068	1,447,973					0	0	0
Total CHE	$5,532,698	$5,631,258	$11,163,956		$475,457	$492,393	$967,850	$5,277,250	$5,406,583	10,683,833
Community Colleges	3,024,317	3,069,988	6,094,305		183,354	112,303	295,657	3,207,671	3,182,291	6,389,962
Vo-Techs	5,889,126	5,887,661	11,776,787		1,097,593	936,988	2,034,581	6,986,719	6,824,649	13,811,368
Six Units	73,506,099	73,555,525	147,061,624	2.	2,073,080	9,343,262	11,416,342	75,579,179	82,898,787	158,477,966
Ag Experiment	6,188,358	6,200,174	12,388,532	3.	298,770	516,070	814,840	6,487,128	6,716,244	13,203,372
Extension Service	2,069,790	2,069,202	4,138,992		147,000	302,500	449,500	2,216,790	2,371,702	4,588,492
Bureau of Mines	1,201,081	1,206,271	2,407,352		16,000	33,500	49,500	1,217,081	1,239,771	2,456,852
Forestry Experiment	630,321	639,696	1,270,017		13,400	27,500	40,900	643,721	667,196	1,310,917
	$98,041,790	$98,259,775	$196,301,565		$4,304,654	$11,764,516	$16,069,170	$101,615,539	$109,307,223	$210,922,762

	Fiscal 1990	Fiscal 1991	Total Biennium
1. SSIG MATCH	220,000	220,000	440,000
WICHE SLOTS	70,000	34,400	104,400
MT RURAL DENTISTRY	23,400	23,800	47,200
VO-TECH WORK STUDY	24,863	24,863	49,726
SEOG MATCH	46,921	99,056	145,977
WORK STUDY MOD	90,273	90,274	180,547
	475,457	492,393	967,850
2. MBA MOD	148,160	150,766	298,926
NEW SPACE MODS	227,650	227,650	455,300
WATER CENTER MOD	112,500	112,500	225,000
LAW ACCRED. MOD	75,000	75,000	150,000
FORMULA GENERATED	1,509,770	8,777,346	10,287,116
	2,073,080	9,343,262	11,416,342
3. SIX & SIX	204,700	422,000	626,700
SPRG WHEAT MOD	94,070	94,070	188,140
	298,770	516,070	814,840

pg 7

	Schwinden Budget			Subcommitte Action Net of Regent's Additions			Difference from Schwinden Budget		
Commissioner of Higher Ed									
Admin	$856,059	$841,769	$1,697,828	821,088	801,403	1,622,491	(34,971)	(40,366)	(75,337)
Student Assistance	3,838,022	3,967,797	7,805,819	3,795,022	3,836,797	7,631,819	(43,000)	(131,000)	(174,000)
Ed for Econ. Sec	0	0	0	0	0	0	0	0	0
Group Insurance	0	0	0	0	0	0	0	0	0
Talent Search	0	0	0	0	0	0	0	0	0
Vo-Tech Admin	74,895	71,756	146,651	83,689	80,637	164,326	8,794	8,881	17,675
GSL	0	0	0	0	0	0	0	0	0
Regents Admin	32,817	32,868	65,685	32,817	32,868	65,685	0	0	0
Vo-Tech Bond Pmts	730,905	717,068	1,447,973	730,905	717,068	1,447,973	0	0	0
Total CHE	$5,532,698	$5,631,258	$11,163,956	$5,463,521	$5,468,773	$10,932,294	(69,177)	(162,485)	(231,662)
Community Colleges	3,024,317	3,069,988	6,094,305	3,024,317	3,069,988	6,094,305	0	0	0
Vo-Techs	5,889,126	5,887,661	11,776,787	5,889,126	5,887,661	11,776,787	0	0	0
Six Units	73,506,099	73,555,525	147,061,624	73,506,099	73,555,525	147,061,624	0	0	0
Ag Experiment	6,188,358	6,200,174	12,388,532	6,304,979	6,305,832	12,610,811	116,621	105,658	222,279
Extension Service	2,069,790	2,069,202	4,138,992	1,999,188	2,001,198	4,000,386	(70,602)	(68,004)	(138,606)
Bureau of Mines	1,201,081	1,206,271	2,407,352	1,238,014	1,241,609	2,479,623	36,933	35,338	72,271
Forestry Experiment	630,321	639,696	1,270,017	641,055	639,753	1,280,808	10,734	57	10,791
	$98,041,790	$98,259,775	$196,301,565	$98,066,299	$98,170,339	$196,236,638	$24,509	($89,436)	($64,927)

Pg. 3

EXHIBIT 2
DATE March 6
HB University System

SUMMARY

Schwinden - Total Higher Ed. General Fund	$194,787,906
- Board of Regents General Fund	1,513,658
Total Schwinden Budget	$196,301,564
Regents' Requested Additions	$ 16,069,170
Net Subcommittee Action	(64,926)
Total Action To Date	$212,305,808
Total Additions	$ 16,069,170
Stephen's Proposal	13,000,000
Difference	$ 3,069,170
Regents Proposed Base Adjustments:	
1989 Supplemental	$ 1,140,087
Student Assistance Adjustments	787,303
	$ 1,927,390
Vo-Tech Bond Payments Funding Shift	$ 1,447,973
Total Regents' Adjustments and Funding Shifts	$ 3,375,363

KWS:kj:summ

EXHIBIT 3
DATE March 6
HB University System

HIGHER EDUCATION
SOURCE OF AVAILABLE GENERAL FUND RESOURCES

General Fund Available:	Total
Schwinden - Total Higher Education	$194,787,906
Supplemental	1,140,087
Board of Regents	1,513,658
Total Schwinden Recommendation*	$197,441,651
Agreed Adj Schwinden Budget-CHE Stud Asst**	787,303
Stephens' Recommendation	13,000,000
TOTAL GENERAL FUND AVAILABLE	$211,228,954

Uses of General Fund:	
University System***	$190,863,298
Vocational Technical System	13,975,694
Community Colleges	6,389,962
TOTAL ALLOCATION	$211,228,954

* From page 9, Governor Schwinden's Executive Budget in Brief

** Consists of the following:

	FY 90	FY 91
SSIG Match	$220,000	$220,000
WICHE Slots	70,000	34,400
MT Rural Dentistry	23,400	23,800
Vo-Tech Workstudy	24,863	24,863
SEOG Match	46,921	99,056
TOTAL STUDENT ASSISTANCE ADJ.	$385,184	$402,119

*** Includes the following supplementals:

MSU Non-Resident Tuition Shortfall	$253,660
UM Non-Resident Tuition Shortfall	258,429
Board of Regents	10,000
TOTAL SUPPLEMENTALS	$522,089

209h

STEPHENS'/REGENTS' RECOMMENDATION

UNIVERSITY SYSTEM FUNDS WERE APPLIED AS FOLLOWS:	BIENNIUM TOTALS		
Formula Portion:			
MSU	$ 7,583,020		
UM	3,771,112		
EMC	2,710,960		
NMC	686,673		
WMCUM	569,864		
TECH	1,999,119		
TOTAL FORMULA PORTION - SIX CAMPUSES	$17,320,748		
Modified Requests:			
Increase State Workstudy	$ 180,547 CHE		
MBA Program - UM/EMC	298,926		
New Space:			
UM Corbin/Brantly	400,000	(50,000)	350,000
MSU Culbertson	100,000	(25,000)	75,000
EMC Poly Bldg northfield	39,300	(9,000)	30,300
Water Research Center	279,140	(54,140)	225,000
Law Accreditation	200,000	(50,000)	150,000
TOTAL MODIFIEDS	$ 1,497,913	AES → 188,140	$830,440
TOTAL SIX CAMPUSES	$18,818,661		

FUNDS WERE PROVIDED BY:	BIENNIUM TOTALS	
General Fund	$12,483,093	
Millage	(1,698,200)	
Tuition - Net	8,136,761	
Scholarships & Fellowships	718,063	
Indirect Cost	(1,104,276)	Phase-in
Other	283,220	
NET	$18,818,661	

GENERAL FUND - SUMMARY	TOTAL BIENNIUM
Six Campuses	$158,846,653
Other Agencies	31,494,556
Total	$190,341,209
Add: Supplemental - Regents	10,000
Supplemental - Campus	512,089
TOTAL ALLOCATED - UNIVERSITY SYSTEM	$190,863,298

210h

DATE [illegible]

LEGISLATIVE ACTION HB University System

AGENCY: COMMISSIONER OF HIGHER EDUCATION PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	33.85	61.00	34.00	60.15	61.00	34.00	60.15	26.30
Personal Services	$ 1,031,167	$ 1,649,350	$ 1,129,022	$ 1,690,123	$ 1,651,397	$ 1,130,637	$ 1,677,101	63.90
Operating Expenses	1,588,635	1,465,694	1,156,348	1,505,624	1,285,385	972,336	1,302,879	(5.23)
Equipment	71,440	63,986	16,131	71,131	25,407	3,716	26,716	(0.43)
Non-Operating	15,457,689	17,738,045	18,782,350	20,272,594	19,168,873	20,164,141	21,866,521	31.15
TOTAL EXPENSES	$18,148,931	$20,917,075	$21,083,851	$23,539,472	$22,131,062	$22,270,830	$24,873,217	29.70
FUNDING								
General Fund	$ 4,714,426	$ 4,768,975	$ 4,996,610	$ 5,938,978	$ 4,881,322	$ 4,980,451	$ 5,961,166	25.97
State Special Rev	683,164	281,000	324,000	324,000	279,000	410,000	410,000	(52.57)
Federal Revenue	4,728,870	6,390,705	6,288,241	6,981,494	6,194,343	6,105,379	6,752,051	47.64
Other Revenue	8,022,471	9,476,395	9,475,000	10,295,000	10,776,397	10,775,000	11,750,000	28.33
TOTAL FUNDING	$18,148,931	$20,917,075	$21,083,851	$23,539,472	$22,131,062	$22,270,830	$24,873,217	29.70

Program Description: The Commissioner of Higher Education is the chief administrative officer of the university system, appointed by the Board of Regents as provided in the 1972 Constitution. The commissioner and agency personnel are responsible for providing research, leadership, technical assistance, and staff support to the Board of Regents, the six units, the five vocational-technical centers, and the community colleges. The agency also provides administration for state and federal student assistance programs, not only for educational institutions under the supervision and control of the regents, but also other postsecondary education institutions according to federal program regulations.

The programs of the commissioner's office are discussed in the narrative that follows. Included are: 1) administration program; 2) student assistance program; 3) education for economic security; 4) university system group insurance program; 5) talent search; 6) vo-tech administration; 7) guaranteed student loan program; 8) Board of Regents administration; and 9) vo-tech bond payments.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION

PROGRAM: ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	14.40	14.40	13.90	13.55	14.40	13.90	13.55	(0.85)
Personal Services	$510,086	$578,827	$537,377	$562,885	$579,910	$538,345	$563,883	10.35
Operating Expenses	260,315	276,911	231,706	250,738	261,539	216,841	235,891	(3.68)
Equipment	6,493	320	7,465	7,465	320	1,629	1,629	14.97
TOTAL EXPENSES	$776,894	$856,058	$776,548	$821,088	$841,769	$756,815	$801,403	5.69
FUNDING								
General Fund	$776,894	$856,058	$776,548	$821,088	$841,769	$756,815	$801,403	5.69
TOTAL FUNDING	$776,894	$856,058	$776,548	$821,088	$841,769	$756,815	$801,403	5.69

Program Description: The Administration Program budget provides funding for the major functions of the commissioner's office, including coordination of university system units and vocational technical centers with regard to academic planning, budget planning and funds distribution, legal services, and labor negotiation policies and procedures. This budget also provides staff support and supplies for the Student Assistance Program.

Budget: There is a 0.85 FTE decrease as a result of the full appropriations committee action which deleted positions that were vacant six months or more in fiscal 1988. Deleted are a 0.50 FTE attorney position and a 0.35 FTE clerical position. Personal services increase 10.4 percent due to vacancy savings of 14.6 percent achieved in fiscal 1988 and no vacancy savings applied in the 1991 biennium.

