MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By CHAIRMAN PECK, on February 7, 1991, at 8:00 am

ROLL CALL

Members Present:

Rep. Ray Peck, Chairman (D)

Sen. Greg Jergeson, Vice Chairman (D)

Sen. Don Bianchi (D)

Rep. Larry Grinde (R)

Sen. H.W. Hammond (R)

Rep. Mike Kadas (D)

Staff Present: Pam Joehler, Senior Fiscal Analyst (LFA)
Mary Ann Wellbank, Budget Analyst (OBPP)

Melissa Boyles, Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: CHAIRMAN PECK stated that on February 8, 1991 the subcommittee will take Executive Action on the Ag Experiment Station, Extension Service, Bureau of Mines, Forestry Experiment Station and the Fire Services Training School.

Mary Ann Wellbank distributed a handout on the Executive Budget Recommendation for the CHE Student Assistance Program. EXHIBIT 1

HEARING ON STUDENT ASSISTANCE PROGRAM

Tape No. 1

006

Commissioner Hutchinson said that Bill Lannan would begin by making a presentation on the Guaranteed Student Loan Program.

010

Mr. Lannan, Director of Guaranteed Student Loan Program, said the Student Assistance Programs are partially funded by the state or are authorization for the federal money. From 1980-1981 to 1988-1989 the cost of attendance at public colleges and universities has increased 26.7 and 30.2 percent respectively. Aid awarded to the students over the same period of time has increased 10.8%. It is obvious that aid has not kept pace with the increased cost Included in the cost of education figures are in education. tuition, fees, and room and board. The bottom line is that students have had to rely more on other sources to complete their From October 1, 1989 to September 30, 1990 the volume education. in loans of the Montana Guarantee Agency was in excess of 55 million dollars. The greatest percentage of increase is in the Supplemental Loan for Students which is a program for independent students and the Parental Loan Program for undergraduate These two programs provide a \$4,000 per academic year students. loan to the borrower. There are no federal subsidies on interest and repayment begins 60 days after the loan was disbursed.

Mr. Lannan said the SLS and PLUS loans have a variable interest rate that fluctuates annually. There are provisions for the borrower to defer the principal while the student is in school. However, the interest clock keeps going and is added to their principal.

Mr. Lannan stated that the student enrollment in the Post Secondary Institutions needs the continuing access to the existing financial aid programs. In order to accomplish this, Montana needs to look at its obligation to provide matching funds or state funds to provide that access.

Mr. Lannan reviewed each of the programs identified in the LFA book on page F-16, EXHIBIT 2

Mr. Lannan stated that he supports the Regents recommendation to increase the matching funds for Carl Perkins Funding to \$91,207. This is what it would have taken to match the present fiscal year capital contribution. If they had more state money than the federal capital contribution was, they would return any unused match.

184

REP. KADAS asked Mary Ann Wellbank to review the difference in the Executive and Regents request in these programs. Ms. Wellbank said the Executive Budget maintained everything at current level. REP. KADAS asked Ms. Wellbank if she accommodated that match change from 10% to 15% for SEOG. Ms. Wellbank said no.

Mr. Lannan distributed a handout on the Montana Guaranteed Student Loan Program. EXHIBIT 3 A handout on the History of the Montana Guaranteed Student Loan Program. EXHIBIT 4 Mr. Lannan stated that for FY90 and FY91 the Board of Regents and the Legislative Interim Finance Committee approved budget amendments for the Guaranteed Student Loan Program. The budget amendments included additional FTE and increases in the expenses, supplies, communications, rent, computer maintenance and equipment. The Guarantee Agency requested budget amendments, but did not request additional budget authority.

Mr. Lannan recommended to the subcommittee that they include the budget amendments in the Guarantee Agencies base to realign the budget.

Mr. Lannan recommended the acceptance of the Board of Regents recommendation of the number of FTE that they have made for each year of the biennium. The 37.95 FTE that was recommended includes two additional FTEs for a function that has been placed on the Guarantee Agency by the Federal Government. They have to do what they call "supplemental preclaims"; the Guarantee Agency encourages a borrower who is 120 days delinquent to pay on the loan and correct the delinquency.

Mr. Lannan stated that the Guarantee Agency will be fine tuning and adding to its present functions. They will begin in-house collections and litigation on defaulted borrowers. A telephone line has been added to Indianapolis which holds the hardware and software that is used to operate this program.

CHAIRMAN PECK asked if they were in collection yet. Mr. Lannan said yes, they have people on staff who are talking to students who have defaulted. However, the defaults are sent to a collection agency. CHAIRMAN PECK asked if they pursued by filing in local court. Mr. Lannan said they do not file in court at this time but will begin to do so. CHAIRMAN PECK asked if they would be expanding in the collections area. Mr. Lannan said yes. They intend to work with a defaulted borrower for a certain amount of time and when they are not having success getting them on a repayment plan then they will turn them over to a collection agency. CHAIRMAN PECK asked if the Guarantee Agency pays a percentage of the collection that the agency makes. Mr. Lannan said yes, the collection agency charges 24% of what is collected. The Department of Education allows the Guarantee Agency to keep up to 30% of what is collected from a defaulted loan.