Operating expenses decrease 3.7 percent after reducing operating expenditures $43,538 to the 1988 appropriated level and then adding $19,000 annually for increased computer maintenance charges. Audit fees of $16,847 are included in fiscal 1990.

Equipment is included at the agency requested level of $7,465 in fiscal 1990 and $1,629 in fiscal 1991. The commissioner's office will replace some computer equipment and software, two typewriters, two transcribers, and an overhead projector, and purchase four additional file cabinets.

Funding: The Administration program is funded entirely with general fund which increases 5.7 percent from fiscal 1988 to fiscal 1990.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION

PROGRAM: STUDENT ASSISTANCE PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
WICHE Dues	$ 59,000	$ 65,100	$ 65,100	$ 65,100	$ 68,400	$ 68,400	$ 68,400	10.34
WICHE Student Assistance	1,779,668	1,594,400	1,664,400	1,664,400	1,623,267	1,657,667	1,657,667	(6.48)
WAMI Student Assistance	1,884,790	2,057,872	2,057,872	2,057,872	2,152,280	2,152,280	2,152,280	9.18
MN Rural Dentistry	90,400	70,200	93,600	93,600	71,400	95,200	95,200	3.54
State Student Incentive Grants	419,394	220,000	440,000	440,000	220,000	440,000	440,000	4.91
Perkins Loan (NDSL)	53,981	55,000	55,000	55,000	55,000	55,000	55,000	1.89
Work Study	276,450	276,450	276,450	391,586	276,450	276,450	391,587	41.65
Paul Douglas	45,610	82,728	82,728	82,728	82,728	82,728	82,728	81.38
SEOG	0	0	0	46,921	0	0	99,056	0.00
TOTAL EXPENSES	$4,609,293	$4,421,750	$4,735,150	$4,897,207	$4,549,525	$4,827,725	$5,041,918	6.25
FUNDING								
General Fund	$3,671,125	$3,838,022	$4,108,422	$4,270,479	$3,967,797	$4,114,997	$4,329,190	16.33
State Special Rev	683,164	281,000	324,000	324,000	279,000	410,000	410,000	(52.57)
Federal Revenue	255,004	302,728	302,728	302,728	302,728	302,728	302,728	18.72
TOTAL FUNDING	$4,609,293	$4,421,750	$4,735,150	$4,897,207	$4,549,525	$4,827,725	$5,041,918	6.25

Program Description: The Student Assistance Program includes interstate student assistance through WICHE, the Western Interstate Commission for Higher Education; WAMI, the Washington, Alaska, Montana, and Idaho Medical Education Program; and the Minnesota Rural Dentistry Program (MRD). It also includes three federally-funded programs, the State Student Incentive Program (SSIG), the Perkins Loan Program (formerly NDSL), and the Paul Douglas Teacher Scholarship Program as well as the state-funded College Work Study Program.

Language: If the total federal allocation of Supplemental Educational Opportunity Grant (SEOG) in fiscal 1990 is less than $891,502, 5 percent of the difference between actual collections and the $891,502 will revert to the general fund. If the total federal allocation of Supplemental Educational Opportunity Grant (SEOG) in fiscal 1990 is less than $891,502, 10 percent of the difference between actual collections and the $891,502 will revert to the general fund.

Budget: WICHE dues were budgeted as requested by the agency for a 10.3 percent increase from fiscal 1988 to [illegible]. As shown in Table 1, the total WICHE student assistance budget of $1,664,400 in fiscal 1990 and $1,657,667 in fiscal 1991 will support 83 continuing students and 25 new students in the fields summarized. Due to fewer continuing students in the 1991 biennium the WICHE budget declines 6.5 percent from fiscal 1988 to fiscal 1990.

Table 1

Interstate Student Assistance Programs - Fiscal 1990 and 1991

Program	Continuing Students	New Students	Cost/Slot	Cost Continuing	Cost New	Total Cost
Fiscal 1990						
WICHE						
Administrative Dues						$ 65,100
Student Assistance:						
Medicine	19	5	$22,800	$ 433,200	$114,000	$ 547,200
Osteopathic Medicine	3	2	10,500	31,500	21,000	52,500
Dentistry*	10	2	11,700	117,000	27,300	144,300
Veterinary Medicine	32	10	18,400	588,800	184,000	772,800
Optometry	12	3	6,400	76,800	19,200	96,000
Occupational Therapy	3	1	4,200	12,600	4,200	16,800
Podiatry	2	1	7,200	14,400	7,200	21,600
Public Health	2	1	4,400	8,800	4,400	13,200
Subtotal	83	25		$1,283,100	$381,300	$1,664,400
Minnesota Dentistry	6	2	$11,700	$ 70,200	$ 23,400	$ 93,600
WAMI Medicine	60	20	$34,298	2,057,872	-0-	2,057,872
Total	149	47		$3,411,172	$404,700	$3,880,972
Fiscal 1991						
WICHE						
Administrative Dues						$ 68,400
Student Assistance:						
Medicine	17	5	$22,800	$ 387,600	$114,000	$ 501,600
Osteopathic Medicine	3	2	10,700	32,100	21,400	53,500
Dentistry**	9	2	11,900	111,067	23,800	134,867
Veterinary Medicine	31	10	19,400	601,400	194,000	795,400
Optometry	13	3	6,500	84,500	19,500	104,000
Occupational Therapy	4	1	4,300	17,200	4,300	21,500
Podiatry	3	1	7,300	21,900	7,300	29,200
Public Health	3	1	4,400	13,200	4,400	17,600
Subtotal	83	25		$1,268,967	$388,700	$1,657,667
Minnesota Dentistry	6	2	$11,900	$ 71,400	$ 23,800	$ 95,200
WAMI Medicine	60	20	$35,871	2,152,280	-0-	2,152,280
Total	149	47		$3,492,647	$412,500	$3,973,547

*There is an additional charge of $3,900 for 1 new accelerated student.
**There is an additional charge of $3,967 for 1 continuing accelerated student.

The WAMI student assistance for 60 Montanans to attend medical school at the University of Washington was approved at $2,057,872 for fiscal 1990 and $2,152,280 for fiscal 1991. The average cost per student, as shown in Table 1, is $34,298 in fiscal 1990 and $35,871 in fiscal 1991.

Minnesota Rural Dentistry includes two new slots each year of the biennium, consistent with policy established by the 49th Legislature during the 1985 session to maintain a total of four new slots per year between the MRD and the WICHE program. The budget for Minnesota Rural Dentistry is $93,600 in fiscal 1990 and $95,200 in fiscal 1991. The average cost per student is $11,700 in fiscal 1990 and increases to $11,900 in fiscal 1991.

The State Student Incentive Grants Program increases $20,606 to $440,000 each year of the 1991 biennium. This total includes $220,000 of state general fund and is matched dollar-for-dollar with $220,000 of federal funds. Because of the matching requirement, if the federal funds are reduced, any general fund balance would revert.

The Perkins Loan (direct student loan program) is continued with $55,000 general fund to use for match with federal funds. Federal matching funds, which are awarded directly to colleges and universities throughout the state, are projected to be $550,000.

The Paul Douglas Teacher Scholarship Program increases $37,118 over the fiscal 1988 expended level to $82,728 in each year of the 1991 biennium. This increase results from an increase in the grant award and a fund balance carried forward to the 1991 biennium.

Program Expansions:

1. Work Study. The legislature expanded the state-funded College Work Study Program to $24,863 each year of the biennium to include the students of the state's five vocational technical centers.

2. SEOG Grant. The committee added state matching funds of $46,921 in fiscal 1990 and $99,056 in fiscal 1991 for the Supplemental Educational Opportunity Grant (SEOG). These funds are awarded to undergraduate students with exceptional financial need. These grants did not require state matching funds in the past but beginning in fiscal 1990 the state is required to match federal funds with 5 percent state funds, in fiscal 1991 a 10 percent match is required, followed by fifteen percent in subsequent years.

3. Revised Budget Work Study. The legislature approved additional work study funding as part of the revised Stephen's/Regent's budget. The legislature added $90,273 in fiscal 1990 and $90,274 in fiscal 1991. This sum corresponds with the increase in tuition that is a part of the revised budget.

Funding: The general fund increases 16.3 percent primarily as a result of increases in state work study and the addition of SEOG matching funds. Coal tax interest earnings from the education trust provide funding for WICHE dues and support a portion of the WICHE student assistance program decrease by 52.6 percent. The education trust earnings were appropriated elsewhere during the 1987 legislature resulting in lower earnings for use by the regents. Federal funds include $220,000 federal match for the State Student Incentive Grant Program and $82,728 for the Paul Douglas Teacher Scholarship Program.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION

PROGRAM: EDUCATION FOR ECONOMIC SECURITY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$ 176	$ 1,576	$ 1,576	$ 1,576	$ 1,576	$ 1,576	$ 1,576	795.45
Non-Operating	115,423	159,985	159,985	159,985	159,985	159,985	159,985	38.61
TOTAL EXPENSES	$115,599	$161,561	$161,561	$161,561	$161,561	$161,561	$161,561	39.76
FUNDING								
Federal Revenue	$115,599	$161,561	$161,561	$161,561	$161,561	$161,561	$161,561	39.76
TOTAL FUNDING	$115,599	$161,561	$161,561	$161,561	$161,561	$161,561	$161,561	39.76

Program Description: Education for Economic Security is designed to upgrade the teaching skills of educators in the mathematics and science disciplines through Title II of the Education for Economic Security Act. As required by the federal act, the offices of the Commissioner of Higher Education and the Superintendent of Public Instruction have completed a statewide needs assessment on the teaching of mathematics, science, computer learning, and foreign languages in Montana. Competitive proposals designed to respond to the priority needs are submitted annually by the postsecondary institutions in the state and grants are awarded based on the decisions of a review panel.

Budget: There are no FTE or personal services costs for this program. Recommended operating expenses total $1,576 per year for office supplies, postage, travel, and other program costs. The non-operating costs total $159,985 each year for competitive grants to be awarded to vo-techs, community colleges, the six units, and private educational institutions.

Funding: This program is funded entirely with federal funds.

AGENCY: COMMISSIONER OF HIGHER EDUCATION PROGRAM: MUS GROUP INSURANCE PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.00
Personal Services	$ 64,165	$ 68,356	$ 66,961	$ 69,751	$ 68,420	$ 67,023	$ 69,816	8.71
Operating Expenses	338,799	308,039	308,039	325,249	307,977	307,977	320,184	(4.00)
Equipment	1,174	0	0	0	0	0	0	(100.00)
Non-Operating	7,618,333	9,100,000	9,100,000	9,900,000	10,400,000	10,400,000	11,360,000	29.95
TOTAL EXPENSES	$8,022,471	$9,476,395	$9,475,000	$10,295,000	$10,776,397	$10,775,000	$11,750,000	28.33
FUNDING								
Other Revenue	$8,022,471	$9,476,395	$9,475,000	$10,295,000	$10,776,397	$10,775,000	$11,750,000	28.33
TOTAL FUNDING	$8,022,471	$9,476,395	$9,475,000	$10,295,000	$10,776,397	$10,775,000	$11,750,000	28.33

Program Description: The Board of Regents is responsible for providing university system employees with group benefits pursuant to Sections 2-18-808 and 809, 20-2-114, and Title 20, Chapter 25, MCA. Board of Regent's guidelines for the partially self-insured group insurance program are contained in policy item 51-901-R0696, which states that administrative costs shall not exceed the amount of the premium tax savings that would be incurred under a conventional group plan plus any interest earned on reserves. There is an advisory committee comprised of faculty and staff to oversee and assess this program which is renewed through competitive bids each biennium.

Budget: Personal services increase 8.7 percent from fiscal 1988 to fiscal 1990 due to the elimination of vacancy savings in fiscal 1990.

Operating expenses decrease 4.0 percent from fiscal 1988 due to reduced expenditures for the Wellness Program. Wellness Program funds are paid by employees as part of the premiums and returned to the campuses for health promotion and risk reduction activities. Wellness Program funds total $318,547 in fiscal 1990 and $313,543 in fiscal 1991, down from $326,336 expended in fiscal 1988 and $340,000 budgeted in fiscal 1989.

Non-operating costs consist of claims and insurance premiums which are included at the agency requested level. Minimum premiums are $1,500,000 in fiscal 1990 and $1,700,000 in fiscal 1991 for an increase of 34.5 percent over the 1989 biennium. Claims are requested at $8,400,000 in fiscal 1990 and $9,660,000 in fiscal 1991. Based on agency projections the program will be in a deficit reserve position in fiscal 1990 of $3,031,790 and have a reserve deficit of $6,582,000 by the end of fiscal 1991.

Funding: This program is funded through employee and employer premiums and interest earnings on invested fund balances.

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	6.00	6.15	6.15	6.15	6.15	6.15	6.15	0.15
Personal Services	$130,368	$123,361	$136,067	$155,275	$123,428	$136,141	$140,351	19.11
Operating Expenses	38,737	43,495	43,564	59,864	45,702	44,058	44,058	54.54
TOTAL EXPENSES	$169,105	$166,856	$179,631	$215,139	$169,130	$180,199	$184,409	27.22
FUNDING								
Federal Revenue	$169,105	$166,856	$179,631	$215,139	$169,130	$180,199	$184,409	27.22
TOTAL FUNDING	$169,105	$166,856	$179,631	$215,139	$169,130	$180,199	$184,409	27.22

Program Description: Talent Search is a federal program which provides career and financial aid counseling to students who are low income, physically handicapped, or culturally disadvantaged. There are six program coordinators located around the state who provide services one-to-one and in small groups to prevent high school dropout and to assist in postsecondary education planning, enrollment, and adjustment to higher education studies and campus life.

Budget: The 0.15 FTE increase is to adjust a 0.68 FTE to 0.83 in line with the other coordinator positions. Overall personal services increase 19.1 percent due to the increased FTE, vacancy savings achieved in fiscal 1988, and equity adjustments for the coordinator positions under regent's contracts.

Operating expenses increase 54.5 percent primarily as a result of the $31,300 in State Higher Education Executive Officers (SHEEO) grant operating funds for fiscal 1990.

Program Expansions:

1. SHEEO Grant. The legislature approved the addition of $31,300 in grant funds from the State Higher Education Executive Officers (SHEEO) for fiscal 1990. The purpose of the grant is to evaluate the process to improve the success of minorities in achieving the baccalaureate degree. The grant is for a fourteen month period which actually begins in fiscal 1989. This approval by the legislature extends the spending authority for the grant into fiscal 1990.

Funding: The funding for Talent Search is entirely federal funding while the SHEEO grant is from private sources.

AGENCY: COMMISSIONER OF HIGHER EDUCATION

PROGRAM: VO-TECH ADMINISTRATION

	FY 1988	Fiscal 1990			Fiscal 1991			FY 88-90
BUDGET ITEM	Actual	Executive	LFA Curr Lvl	Subcommittee	Executive	LFA Curr Lvl	Subcommittee	% Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Personal Services	$ 144,168	$ 183,371	$ 187,113	$ 187,113	$ 183,632	$ 187,380	$ 187,380	29.79
Operating Expenses	25,510	28,635	33,687	33,687	28,761	33,894	33,894	32.05
Equipment	8,861	6,579	6,579	6,579	0	0	0	(25.75)
Non-Operating	2,158,861	4,056,310	4,056,310	4,584,497	4,059,363	4,059,363	4,587,550	112.36
TOTAL EXPENSES	$2,337,400	$4,274,895	$4,283,689	$4,811,876	$4,271,756	$4,280,637	$4,808,824	105.86
FUNDING								
General Fund	$ 70,459	$ 74,895	$ 83,689	$ 83,689	$ 71,756	$ 80,637	$ 80,637	18.78
Federal Revenue	2,266,941	4,200,000	4,200,000	4,728,187	4,200,000	4,200,000	4,728,187	108.57
TOTAL FUNDING	$2,337,400	$4,274,895	$4,283,689	$4,811,876	$4,271,756	$4,280,637	$4,808,824	105.86

Program Description: The Board of Regents is the sole state agency for federal vocational education requirements. Therefore, all federal vocational education funds are received by the Board of Regents through the Deputy Commissioner of Vo-Tech Center Education for distribution to: 1) the Office of Public Instruction through the transfer process for distribution to secondary education grantees; and 2) postsecondary grantees through the request-for-proposal (RFP) process.

Governance of the vocational-technical centers was transferred from the Office of Public Instruction to the Board of Regents. A deputy Commissioner of Vocational-Technical Center Education was appointed in the commissioner's office. The deputy commissioner is the chief administrative officer for the Board of Regents for its vocational-technical center rules, policies, and staff.

Budget: Personal services increase 29.8 percent over fiscal 1988 due to: 1) vacancy savings achieved in fiscal 1988, the first year of this program; 2) an increase in salary of approximately $15,000 for the program director position; and 3) no vacancy savings applied to the 1991 biennium budget.

Operating expenses increase 32.1 percent over fiscal 1988 due to savings in fiscal 1988 which does not reflect a full year of operation. Fiscal 1988 was the first year of the program in the commissioner's office.

Non-operating costs increase 112.4 percent over fiscal 1988 because fiscal 1988 only reflects new federal funds received during the start-up of the program. The federal fund balances for fiscal 1988 remained in the Office of Public Instruction budget. The 1991 biennium figures reflect expected federal revenue plus fund balances for granting to vocational programs throughout the state.

Program Expansions:

1. Carl Perkins Funds. The legislature added $528,187 of Carl Perkins funds each year based on revised projections of federal revenue provided by the Commissioner of Higher Education. The additional funds will be distributed to vocational programs in the state on a competitive basis.

Funding: Funding for this program includes Carl Perkins Vocational Education grants. Of the total $4.7 million per year, approximately $1.9 million is for postsecondary vo-tech grants and $2.7 million is for secondary vocational education transfers to the Office of Public Instruction for distribution. The remaining $144,000 per year supports administrative costs. The general fund in this program supports administrative costs.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION PROGRAM: GUARANTEED STUDENT LOAN

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	5.95	32.95	5.95	32.95	32.95	5.95	32.95	27.00
Personal Services	$ 168,980	$ 695,435	$190,304	$ 701,699	$ 696,007	$190,548	$ 702,271	315.26
Operating Expenses	905,551	807,038	521,025	815,093	639,830	351,188	647,808	(9.99)
Equipment	54,912	57,087	2,087	57,087	25,087	2,087	25,087	3.96
TOTAL EXPENSES	$1,129,443	$1,559,560	$713,416	$1,573,879	$1,360,924	$543,823	$1,375,166	39.35
FUNDING								
Federal Revenue	$1,129,443	$1,559,560	$713,416	$1,573,879	$1,360,924	$543,823	$1,375,166	39.35
TOTAL FUNDING	$1,129,443	$1,559,560	$713,416	$1,573,879	$1,360,924	$543,823	$1,375,166	39.35

Program Description: The Guaranteed Student Loan Program is a federal student aid program which was established in Montana by the 1979 legislature for the purpose of allowing eligible students to receive loans from participating lender institutions. The federal program guarantees these loans and makes administrative cost reimbursements to the program. During fiscal year 1988, the Montana Guaranteed Student Loan Program began the process of placing the guaranteed student loan processing function within the Commissioner of Higher Education's office as approved by the Board of Regents. Prior to fiscal 1988, United Student Aid Funds (USA Funds) handled all processing as a contracted service. As of April 1, 1988, all guaranteed student loans are processed in Helena through a remote telecommunications link with USA Funds, Inc. in Indianapolis, which is Phase I of the implementation of the student loan processing service. Phases II and III will be implemented during fiscal year 1989. The expansion was implemented by budget amendment in the 1989 biennium. The legislature approved a budget modification to complete implementation of the program for the 1991 biennium.

Budget: There is a 27.00 FTE increase approved to implement the loan processing in Helena. Overall personal services increase 315.3 percent over the 1988 expended level.

Operating expenses decrease 10 percent from fiscal 1988 to fiscal 1990 and another 20.5 percent from fiscal 1990 to fiscal 1991. This decrease represents the phase-down of contracted services with USA Funds Inc. as the program takes over all loan processing locally. Equipment increases 4 percent in fiscal 1990 and decreases 56 percent in fiscal 1991 as the program completes its equipment purchases for the conversion.

Program Expansion:

1. Student Loan Processing. The legislature approved the requested student loan processing modification adding 27.00 FTE and $860,238 in fiscal 1990 and $831,566 in fiscal 1991.

Funding: This program is funded with a combination of program fees and federal administrative allowance payments from the United States Department of Education under the Higher Education Act of 1965 as amended.

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	$13,400	$13,400	$11,200	$13,400	$13,400	$11,200	$13,400	0.00
Operating Expenses	19,547	19,417	16,751	19,417	19,468	16,802	19,468	(0.67)
Non-Operating	163,000	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$195,947	$32,817	$27,951	$32,817	$32,868	$28,002	$32,868	(83.25)
FUNDING								
General Fund	$195,947	$32,817	$27,951	$32,817	$32,868	$28,002	$32,868	(83.25)

Program Description: The Board of Regents consists of seven members who are responsible for supervision, coordination, management, and control of Montana's university system and three community colleges, pursuant to the 1972 Montana Constitution, Article X, Section 9, Subsection (2).

Legislative Intent: It is the intent of the legislature that the Board of Regents become administratively attached to the Office of the Commissioner of Higher Education to facilitate internal management functions.

Budget: Personal services costs represent per diem for board members. The approved budget level allows for 268 meeting days per year at $50 per day or a total of $13,400 per year. This averages just over three meeting days per month per member. Operating expenses are at approximately the same level as was expended in fiscal 1988. The Master's of Business Administration Program funds that were appropriated to the Board of Regents by the Fiftieth Legislature are included in the University of Montana budget.

Funding: This program is entirely funded with general fund.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: VO-TECH BOND PAYMENTS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-Operating	$792,778	$730,905	$730,905	$730,905	$717,068	$717,068	$717,068	(7.80)
TOTAL EXPENSES	$792,778	$730,905	$730,905	$730,905	$717,068	$717,068	$717,068	(7.80)
FUNDING								
General Fund	$ 0	$730,905	$ 0	$730,905	$717,068	$ 0	$717,068	0.00
Federal & Other Revenue	792,778	0	730,905	0	0	717,068	0	(100.00)
TOTAL FUNDING	$792,778	$730,905	$730,905	$730,905	$717,068	$717,068	$717,068	(7.80)

Program Description: The Board of Regents was authorized in House Bill 39 to lease or purchase any building, land, and/or property at a vocational-technical center from the respective school districts. The Board of Regent's acquired the facilities in Helena and Missoula for $10 each. The Board of Regents has entered into contracts with the school districts for facilities at Billings, Butte, and Great Falls to retire the districts' bonded indebtedness. The Fiftieth Legislature appropriated $1,454,690 from the education trust for the 1989 biennium to fund the estimated debt retirement for the biennium.

Legislative Intent: The legislature asked that the Board of Regents insure that the contracts with the districts indicate that the State of Montana receive a deed to the respective facilities for which debt retirement is provided.

Budget: The legislature approved the bond payment schedules which provide total payments of $730,905 in fiscal 1990 and $717,068 in fiscal 1991. Table 2 shows the balance of principal, interest, and total debt by center as well as the years remaining and the biennial payments by center.

Table 2
Vocational-Technical Centers Bonded Indebtedness

	Butte	Billings	Great Falls	Total
Years Remaining	9	10	5	----
Principal Balance	$2,720,000	$ 950,000	$500,000	$4,170,000
Interest Balance	1,491,290	197,648	51,550	1,740,488
Balance of Debt	$4,211,290	$1,147,648	$551,550	$5,910,488
1991 Biennium Payments	$ 939,945	$ 272,128	$235,900	$1,447,973

Funding: The vo-tech bond payments are funded with general fund.

LEGISLATIVE ACTION

AGENCY: FIRE SERVICES TRAINING | PROGRAM: FIRE SERVICES TRAINING SCHOOL

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Personal Services	$156,549	$158,691	$161,922	$161,922	$158,779	$162,012	$162,012	3.43
Operating Expenses	58,645	60,182	49,238	92,038	57,903	47,959	70,759	56.94
Equipment	456	0	3,184	17,184	3,000	3,184	3,184	3,668.42
TOTAL EXPENSES	$215,650	$218,873	$214,344	$271,144	$219,682	$213,155	$235,955	25.73
FUNDING								
General Fund	$196,814	$198,473	$201,172	$215,172	$199,282	$202,822	$202,822	9.33
Federal Revenue	8,501	0	0	0	0	0	0	(100.00)
Other Revenue	10,335	20,400	13,172	55,972	20,400	10,333	33,133	441.58
TOTAL FUNDING	$215,650	$218,873	$214,344	$271,144	$219,682	$213,155	$235,955	25.73

Program: The Fire Services Training School is located in the Great Falls Vocational Technical Center. The purpose of the school is to provide support and training for the state's fire services personnel. The school also provides some public education programs to promote fire safety and prevention.

Language:

The Fire Service Training School shall be provided office, classroom, and storage space in the Great Falls Vocational-Technical Center at no charge.

Budget: The budget approved by the legislature provides a 25.7 percent increase from fiscal 1988 to fiscal 1990. Personal services increase because the agency realized a 3.4 percent vacancy savings in fiscal 1988 and there was no vacancy savings applied in the 1991 biennium. Operating expenses increase 56.9 percent because of the net of 1) a discontinued federal grant of $6,500 for training and $4,300 in contract services and supplies purchased with vacancy savings were removed from the base; 2) increases of $804 for computer processing; 3) increases of $527 for insurance, and 4) program expansions discussed below. The equipment budget will provide some computer equipment and one set of protective clothing for staff.

Program Expansions: The subcommittee approved five program expansions as follows:

1. <u>Vehicle</u> - $14,000 of general fund for a new vehicle in fiscal 1990,

2. <u>Office Lease</u> - $8,400 each year from proprietary funds for leasing new office space,

3. <u>Instructor Compensation</u> - $5,400 each year from proprietary funds for instructor compensation,

4. <u>Training Seminars</u> - $9,000 each year from proprietary funds for special training seminars,

5. <u>Training Delivery</u> - $20,000 from proprietary funds as a <u>biennial appropriation</u> for training delivery.

Funding: The general fund provides nearly 80 percent of the funding for the Fire Services Training School. The remaining 20 percent, or $55,972 in fiscal 1990, is proprietary funds expected from the sale of goods and services. Proprietary funds of $20,000 included in fiscal 1990 support a biennial appropriation for training delivery.

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
Student FTE	1730	1733	1723	1733	1733	1723	1733	3.00
Dawson	$ 699,792	$ 722,777	$ 688,674	$ 722,777	$ 714,317	$ 680,034	$ 714,317	3.28
Flathead	1,622,024	1,718,046	1,636,177	1,718,046	1,709,586	1,627,537	1,709,586	5.92
Miles	724,926	766,848	713,148	766,848	758,388	704,508	758,388	5.78
TOTAL EXPENSES	$3,046,742	$3,207,671	$3,037,999	$3,207,671	$3,182,291	$3,012,079	$3,182,291	5.28
FUNDING								
General Fund	$3,046,742	$3,207,671	$3,037,999	$3,207,671	$3,182,291	$3,012,079	$3,182,291	5.28
TOTAL FUNDING	$3,046,742	$3,207,671	$3,037,999	$3,207,671	$3,182,291	$3,012,079	$3,182,291	5.28

Program Description: The state's three community colleges, Dawson in Glendive, Flathead Valley in Kalispell, and Miles in Miles City, are organized in accordance with the provisions of Title 20, Chapter 15, MCA. Each community college district has an elected board of trustees accountable and supervised by the Board of Regents.

Language: The legislature approved the following language, which is consistent with that adopted by the legislature during the last regular session:

> The above appropriation provides 47 percent of the total current unrestricted budgets for the community colleges, which budgets shall be approved by the Board of Regents.
>
> The general fund appropriation for each community college includes 47 percent of the total audit cost. The remaining 53 percent of these costs are to be paid from funds other than those appropriated in items 1 through 3. The total audit costs may not exceed $18,000 for each unit during the biennium.

Budget: The community college formula determines both the unrestricted budget and the general fund appropriation for the community colleges. The variables of the community college formula are: 1) Student FTE, 2) cost factor per student, and 3) percentage of state support for the unrestricted budget. Table 1 shows the student enrollment calculations and the legislature's adjustment. The University Study Committee, the Board of Regents, and the university units agreed that student enrollment for the formula should be based on the average of the previous two year's actual enrollment. The legislature adjusted Miles Community College enrollment by 10.00 FTE as a transition adjustment.

Table 1
Community College Student Enrollment
1991 Biennium

College	Fiscal 1987 FTE	Fiscal 1988 FTE	2-Year Average	Legislature Adjustment	Adjusted FTE
Dawson	408	369	389	0	389
Flathead	906	956	931	0	931
Miles	401	405	403	10	413
Total	1,715	1,730	1,723	10	1,733

The cost factor per student was increased to $3,907 for each year of the biennium based on the revised "Stephen's/Regent's" budget request. The commissioner's office revised the original budget requests for all postsecondary agencies based on Governor Stephen's revised budget proposal which included an additional $13.0 million of funding for higher education. Table 2 shows the formula calculation for the community colleges based on the revised budget request. In addition to increasing the per student cost factor the revised request reflects a lower percent of state support, 47 percent compared with 48 percent in the original budget request. Audit costs are included at $18,000 per community college with general fund supporting 47 percent or $8,460 for each college for a total of $25,380.

Table 2
Calculation of the Community College Unrestricted Budget
1991 Biennium

	Fiscal 1990								Fiscal 1991							
College	FTE		Cost Factor		Total Unrestricted Budget		% State Support	General Fund	FTE		Cost Factor		Total Unrestricted Budget		% Support	General Fund
Dawson	389	x	$3,907	=	$1,519,823	x	47	$ 714,317	389	x	$3,907	=	$1,519,823	x	47	$ 714,317
Flathead	931	x	3,907	=	3,637,417	x	47	1,709,586	931	x	3,907	=	3,637,417	x	47	1,709,586
Miles	413	x	3,907	=	1,613,591	x	47	758,388	413	x	3,907	=	1,613,591	x	47	758,388
Audit	0		0		54,000	x	47	25,380	0		0		0	x	47	0
Total	1,733				$6,824,831			$3,207,671	1,733				$6,770,831			$3,182,291

Program Expansions:

1. Cost Factor Increase. The "Stephen's/Regent's" revised budget as approved by the legislative increases the per student cost factor by $265 each year of the biennium. This increase is mitigated somewhat by applying a lower percent of state support. The total increase is $304,919 of general fund over the biennium. This amount is part of the $13.0 million additional higher education funding proposed by Governor Stephens.

Funding: The community college assistance is funded with general fund which increases 5.3 percent from fiscal 1988 to fiscal 1990.

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	FY 88-90 % Change
FTE Enrollment	2,393	2,336	2,336	2,336	2,336	2,336	2,336	(57)
Billings	$1,682,130	$ 1,845,772	$1,537,644	$ 1,845,772	$ 1,823,358	$1,519,982	$ 1,823,358	9.73
Butte	1,379,119	1,682,279	1,359,562	1,682,279	1,659,865	1,340,479	1,659,865	21.98
Great Falls	1,442,531	1,997,305	1,515,164	1,997,305	1,974,891	1,497,115	1,974,891	38.46
Helena	2,098,635	2,484,920	1,903,450	2,484,920	2,462,506	1,886,953	2,462,506	18.41
Missoula	1,932,877	2,649,987	1,740,545	2,649,987	2,627,573	1,726,060	2,627,573	37.10
Total Expenses	$8,535,292	$10,660,263	$8,056,365	$10,660,263	$10,548,193	$7,970,589	$10,548,193	24.90
FUNDING								
General Fund	$4,925,044	$ 6,986,719	$4,520,651	$ 6,986,719	$ 6,824,649	$4,392,158	$ 6,824,649	41.86
Mandatory Millage	849,500	787,000	847,455	787,000	796,000	849,995	796,000	(7.36)
Additional Millage	0	0	0	0	0	0	0	0.00
Tuition And Fees	1,663,171	1,938,070	1,796,850	1,938,070	1,938,070	1,796,851	1,938,070	16.53
Ed. Trust Interest	156,438	141,000	83,935	141,000	182,000	124,111	182,000	(9.87)
Federal Funds	761,976	807,474	807,474	807,474	807,474	807,474	807,474	5.97
Other	179,163	0	0	0	0	0	0	(100.00)
Total Funding	$8,535,292	$10,660,263	$8,056,365	$10,660,263	$10,548,193	$7,970,589	$10,548,193	24.90

Program Description: Montana's five postsecondary vocational-technical centers are located in Billings, Butte, Great Falls, Helena, and Missoula and serve approximately 2,400 students annually. House Bill 39 from the 1987 legislature transferred governance of the vocational-technical centers from the superintendent of public instruction to the board of regents of higher education. House Bill 39 also essentially converted the vocational-technical centers from local school district responsibility to the state. This conversion is reflected in the budgeting for the 1991 biennium. Employees must be reclassified under the state pay and classification system, school district services to the centers are replaced, and local additional mill levy support is replaced.

Budget: The vo-tech centers' budgets in the past were estimated with a formula which was implemented in the 1983 session. Since the formula did not estimate the center's entire budget, but just the current unrestricted portion which did not include operations funded by the school district or the local voted mill levy, the formula is no longer functional. In response to Governor Stephen's budget proposal to add $13 million to postsecondary education budgets and address the additional program requirements due to the transfer, the board of regents presented a revised budget for the five vo-tech centers.

The approved budget increases 25 percent from fiscal 1988 to fiscal 1990. The individual center increases vary from 1.4 percent for Missoula to 13.5 percent for Great Falls. These differences relate to the amount of local support at each center with Great Falls receiving the most school district support in the past and Billings the least. Table 1 summarizes the adjustments to the fiscal 1988 base to arrive at the approved budget as proposed by the board of regents.

Program Expansions: The adjustments in Table 1 are discussed in the narrative that follows.

Additional Mill Levy: In the 1989 biennium additional voted mill levies were appropriated at each of the five centers. Section 20-16-297, MCA, allows the local school district trustees to provide additional vocational-technical center funding through voted mill levies for the centers for fiscal 1988 and 1989. No provision is made to continue the voted levy beyond fiscal 1989. In fiscal 1988, as Table 1 shows, an additional $1,600,950 was utilized by the centers from the school district voted levy to supplement the general operating budgets of the centers. The legislature in the past did not consider these funds in the development of the budget, however, each center has relied on this supplemental source of income for general operations. The approved budget includes the the operations supported by the voted levy in the past using general fund and student tuition as funding.

Indirect School District Support: The school districts in the past have provided various services in support of the vo-tech centers. These services include accounting, personnel, purchasing, custodial, building and grounds maintenance, student financial aid services, and others. The school districts will no longer provide these services effective July 1, 1989. Table 1 shows the amount of indirect district support received by each center that is funded with general fund in the approved budget. The amount of support ranges from a low of $30,205 or 1.5 percent of total budget for Missoula to a high of $131,369 or 9.1 percent of total budget for Great Falls. The total adjustment to the base budget is $387,808 each year of the biennium.

Table 1
VOCATIONAL TECHNICAL CENTERS
Revised Budget Base

Fiscal 1990		Fiscal 1990 Adjustments						
CENTER	FY 1988 Actual	Additional Mill Levy	Indirect District Support	Employee Classification Conversion	Audit Fee Increase	FY 1988 Base Adjustment	Total Program Expansion	FY 1990 Budget
Billings	$1,682,130	$ 83,805	$ 70,585	$ 6,171	$ 3,081	$ 0	$ 163,642	$ 1,845,772
Butte	1,379,119	223,049	72,506	4,524	3,081	0	303,160	1,682,279
Great Falls	1,442,531	316,985	131,369	21,441	3,081	81,898	554,774	1,997,305
Helena	2,098,635	297,541	83,143	1,446	4,155	0	386,285	2,484,920
Missoula	1,932,877	679,570	30,205	3,180	4,155	0	717,110	2,649,987
Total Expenses	$8,535,292	$1,600,950	$387,808	$36,762	$ 17,553	$ 81,898	$2,124,971	$10,660,263
FUNDING								
General Fund	$4,925,044	$1,407,949	$387,808	$36,762	$ 17,553	$211,603	$2,061,675	$ 6,986,719
Mandatory Millage	849,500	0	0	0	0	(62,500)	(62,500)	787,000
Additional Millage	0	0	0	0	0	0	0	0
Tuition And Fees	1,663,171	193,001	0	0	0	81,898	274,899	1,938,070
Ed. Trust Interest	156,438	0	0	0	0	(15,438)	(15,438)	141,000
Federal Funds	761,976	0	0	0	0	45,498	45,498	807,474
Other	179,163	0	0	0	0	(179,163)	(179,163)	0
Total Funding	$8,535,292	$1,600,950	$387,808	$36,762	$ 17,553	$ 81,898	$2,124,971	$10,660,263

Fiscal 1991		Fiscal 1991 Adjustments						FY 1991 Budget
Billings	$1,682,130	$ 83,805	$ 70,585	$ 6,171	$(19,333)	$ 0	$ 141,228	$ 1,823,358
Butte	1,379,119	223,049	72,506	4,524	(19,333)	0	280,746	1,659,865
Great Falls	1,442,531	316,985	131,369	21,441	(19,333)	81,898	532,360	1,974,891
Helena	2,098,635	297,541	83,143	1,446	(18,259)	0	363,871	2,462,506
Missoula	1,932,877	679,570	30,205	3,180	(18,259)	0	694,696	2,627,573
Total Expenses	$8,535,292	$1,600,950	$387,808	$36,762	$(94,517)	$ 81,898	$2,012,901	$10,548,193
FUNDING								
General Fund	$4,925,044	$1,407,949	$387,808	$36,762	$(94,517)	$161,603	$1,899,605	$ 6,824,649
Mandatory Millage	849,500	0	0	0	0	(53,500)	(53,500)	796,000
Additional Millage	0	0	0	0	0	0	0	0
Tuition And Fees	1,663,171	193,001	0	0	0	81,898	274,899	1,938,070
Ed. Trust Interest	156,438	0	0	0	0	25,562	25,562	182,000
Federal Funds	761,976	0	0	0	0	45,498	45,498	807,474
Other	179,163	0	0	0	0	(179,163)	(179,163)	0
Total Funding	$8,535,292	$1,600,950	$387,808	$36,762	$(94,517)	$ 81,898	$2,012,901	$10,548,193

Employee Classification Conversion: The employees of the vo-tech centers will become state employees effective July 1, 1989. Based on estimates from the Department of Administration the Board of Regents has requested a biennial appropriation for $73,524 to fund the conversion of the vo-tech employees to the state pay and classification system. Table 1 includes the estimates for each center.

Audit Fee Increase: The audit fees for the 1991 biennium are $22,414 for each center compared with $19,333 for Billings, Butte, and Great Falls and $18,259 for Helena and Missoula in the 1989 biennium. The increases are $3,081 and $4,155 respectively. Ten percent of the audit fees, $2,490, are funded from non-appropriated sources.

Base Adjustments: The Great Falls Vo-tech Center collected excess tuition revenue based on increased enrollment in fiscal 1988 for which they are granted a base adjustment in the approved budget. The increase in the base is $81,898 and is funded with tuition. Funding adjustments for lower estimated mandatory mill levy, education trust earnings, and other revenue and higher estimated federal funds are included in the base adjustments. The mandatory mill levy is estimated to be $62,500 less in fiscal 1990 than in fiscal 1988 and $53,500 lower in fiscal 1991. Education trust interest earnings are $15,438 lower in fiscal 1990 and $25,562 higher in fiscal 1991 than in fiscal 1988.

Funding: The vocational technical centers are funded from the general fund, tuition, county millage, interest from the education trust, and federal vo-ed funds.

General Fund: The general fund increases 41.9 percent from fiscal 1988 to fiscal 1990. Most of this increase results from replacing the local voted mill levy and the indirect school district support.

Tuition: Tuition, which is set by the board of regents, increases 16.5 percent from fiscal 1988 to fiscal 1990. Tuition revenue is approximately 18 percent of the total revenue of the centers in the 1991 biennium compared with 16.4 percent in the 1989 biennium. Tuition totals $1,938,070 each year of the 1991 biennium.

County Millage: Section 20-7-324, MCA, requires the county commissioners in each county in which a vo-tech center is located to levy one and one-half mills for the support and maintenance of the center located within that county. Decreases in property valuation cause a millage decline of 7.4 percent from fiscal 1988 to fiscal 1990.

Education Trust Interest: Section 90-6-211, MCA, authorizes the use of ten percent of the interest from the education trust, which is funded by the coal tax, for operating costs incurred by the postsecondary vo-tech centers and the adult basic education programs. Interest earnings from the education trust to support vo-techs are $141,000 in fiscal 1990 and $182,000 in fiscal 1991.

Federal Vocational-Education Funds: Federal vocational-education funds are available to Montana through the Carl D. Perkins Vocational Education Act (P.L. 98-524). Vo-tech centers must submit applications to receive available funds. Federal vo-ed funds increase 6 percent from fiscal 1988 to fiscal 1990. The estimated funds to be utilized by the centers each year of the 1991 biennium is $807,474.

Table 2 is a summary of the personal services line-itemed in the vocatoinal-technical center budgets for each year of the 1991 biennium.

Table 2
Vo-Tech Center Personal Services Line-Item

	Billings	Butte	Great Falls	Helena	Missoula	Total
Fiscal 1990						
Instruction	$100,274	$ 69,909	$229,116	$165,429	$303,615	$ 868,343
Plant	33,571	18,309	30,895	96,026	52,597	231,398
Support	99,506	115,749	63,656	144,353	248,067	671,331
Total	$233,351	$203,967	$323,667	$405,808	$604,279	$1,771,072
Fiscal 1991						
Instruction	$100,274	$ 69,909	$229,116	$165,429	$303,615	$ 868,343
Plant	33,571	18,309	30,895	96,026	52,597	231,398
Support	99,506	115,749	63,656	144,353	248,067	671,331
Total	$233,351	$203,967	$323,667	$405,808	$604,279	$1,771,072

LEGISLATIVE ACTION

AGENCY: BUREAU OF MINES

PROGRAM: BUREAU OF MINES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	26.43	25.44	26.82	26.82	25.44	26.82	26.82	0.39
Personal Services	$ 885,962	$ 880,164	$ 898,863	$ 914,863	$ 880,753	$ 899,457	$ 932,957	3.26
Operating Expenses	331,694	332,517	333,529	365,651	333,518	334,530	366,652	10.24
Equipment	60,849	41,400	23,000	26,500	45,000	25,000	28,500	(56.45)
TOTAL EXPENSES	$1,278,505	$1,254,081	$1,255,392	$1,307,014	$1,259,271	$1,258,987	$1,328,109	2.23
FUNDING								
General Fund	$1,232,538	$1,201,081	$1,202,392	$1,254,014	$1,206,271	$1,205,987	$1,275,109	1.74
State Special	45,967	53,000	53,000	53,000	53,000	53,000	53,000	15.30
TOTAL FUNDING	$1,278,505	$1,254,081	$1,255,392	$1,307,014	$1,259,271	$1,258,987	$1,328,109	2.23

Program Description: The Bureau of Mines and Geology is a public service and research agency at the Montana College of Mineral Science and Technology in Butte. The bureau gathers, field tests, analyzes, catalogs, and disseminates information on ground water, metals, oil, gas, coal, and other non-metallic minerals. The bureau participates in cooperative ground-water studies with the United States Geological Survey.

Budget: The 0.39 FTE increase is due to recategorizing the personnel, as shown in Table 1. The FTE have increased 0.39 FTE, while salaries have fallen $4,174.

Table 1
Comparison of FTE and Salary Cost Appropriated in Fiscal 1988 to Requested for Fiscal 1990

	FTE			Salary Cost		
Category	FY88	FY89	Diff.	FY88	FY89	Diff.
Contract Faculty	15.56	10.64	(4.92)	$542,266	$380,537	$(161,729)
Contract Professional	1.50	5.50	4.00	52,275	201,551	149,276
Classified	8.65	9.30	0.65	144,308	152,133	7,825
Part-Time	0.72	1.38	0.66	12,000	12,454	454
Total	26.43	26.82	0.39	$750,849	$746,675	$ (4,174)

The increase in personal services is the result of the net of: 1) a salary reduction of $4,174, plus approximately $800 in benefits because personnel were recategorized; 2) a 6.0 percent increase in salaries for affiliated faculty in each fiscal year which is a program expansion discussed below; and 3) a 1 percent vacancy savings realized in fiscal 1988 but not applied in fiscal 1990. Operating costs are restored to the fiscal 1988 appropriated level, resulting in a 10.2 percent increase over actual expenditures. Appropriated amounts for equipment are for assorted laboratory equipment in fiscal 1990 and a microscope in fiscal 1991.

Program Expansion: Salary Increases - The legislature approved an additional $16,000 in fiscal 1990 and $33,500 in fiscal 1991 for a 6 percent salary increase for affiliated faculty. These salary increases are included in the Stephen's/Regent's revised budget and result from the "six and six" percent faculty increases negotiated by the Board of Regents.

Funding: State special revenue from the sale of maps and publications is budgeted at $53,000 each year, and the balance of the funding is general fund which increases 1.7 percent from fiscal 1988 to fiscal 1990.

LEGISLATIVE ACTION

AGENCY: AGRICULTURAL EXPERIMENT STATION PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	259.70	273.27	258.66	260.67	273.27	258.66	260.67	0.97
Personal Services	$6,902,129	$7,004,031	$6,870,155	$7,392,653	$7,004,616	$6,870,286	$7,610,129	7.11
Operating Expenses	1,494,559	1,511,610	1,334,080	1,488,275	1,522,602	1,340,854	1,488,272	(0.42)
Equipment	154,800	126,965	119,000	129,000	126,965	119,000	129,000	(16.67)
Non-Operating	979	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$8,552,467	$8,642,606	$8,323,235	$9,009,928	$8,654,183	$8,330,140	$9,227,401	5.35
FUNDING								
General Fund	$6,204,844	$6,236,427	$5,917,056	$6,603,749	$6,248,684	$5,924,641	$6,821,902	6.43
State Special	674,320	700,044	700,044	700,044	699,364	699,364	699,364	3.81
Federal Revenue	1,673,303	1,706,135	1,706,135	1,706,135	1,706,135	1,706,135	1,706,135	1.96
TOTAL FUNDING	$8,552,467	$8,642,606	$8,323,235	$9,009,928	$8,654,183	$8,330,140	$9,227,401	5.35

Program Description: The Montana Agricultural Experiment Station was established in 1893 at the state's land-grant university in Bozeman to conduct and promote studies, scientific investigations, and experiments relating to agriculture, natural resources, and rural life and to provide information thereby acquired to the people of Montana. In addition to the campus research departments, there are seven applied research centers located around the state to serve specific agricultural areas and to be representative in soil, climate, and other variables for research tests. The agency summary table includes both the Main Station Program and the United States Livestock and Range Research Laboratory.

AGENCY: AGRICULTURAL EXPERIMENT STATION

PROGRAM: MAIN STATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	243.00	257.27	240.99	243.00	257.27	240.99	243.00	0.00
Personal Services	$6,563,256	$6,594,529	$6,508,722	$7,031,220	$6,595,353	$6,509,533	$7,249,376	7.13
Operating Expenses	1,483,699	1,500,999	1,323,469	1,477,664	1,511,991	1,330,243	1,477,661	(0.41)
Equipment	155,213	123,965	116,000	126,000	123,965	116,000	126,000	(18.82)
Non-Operating	979	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$8,203,147	$8,219,493	$7,948,191	$8,634,884	$8,231,309	$7,955,776	$8,853,037	5.26
FUNDING								
General Fund	$6,204,844	$6,188,358	$5,917,056	$6,603,749	$6,200,174	$5,924,641	$6,821,902	6.43
State Special	325,000	325,000	325,000	325,000	325,000	325,000	325,000	0.00
Federal Revenue	1,673,303	1,706,135	1,706,135	1,706,135	1,706,135	1,706,135	1,706,135	1.96
TOTAL FUNDING	$8,203,147	$8,219,493	$7,948,191	$8,634,884	$8,231,309	$7,955,776	$8,853,037	5.26

Program Description: The Main Station budget funds agricultural research at 13 departments in Bozeman and at seven applied research centers: central in Moccasin, western in Corvallis, northern in Havre, southern in Huntley, northwestern in Kalispell, eastern in Sidney, and western triangle in Conrad. There are seven advisory committees comprised of representatives from the area served by each center and a statewide agricultural experiment station advisory council consisting of delegates elected by the local committees.

Budget: FTE are unchanged, the result of the net of program expansion adding 1.00 FTE for the Spring Wheat Breeding Program, and changing the categories of FTE, as shown in Table 1. The recategorization decreases FTE by 1.00 FTE and increases personal services by $2,062 and therefore increases the average salaries.

Table 1
FTE Comparison and Cost Analyst of Agency Changing FTE Categories

Category	Approp.	Req.	Diff.	Average Salary	FTE Cost Diff
Contract Faculty	91.00	90.09	(0.91)	$31,357	$(28,535)
Contract Prof.	23.00	27.09	4.09	25,238	103,223
Classified	96.00	90.92	(5.08)	17,510	(88,951)
Grad. Research Asst.	16.00	17.00	1.00	17,965	17,965
Part-Time	17.00	16.90	(0.10)	16,401	(1,640)
Total	243.00	242.00	(1.00)		$ 2,062

Personal services have increased by 7.1 percent because of: 1) an increase of $2,062 resulting from FTE recategorization; 2) vacancy savings of nearly $230,000 realized in fiscal 1988 but not applied in fiscal 1990; 3) a program expansion resulting in a 6 percent increase in salaries for affiliated faculty was approved as discussed below; and 4) a program expansion of $46,070 for personal services each year for the Spring Wheat Breeding Program.

Operating expenses decrease 0.4 percent because of the net of: 1) elimination of $38,577 vacancy savings realized in fiscal 1988 which was expended in operating; 2) net inflationary increases of $20,500 in various categories, primarily fuel, utilities, and communications; and 3) approval of a program expansion for the Spring Wheat Breeding Program which increases operating expenses $12,000 over the fiscal 1988 level.

Equipment decreases 18.8 percent to $126,000 each year for laboratory equipment. This is the level appropriated for the 1989 biennium. There is $10,000 added each fiscal year for equipment for the Spring Wheat Breeding Program.

Program Expansions: Two program expansion approved by the legislature are as follows:

1. Salary Increases - The legislature approved an additional $204,700 in fiscal 1990 and $422,000 in fiscal 1991 for a 6 percent salary increase each year for affiliated faculty. These salary increases are included in the Stephen's/Regent's revised budget and result from the "six and six" percent faculty increases negotiated by the Board of Regents.

2. Spring Wheat Breeding Program - The legislature approved $94,070 for a Spring Wheat Breeding Program to be expended as follows: 1.00 FTE and $46,070 per year in personal services; $38,000 per year in operating expenses; and $10,000 per year for equipment. This program is oriented toward improving the economic yield and marketability of spring wheat.

Funding: There is $325,000 state special revenue included each year from agricultural sales based on the agency's revenue projections. Federal revenue increases 2.0 percent and includes $1,143,730 of Hatch Act formula funds and

$562,405 of Hatch Act regional funds for agricultural research in cooperation with other western states on joint projects. Remaining funding is from the general fund.

LEGISLATIVE ACTION

AGENCY: AGRICULTURAL EXPERIMENT STATION PROGRAM: U.S. RANGE LABORATORY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	16.70	16.00	16.67	16.67	16.00	16.67	16.67	(0.03)
Personal Services	$338,873	$409,502	$361,433	$361,433	$409,263	$360,753	$360,753	6.66
Operating Expenses	10,860	10,611	10,611	10,611	10,611	10,611	10,611	(2.29)
Equipment	(413)	3,000	3,000	3,000	3,000	3,000	3,000	(826.39)
TOTAL EXPENSES	$349,320	$423,113	$375,044	$375,044	$422,874	$374,364	$374,364	7.36
FUNDING								
State Special	$349,320	$423,113	$375,044	$375,044	$422,874	$374,364	$374,364	7.36

Program Description: The United State Livestock and Range Research Laboratory at Miles City is a cooperative program of the United States Department of Agriculture and the state through the Montana Agricultural Experiment Station. The purpose of the laboratory is to improve the production of beef and to increase range forage efficiency.

Budget: Personal services increases 6.7 percent because vacancy savings of approximately $23,000 realized in fiscal 1988 were not applied in the 1991 biennium. Operating expenses are essentially equal to fiscal 1988 actual expenses. The agency request for equipment of $3,000 per year for general laboratory equipment was accepted by the legislature.

Funding: Funding is from state special cattle sale revenue.

LEGISLATIVE ACTION

AGENCY: COOPERATIVE EXTENSION SERVICE

PROGRAM: PUBLIC SERVICE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Legislature	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Legislature	FY 88-90 % Change
FTE	115.77	101.08	114.55	115.77	101.08	114.55	115.77	0.00
Personal Services	$3,227,201	$3,470,181	$3,365,818	$3,696,236	$3,471,756	$3,391,882	$3,878,901	14.53
Operating Expenses	520,610	520,421	483,664	483,304	521,204	484,447	484,372	(7.17)
Equipment	13,132	25,696	20,000	20,000	22,750	20,000	20,000	52.30
TOTAL EXPENSES	$3,760,943	$4,016,298	$3,869,482	$4,199,540	$4,015,710	$3,896,329	$4,383,273	11.66
FUNDING								
General Fund	$1,865,470	$2,069,790	$1,816,130	$2,146,188	$2,069,202	$1,816,754	$2,303,698	15.05
Federal Revenue	1,895,473	1,946,508	2,053,352	2,053,352	1,946,508	2,079,575	2,079,575	8.33
TOTAL FUNDING	$3,760,943	$4,016,298	$3,869,482	$4,199,540	$4,015,710	$3,896,329	$4,383,273	11.66

Program Description: The Montana Cooperative Extension Service is the state agency responsible for disseminating useful and practical information on subjects relating to agriculture and home economics, as well as managing the 4-H program. The agency is located at Montana State University in Bozeman and has four area offices, plus the local county extension agent offices. The extension service is part of the national land-grant university system.

Budget: Personal services increases because the legislature approved: 1) an agency restructuring at a cost of $36,000 per year, as shown in Table 1; 2) a program expansion resulting in salary increases of 6 percent for affiliated faculty in each year of the biennium, as discussed below; and 3) increases in employee benefit costs for federal employees of $106,844 in fiscal 1990 and $133,067 in fiscal 1991. The employee benefits increases are to be funded with federal dollars.

Table 1
Comparison of FTE and Cost of Salaries by Employee Category

	FTE			Cost		
Category	Approp.	Request	Diff.	Approp.	Request	Difference
Contract Faculty	81.89	81.46	(0.43)	$2,038,591	$2,035,662	$ (2,929)
Contract Professional	9.00	11.11	2.11	351,209	441,988	90,779
Classified	23.20	22.03	(1.17)	369,539	325,144	(44,395)
Part-Time	1.68	1.17	(0.51)	27,984	20,581	(7,403)
Total	115.77	115.77	0.00	$2,787,323	$2,823,375	$ 36,052

Operating expenses decreased 7.2 percent, primarily because travel was reduced by $36,763 to the appropriated amount for fiscal 1988. Equipment expenditures for library books and general equipment was approved at the average of fiscal 1986, 1987, and 1988.

Program Expansions: Salary Increases - The legislature approved an additional $147,000 in fiscal 1990 and $302,500 in fiscal 1991 for a 6 percent salary increase each year for affiliated faculty. These salary increase are included in the Stephen's/Regent's revised budget and result from the "six and six" percent faculty increases negotiated by the Board of Regents.

Funding: Funding is from general fund and from unrestricted Smith-Lever funds from the United State Department of Agriculture. The agency's projection is that federal funds will increase to $1,946,508 plus $106,844 for increased benefit costs in fiscal 1990 and $133,067 in fiscal 1991. The federal funds are provided the the Smith-Lever funds and other federal funds which may provide for the benefit increases.

LEGISLATIVE ACTION

AGENCY: FORESTRY & CONSERVATION EXPERIMENT STATION — PROGRAM: RESEARCH

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE	16.09	15.82	16.09	16.09	15.82	16.09	16.09	0
Personal Services	$494,495	$489,212	$488,789	$512,969	$489,389	$488,789	$527,069	3.74
Operating Expenses	125,373	126,109	126,486	126,486	126,807	127,184	127,184	0.89
Equipment	12,682	15,000	15,000	15,000	23,500	13,000	13,000	18.28
TOTAL EXPENSES	$632,550	$630,321	$630,275	$654,455	$639,696	$628,973	$667,253	3.46
FUNDING								
General Fund	$632,550	$630,321	$630,275	$654,455	$639,696	$628,973	$667,253	3.46

Program Description: The Montana Forest Conservation and Experiment Station's purposes include the study of relationships between forests and other dimensions of the environment, the discovery of ways to improve the products of forest lands, and the completion and publication of reports about forestry research. Research is carried on at Lubrecht Experimental Forest and at other locations in Montana in cooperation with private, state, and federal agencies.

Budget: Personal services increase because personnel were recategorized as shown in Table 1, and because a program expansion raises salaries, as discussed below.

Table 1
FTE and Salary Costs
Fiscal 1990 and 1991

	Legislature	Agency Request	Difference
FTE			
Professional	9.00	8.57	(0.43)
Classified	5.90	5.98	0.08
Graduate Research Assts.	0.64	0.65	0.01
Part-Time	0.55	0.62	0.07
Total FTE	16.09	15.82	(0.27)
Average Salary			
Professional	$ 29,767	$ 30,991	$ 1,224
Classified	19,921	21,490	1,569
Graduate Research Assts.	18,341	9,360	(8,981)
Part-Time	17,015	17,030	15
Cost			
Professional	$267,903	$265,593	$(2,310)
Classified	117,534	128,510	10,976
Graduate Research Assts.	11,738	6,084	(5,654)
Part-Time	9,358	10,559	1,201
Total	$406,533	$410,746	$ 4,213

Table 1 shows that the recategorizing of FTE resulted in a decrease of 0.27 FTE and an increase of $4,213 in salaries. The resulting increase in personal services, including benefits, is therefore approximately $5,000.

Operating expenses were restored to the fiscal 1988 appropriated level and increase less than 1 percent. Equipment increases 18.3 percent from fiscal 1988 to fiscal 1990. The equipment budget funds one half-ton four-by-four truck in fiscal 1990 and office equipment to replace a copier and single user computers in fiscal 1991.

Program Expansions: Salary Increases - The legislature approved an additional $13,400 in fiscal 1990 and $27,500 in fiscal 1991 for a 6 percent salary increase each year for affiliated faculty. These salary increases are included in the Stephen's/Regent's revised budget and result from the "six and six" percent faculty increases negotiated by the Board of Regents.

Funding: Funding is entirely from the general fund.

LEGISLATIVE ACTION

AGENCY: MONTANA UNIVERSITY SYSTEM -- SIX UNITS

PROGRAM: System Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	FY 88-90 % Change
FTE Enrollment	24,103	24,617	24,617	24,617	24,617	24,617	24,617	514
EXPENDITURES								
Instruction	$ 59,371,002	$ 63,209,501	$ 59,919,602	$ 63,209,501	$ 67,869,553	$ 59,934,170	$ 67,869,553	6.47
Support	34,032,220	35,441,486	34,591,445	35,441,486	36,183,089	34,599,966	36,183,089	4.14
Research	1,115,208	1,296,658	1,119,897	1,296,658	1,297,396	1,120,309	1,297,396	16.27
Public Service	436,449	449,425	418,869	449,425	452,800	419,160	452,800	2.97
Plant Oper & Maint	15,833,300	16,694,282	15,915,760	16,694,282	17,352,947	16,142,235	17,352,947	5.44
Scholar & Fellow	2,944,341	3,331,912	2,928,580	3,331,912	3,331,912	2,928,580	3,331,912	13.16
Total Expenses	$113,732,520	$120,423,264	$114,894,153	$120,423,264	$126,487,697	$115,144,420	$126,487,697	5.88
FUNDING								
General Fund	$ 73,058,241	$ 75,588,179	$ 74,297,532	$ 75,579,179	$ 82,913,787	$ 74,575,799	$ 82,898,787	3.45
Millage	12,864,200	12,050,000	12,050,000	12,050,000	12,022,000	12,022,000	12,022,000	(6.33)
Tuition And Fees	26,084,109	30,924,805	26,641,946	30,924,805	30,924,805	26,641,946	30,924,805	18.56
Indirect Costs	1,194,980	1,227,175	1,230,175	1,227,175	0	1,227,175	0	2.69
Other	530,990	642,105	677,500	642,105	642,105	677,500	642,105	20.93
Total Funding	$113,732,520	$120,432,264	$114,897,153	$120,423,264	$126,502,697	$115,144,420	$126,487,697	5.88

Program Description: The Montana University System is composed of two universities and four colleges which serve approximately 25,000 students each year. Program budgets of the units of the university system include instruction, support, organized research, public service, operation and maintenance of plant, and scholarships and fellowships.

Budget: The budget was developed using the university formula developed by the University Funding Study Committee during the 1989 biennium interim study. Expenditures are categorized in six functional areas: instruction, support, plant operations and maintenance, research, public service, and scholarships and fellowships. Instruction, support, and scholarships and fellowships are developed using an enrollment driven formula while research, public service and plant operations and maintenance are developed using an incremental budgeting method.

Formula Data Elements: The Funding Study Committee adopted six data elements for the instruction and support program formula budgeting: 1) fiscal year FTE student enrollment, 2) student faculty ratios, 3) instructional faculty salary, 4) benefit rates, 5) instructional support costs, and 6) support program costs.

Instruction: The university system budget for the instruction program is $131,079,054 for the 1991 biennium. The instruction budget is developed using data elements 1 through 5 above. The instruction budget is a combination of instructional faculty compensation and instructional support costs which consist of support personnel and actual instructional operating costs and instructional equipment. Instructional compensation is calculated using student enrollment, student faculty ratios, and an average faculty salary plus benefits. The student enrollment is divided by the student faculty ratio to compute the FTE faculty. The FTE faculty is then multiplied by the average faculty salary plus benefits to compute total instructional faculty compensation. An instructional support rate per FTE student is multiplied by the student enrollment and added to the faculty compensation to determine the total instruction budget. The following narrative explains each factor and the calculation.

The enrollments used in the formula budgets are based on the average of the previous two years' actual enrollments. Table 1 shows the enrollments for fiscal 1987 and 1988 and the average used in the 1991 biennium budget calculations.

Table 1
Montana University System - FTE Student Enrollment

	Actual	Actual	- - - - - - Budgeted	- - - - - -
Unit	Fiscal 1987	Fiscal 1988	Fiscal 1990	Fiscal 1991
MSU	9,664	9,287	9,476	9,476
UM	7,966	7,552	7,759	7,759
EMC	3,288	3,303	3,296	3,296
NMC	1,710	1,551	1,631	1,631
WMC	926	828	877	877
MCMST	1,573	1,582	1,578	1,578
Total Enrollment	25,127	24,103	24,617	24,617

Table 2 shows the student faculty ratios used in the formula and the average faculty salaries and benefits. The student faculty ratio used in fiscal 1990 is based on the application of the 1981 formula instructional productivity ratios to a two-year average of credit hour enrollment by discipline area. The 1991 student faculty ratio is based on the university system proposal to reduce the gap between the Montana units and their peers by one-eighth while the faculty salaries are based on the "six-and-six" percent increases negotiated with the units by the board of regents. The benefit rates are based on the anticipated 1991 biennium rates for teachers' retirement, FICA, state unemployment, workers' compensation, and group health insurance.

Table 2
Instruction Program - Formula Factors

	Student/Faculty Ratios		Faculty Salaries		Benefit Rates (%)	
	FY 90	FY 91	FY 90	FY 91	FY 90	FY 91
MSU	17.84	17.63	$33,100	$35,086	19.919	19.947
UM	18.70	18.38	33,100	35,086	19.994	20.022
EMC	19.09	19.00	28,000	29,680	20.762	20.818
NMC	15.45	15.50	27,000	28,620	21.047	21.037
WMCUM	15.51	15.46	27,000	28,620	21.065	21.093
MCMST	17.32	16.61	33,100	35,086	19.996	20.024

Table 3 shows the instructional support rates adopted by the legislature. The fiscal 1990 and 1991 rates are based on reducing the gap between the Montana units and their peers by one-eighth from the fiscal 1987 actual rates as reported to the University Funding Study Committee.

Table 3
Instruction Program - Instructional Support Rates Adopted

	Fiscal 1990	Fiscal 1991
MSU	$485	$514
UM	385	428
EMC	319	331
NMC	331	350
WMCUM	360	379
MCMST	525	557

Support: The support budget totals $71,624,575 for the 1991 biennium which is a 10.6 percent increase over the 1989 biennium appropriated level. The support budget includes academic, institutional, and student services support and includes such expenditures as intercollegiate athletics, libraries, counseling, registration, academic deans, and other administrative functions. Support is calculated using student enrollment and a flat rate per FTE student. Table 4 shows the support rates adopted for the 1991 biennium budget. The base support program rate is the fiscal 1987 actual rate as reported to the University Funding Study Committee by the units. The fiscal 1990 rate is based on reducing the gap between the Montana units and their peers by one-eighth. The fiscal 1991 rate is based on further reducing the gap between the Montana units and their peers by one-twelfth.

Table 4
Support Program - Formula Factors

	Fiscal 1990 & 1991	Support Rate		Support Cost	
	Enrollment	Fiscal 1990	Fiscal 1991	Fiscal 1990	Fiscal 1991
MSU	9,476	$1,390	$1,436	$13,218,682	$13,607,536
UM	7,759	1,377	1,424	10,731,185	11,048,816
EMC	3,296	1,469	1,486	4,887,482	4,897,856
NMC	1,631	1,465	1,473	2,427,809	2,402,463
WMCUM	877	1,566	1,602	1,411,776	1,404,954
MCMST	1,578	1,723	1,788	2,764,552	2,821,464
Total	24,617			$35,441,486	$36,183,089

Audit costs of $262,188 are included in the support program budget. EMC, NMC, WMCUM, and MCMST are required to fund 25 percent of the audit costs from funds other than current unrestricted. MSU and UM are required to fund 50 percent from sources other than current unrestricted funds.

Research: MSU, MCMST, and UM have research programs. These budgets are incrementally budgeted using fiscal 1988 expenditures within the appropriated levels. The research budget for the three units for the 1991 biennium totals $2,594,054. The research budget increases 16.3 percent from fiscal 1988 to fiscal 1990 as the legislature approved the expanded expenditure base of $64,000 at the University of Montana and added $112,500 per year at MSU for a Water Research Center.

Public Service: Four units have public service programs which are incrementally budgeted. The public service budget for MSU, UM, EMC, and NMC for the 1991 biennium totals $902,225 which is an increase of 3 percent from fiscal 1988 to fiscal 1990.

Plant: The plant operation and maintenance incremental budget for the 1991 biennium totals $34,047,229 and increases 5.4 percent from fiscal 1988 to fiscal 1990. The legislature approved the board of regent's proposed plant budget with an increase of 4 percent from fiscal 1988 to fiscal 1990 and another 4 percent from fiscal 1990 to fiscal 1991. The legislature approved new space modified budgets for MSU, UM, and EMC totaling $455,300 or $227,650 each year of the biennium. MSU is adding office space in Culbertson Hall, previously a student residence hall, UM is adding office space in Brantly/Corbin Hall, previously a student residence hall, and EMC is adding office space for athletics in a building next to the EMC campus purchased from the Small Business Administration.

Scholarships and Fellowships: This program budget is $6,663,824 for the 1991 biennium and increases 13.2 percent from fiscal 1988 to fiscal 1990 primarily due to higher tuition. This budget is developed using 5.75 percent of anticipated in-state registration and incidental fees and 18.45 percent of projected out-of-state incidental fees. Projections are also included for mandatory fee waivers for eligible students: Native Americans, veterans, senior citizens, high school honor recipients, war orphans, prisoners of war, custodial, community college honor, and national merit.

Program Expansions: The legislature approved as part of the "Stephen's/Regent's" revised budget $1,497,913 in program expansions. Included are: $180,547 to expand state work study, $298,926 for the UM extension MBA program at EMC, $455,300 for new space as discussed above, $225,000 for a water research center, $150,000 to maintain the Law School accreditation, and $188,140 for the Spring Wheat Breeder program at MSU.

Funding: The six units of the university system are funded from state general fund, tuition and fees, a state six-mill levy, indirect cost reimbursement collections, and other miscellaneous sources.

General Fund: The university system budget includes $158.5 million of general fund in the 1991 biennium and increases 3.5 percent from fiscal 1988 to fiscal 1990 and 9.7 percent from fiscal 1990 to fiscal 1991.

Tuition and Fees: Tuition and fees revenue is projected to be $61,849,610 for the 1991 biennium and increases 18.6 percent from fiscal 1988 to fiscal 1990. These revenues are based on projected tuition and fee schedules proposed by the board of regents. A portion of the proposed increase results from eliminating part of the flat spot in current fee schedules that allow the same charges for taking from 12 to 18 credits per quarter. Under the proposed schedules students would not be charged additional fees for taking between 14 and 18 credits per quarter.

Six-Mill Levy: The state is authorized to collect up to six mills on the taxable value of all real and personal property in the state. The proceeds are used for the support, maintenance,and improvement of the Montana university system and other public education institutions subject to the board of regents supervision. These funds are subject to legislative appropriation. Millage receipts are estimated to be $12,050,000 in fiscal 1990 and $12,022,000 in fiscal 1991.

Indirect Cost Reimbursements: The legislature approved the phase-out of the deposit of indirect cost reimbursements to the current unrestricted fund by fiscal 1991. The approved budget includes $1,227,175 in fiscal 1990 with no indirect cost reimbursement budgeted for fiscal 1991.

Other: Other revenue is projected to be $1,284,210 for the 1991 biennium and increases 20.9 percent from fiscal 1988 to fiscal 1990. This increase results primarily from including those indirect cost reimbursements for student aid that are required to be deposited in the current unrestricted account.

Table 5 is a summary of the personal services in the university budgets to line-item. Instructional support and support program personal services costs are not included because the program costs are developed using a flat cost per FTE student.

Table 5
University System Personal Services Line-Item

	MSU	UM	EMC	NMC	WMCUM	MCMST	Total
Fiscal 1990							
Instruction							
Faculty Compens.	$21,083,831	$16,479,798	$5,838,215	$3,450,027	$1,847,173	$3,618,769	$52,317,813
Research	411,025	406,204	-0-	-0-	-0-	31,233	848,462
Public Service	9,749	148,900	179,337	-0-	-0-		337,986
Plant	1,598,147	1,550,747	610,875	471,410	488,791	822,425	5,542,395
Total	$23,102,752	$18,585,649	$6,628,427	$3,921,437	$2,335,964	$4,472,427	$59,046,656
Fiscal 1991							
Instruction							
Faculty Compens.	$22,620,054	$17,776,703	$6,220,423	$3,645,250	$1,966,081	$4,000,604	$56,229,115
Research	411,281	406,204	-0-	-0-	-0-	31,268	848,753
Public Service	9,752	148,944	179,427	-0-	-0-	-0-	338,123
Plant	1,662,073	1,612,777	635,310	490,267	508,342	855,322	5,764,091
Total	$24,703,160	$19,944,628	$7,035,160	$4,135,517	$2,474,423	$4,887,194	$63,180,082

Agency Summaries: A summary for each unit of the university system shows expenses by program and funding by source for each year of the 1991 biennium.

LEGISLATIVE ACTION

AGENCY: Montana State University | PROGRAM: Agency Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE Enrollment	9,287	9,476	9,476	9,476	9,476	9,476	9,476	189
EXPENDITURES								
Instruction	$23,896,970	$25,679,691	$23,764,909	$25,679,691	$27,490,718	$23,770,458	$27,490,718	7.46
Support	12,756,214	13,218,682	12,852,824	13,218,682	13,607,536	12,855,825	13,607,536	3.63
Research	597,742	710,259	597,759	710,259	710,463	597,963	710,463	18.82
Public Service	11,876	10,749	10,749	10,749	10,752	10,752	10,752	(9.49)
Plant Oper & Maint	5,502,691	5,760,299	5,330,190	5,760,299	5,989,211	5,407,965	5,989,211	4.68
Scholar & Fellow	1,070,456	1,188,665	1,101,690	1,188,665	1,188,665	1,101,690	1,188,665	11.04
Total Expenditures	$43,835,949	$46,568,345	$43,658,121	$46,568,345	$48,997,345	$43,744,653	$48,997,345	6.23
FUNDING								
General Fund	$27,787,146	$29,091,652	$27,710,243	$29,091,652	$32,394,678	$27,807,561	$32,394,678	4.69
Millage	5,081,359	4,642,923	4,641,660	4,642,923	4,632,133	4,630,874	4,632,133	(8.63)
Tuition And Fees	9,931,369	11,661,034	10,133,482	11,661,034	11,661,034	10,133,482	11,661,034	17.42
Indirect Costs	726,471	863,236	863,236	863,236	0	863,236	0	18.83
Other	309,604	309,500	309,500	309,500	309,500	309,500	309,500	(0.03)
Total Funding	$43,835,949	$46,568,345	$43,658,121	$46,568,345	$48,997,345	$43,744,653	$48,997,345	6.23

LEGISLATIVE ACTION

AGENCY: UNIVERSITY OF MONTANA

PROGRAM: Agency Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE Enrollment	7,552	7,759	7,759	7,759	7,759	7,759	7,759	207
EXPENDITURES								
Instruction	$19,034,131	$19,690,173	$18,944,126	$19,690,173	$21,323,321	$18,948,486	$21,323,321	3.45
Support	10,472,740	10,731,185	10,103,785	10,731,185	11,048,816	10,106,142	11,048,816	2.47
Research	470,281	536,137	471,876	536,137	536,582	471,995	536,582	14.00
Public Service	165,754	183,132	167,782	183,132	183,288	167,854	183,288	10.48
Plant Oper & Maint	5,072,560	5,450,462	5,241,999	5,450,462	5,661,481	5,311,609	5,661,481	7.45
Scholar & Fellow	954,250	1,077,497	958,770	1,077,497	1,077,497	958,770	1,077,497	12.92
Total Expenditures	$36,169,716	$37,668,586	$35,888,338	$37,668,586	$39,830,985	$35,964,856	$39,830,985	4.14
FUNDING								
General Fund	$22,992,616	$22,760,260	$22,529,334	$22,759,260	$25,218,781	$22,614,767	$25,211,781	(1.01)
Millage	3,910,717	3,775,530	3,836,720	3,775,530	3,766,757	3,827,805	3,766,757	(3.46)
Tuition And Fees	8,832,019	10,696,947	9,085,435	10,696,947	10,696,947	9,085,435	10,696,947	21.12
Indirect Costs	358,800	281,349	284,349	281,349	0	281,349	0	(21.59)
Other	75,564	155,500	155,500	155,500	155,500	155,500	155,500	105.79
Total Funding	$36,169,716	$37,669,586	$35,891,338	$37,668,586	$39,837,985	$35,964,856	$39,830,985	4.14

LEGISLATIVE ACTION

AGENCY: EASTERN MONTANA COLLEGE

PROGRAM: Agency Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	Biennium % Change
FTE Enrollment	3,303	3,296	3,296	3,296	3,296	3,296	3,296	(7)
EXPENDITURES								
Instruction	$ 6,273,216	$ 6,889,638	$ 6,906,483	$ 6,889,638	$ 7,311,399	$ 6,909,686	$ 7,311,399	9.83
Support	4,489,342	4,887,482	4,819,295	4,887,482	4,897,856	4,821,529	4,897,856	8.87
Research	0	0	0	0	0	0	0	0.00
Public Service	248,996	246,653	231,447	246,653	249,869	231,663	249,869	(0.94)
Plant Oper & Maint	2,026,517	2,122,728	2,052,520	2,122,728	2,207,031	2,089,225	2,207,031	4.75
Scholar & Fellow	322,520	358,606	355,650	358,606	358,606	355,650	358,606	11.19
Total Expenditures	$13,360,591	$14,505,107	$14,365,395	$14,505,107	$15,024,761	$14,407,753	$15,024,761	8.57
FUNDING								
General Fund	$ 8,340,682	$ 8,968,452	$ 9,604,468	$ 8,960,452	$ 9,530,819	$ 9,650,094	$ 9,522,819	7.43
Millage	1,672,347	1,651,294	1,406,235	1,651,294	1,647,457	1,402,967	1,647,457	(1.26)
Tuition And Fees	3,292,873	3,817,485	3,278,816	3,817,485	3,817,485	3,278,816	3,817,485	15.93
Indirect Costs	47,180	38,876	38,876	38,876	0	38,876	0	(17.60)
Other	7,509	37,000	37,000	37,000	37,000	37,000	37,000	392.74
Total Funding	$13,360,591	$14,513,107	$14,365,395	$14,505,107	$15,032,761	$14,407,753	$15,024,761	8.57

LEGISLATIVE ACTION

AGENCY: NORTHERN MONTANA COLLEGE

PROGRAM: Agency Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE Enrollment	1,551	1,631	1,631	1,631	1,631	1,631	1,631	80
EXPENDITURES								
Instruction	$3,926,710	$4,239,888	$4,041,505	$4,239,888	$4,466,100	$4,041,505	$4,466,100	7.98
Support	2,516,985	2,427,809	2,820,133	2,427,809	2,402,463	2,820,133	2,402,463	(3.54)
Research	0	0	0	0	0	0	0	0.00
Public Service	9,823	8,891	8,891	8,891	8,891	8,891	8,891	(9.49)
Plant Oper & Maint	1,076,366	1,119,421	1,106,337	1,119,421	1,164,197	1,121,859	1,164,197	4.00
Scholar & Fellow	253,839	314,000	242,706	314,000	314,000	242,706	314,000	23.70
Total Expenditures	$7,783,723	$8,110,009	$8,219,572	$8,110,009	$8,355,651	$8,235,094	$8,355,651	4.19
FUNDING								
General Fund	$5,500,609	$5,507,469	$5,807,373	$5,507,469	$5,759,149	$5,824,819	$5,759,149	0.12
Millage	771,852	775,403	827,835	775,403	773,602	825,911	773,602	0.46
Tuition And Fees	1,484,663	1,799,900	1,557,127	1,799,900	1,799,900	1,557,127	1,799,900	21.23
Indirect Costs	4,237	4,237	4,237	4,237	0	4,237	0	0.00
Other	22,362	23,000	23,000	23,000	23,000	23,000	23,000	2.85
Total Funding	$7,783,723	$8,110,009	$8,219,572	$8,110,009	$8,355,651	$8,235,094	$8,355,651	4.19

LEGISLATIVE ACTION

AGENCY: WESTERN MONTANA COLLEGE UNIVERSITY OF MONTANA

PROGRAM: Agency Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	Biennium % Change
FTE Enrollment	828	877	877	877	877	877	877	49
EXPENDITURES								
Instruction	$2,119,189	$2,262,893	$2,104,143	$2,262,893	$2,398,465	$2,104,629	$2,398,465	6.78
Support	1,400,878	1,411,776	1,468,256	1,411,776	1,404,954	1,468,595	1,404,954	0.78
Research	0	0	0	0	0	0	0	0.00
Public Service	0	0	0	0	0	0	0	0.00
Plant Oper & Maint	732,309	761,601	735,085	761,601	792,065	742,829	792,065	4.00
Scholar & Fellow	81,524	107,889	78,161	107,889	107,889	78,161	107,889	32.34
Total Expenditures	$4,333,900	$4,544,159	$4,385,645	$4,544,159	$4,703,373	$4,394,214	$4,703,373	4.85
FUNDING								
General Fund	$3,077,611	$3,104,691	$3,032,547	$3,104,691	$3,267,745	$3,042,188	$3,267,745	0.88
Millage	411,654	413,948	461,515	413,948	412,987	460,443	412,987	0.56
Tuition And Fees	815,918	998,141	864,204	998,141	998,141	864,204	998,141	22.33
Indirect Costs	3,900	2,879	2,879	2,879	0	2,879	0	(26.18)
Other	24,817	24,500	24,500	24,500	24,500	24,500	24,500	(1.28)
Total Funding	$4,333,900	$4,544,159	$4,385,645	$4,544,159	$4,703,373	$4,394,214	$4,703,373	4.85

LEGISLATIVE ACTION

AGENCY: MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY

PROGRAM: Agency Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	FY 88-90 % Change
FTE Enrollment	1,582	1,578	1,578	1,578	1,578	1,578	1,578	(4)
EXPENDITURES								
Instruction	$4,120,786	$4,447,218	$4,158,436	$4,447,218	$4,879,550	$4,159,406	$4,879,550	7.92
Support	2,389,191	2,764,552	2,527,152	2,764,552	2,821,464	2,527,742	2,821,464	15.71
Research	47,185	50,262	50,262	50,262	50,351	50,351	50,351	6.52
Public Service	0	0	0	0	0	0	0	0.00
Plant Oper & Maint	1,422,857	1,479,771	1,449,629	1,479,771	1,538,962	1,468,748	1,538,962	4.00
Scholar & Fellow	261,752	285,255	191,603	285,255	285,255	191,603	285,255	8.98
Total Expenditures	$8,241,771	$9,027,058	$8,377,082	$9,027,058	$9,575,582	$8,397,850	$9,575,582	9.53
FUNDING								
General Fund	$5,352,707	$6,155,655	$5,613,567	$6,155,655	$6,742,615	$5,636,370	$6,742,615	15.00
Millage	1,016,271	790,902	876,035	790,902	789,064	874,000	789,064	(22.18)
Tuition And Fees	1,727,267	1,951,298	1,722,882	1,951,298	1,951,298	1,722,882	1,951,298	12.97
Indirect Costs	54,392	36,598	36,598	36,598	0	36,598	0	(32.71)
Other	91,134	92,605	128,000	92,605	92,605	128,000	92,605	1.61
Total Funding	$8,241,771	$9,027,058	$8,377,082	$9,027,058	$9,575,582	$8,397,850	$9,575,582	9.53

LEGISLATIVE ACTION

AGENCY: WESTERN MONTANA COLLEGE UNIVERSITY OF MONTANA

PROGRAM: Agency Summary

Budget Item	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Subcommittee	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Subcommittee	Biennium % Change
FTE Enrollment	828	877	877	877	877	877	877	49
EXPENDITURES								
Instruction	$2,119,189	$2,262,893	$2,104,143	$2,262,893	$2,398,465	$2,104,629	$2,398,465	6.78
Support	1,400,878	1,411,776	1,468,256	1,411,776	1,404,954	1,468,595	1,404,954	0.78
Research	0	0	0	0	0	0	0	0.00
Public Service	0	0	0	0	0	0	0	0.00
Plant Oper & Maint	732,309	761,601	735,085	761,601	792,065	742,829	792,065	4.00
Scholar & Fellow	81,524	107,889	78,161	107,889	107,889	78,161	107,889	32.34
Total Expenditures	$4,333,900	$4,544,159	$4,385,645	$4,544,159	$4,703,373	$4,394,214	$4,703,373	4.85
FUNDING								
General Fund	$3,077,611	$3,104,691	$3,032,547	$3,104,691	$3,267,745	$3,042,188	$3,267,745	0.88
Millage	411,654	413,948	461,515	413,948	412,987	460,443	412,987	0.56
Tuition And Fees	815,918	998,141	864,204	998,141	998,141	864,204	998,141	22.33
Indirect Costs	3,900	2,879	2,879	2,879	0	2,879	0	(26.18)
Other	24,817	24,500	24,500	24,500	24,500	24,500	24,500	(1.28)
Total Funding	$4,333,900	$4,544,159	$4,385,645	$4,544,159	$4,703,373	$4,394,214	$4,703,373	4.85