465

SEN. HAMMOND asked what the percentage of default is on the loans. Mr. Lannan said on an annual basis the default rate is less than 5%, on an accumulative rate since 1980 the default rate is 7%.

CHAIRMAN PECK asked how many days before a loan goes into default. Mr. Lannan said 180 days. CHAIRMAN PECK asked if the Guarantee Agencies procedures for collection kick in before the 180 days is up. Mr. Lannan said no, the lender is the first party to try and collect and after 180 days it goes to the Guarantee Agency. If they do not receive payment from the borrower within five years then it gets turned over to the Department of Education. If a student has a defaulted loan they are not eligible for any Title Four aid. SEN. HAMMOND asked if there were any indicators on who defaults on student loans. Mr. Lannan said that the most common students to default are those who attend an institution for one or two years but don't complete the program or don't have any more skills upon completion than they did when they entered. This student returns to their same lifestyle, earns minimum wage and again cannot pay off the loan with the resources they have. The plus side of the Student Loan Program is that 90% of the students who access it are paying off their loan.

SEN. BIANCHI stated that the Auditors Office has a debt collection bureau that collects money for state agencies and asked if the Guarantee Agency could use them. Mr. Lannan said they are going to be using the bureau this income tax year. They will send them a tape of defaulted borrowers and they will access it. They also send a tape to the Department of Education and it identifies borrowers who may be working for the Department of Education or the federal government.

668

SEN. HAMMOND asked if they have to be Montana students to be eligible for a Guaranteed Student Loan. Mr. Lannan said an eligible borrower is one who is a Montana citizen attending any eligible institution in the United States. A student from out of state that comes to Montana for school can also receive a Guaranteed Student Loan (GSL). REP. KADAS asked if a GSL is available for any Montana School or just state supported schools. Mr. Lannan said any Montana School that has an agreement with the Department of Education can participate in the program. REP. KADAS asked for the breakdown of how many loans go to students in the six units, the vo-techs, and the community colleges. Mr. Lannan said he didn't know but could get the information.

725

REP. GRINDE asked Mr. Lannan if he had seen a change in attitude over the years where students are more responsible and wanting to pay these loans back. Mr. Lannan said yes, there was a time when the Department of Education had centralized Student Loans and the guarantor was the Department of Education. In the late 60s and 70s they decentralized and that brought the borrower closer to the lender and the Guarantee Agency. This decentralization made it possible for the Guarantee Agency to access information to follow borrowers much better than the Department of Education.

JACK NOBLE gave a presentation on the WICHE and WAMI programs.

751

Mr. Noble stated that under the definition of current level the Regents and the LFAs recommendation are identical on \$5,203,502. The Executive Branch removed eleven positions in the first year and four in the second and he asked that Mary Ann Wellbank speak to these recommendations.

Ms. Wellbank said that the Executive Budget recommendations in the WICHE program is below current level. In developing the Executive Budget the WAMI program went up considerably due to inflation. In developing the budget the Executive wanted to keep the total student assistance program at the current budgeted level and so the reductions in WICHE offset the increase in WAMI in the amounts funded. In FY92 the Executive has recommended no new medical students, however, they also recommend reinstating three medical students in FY93.

813

SEN. JERGESON asked what the savings are from the 11 slots cut in FY92. Ms. Wellbank said approximately \$20,000 each. Mr. Noble said the reductions in the first year totaled \$182,700 and \$255,800 in the second year.

917

REP. KADAS asked for the total cost difference between the Executive level and the LFA on the WICHE\WAMI and the Minnesota Dental Programs. Ms. Joehler said the difference in the first year is \$181,563 and the second year is \$239,873. REP. KADAS asked what we're losing in terms of slots due to that reduction in FY92 and FY93. Ms. Wellbank said that if it is compared to FY91 appropriated amount in FY91 with the WICHE and Minnesota Dentistry 116 slots were appropriated and in FY92 110 a difference of 6 and in FY93 a total of 101. REP. KADAS asked how it was decided which slots to pull out. Ms. Wellbank said medicine was identified because the WAMI Program provides students access to a medical program.

879

Mr. Noble stated that he wouldn't agree with Ms. Wellbank. In looking at the records, the Commissioners Office indicates the differences in the first year would be five Medicine, one Osteopathic, two Dentistry (combining WICHE and Minnesota Dentistry Program), one Veterinary slot, one Optometry, and one Podiatry in the first year. The second year of the biennium would be two Medicine, one Veterinary and one Optometry slot.

896

SEN. JERGESON asked Ms. Wellbank why in the development of savings was most of the savings concentrated in the first year and not over two years. Ms. Wellbank said she didn't understand the question.

REP. KADAS asked if the additional slots lost in FY93 are in addition to the slots lost in FY92. Ms. Wellbank said the new slots in FY93 are increasing. More of the continuing students from FY92 are graduating. REP. KADAS asked if a slot is a four year track or just one position for one year. Ms. Wellbank said a slot is one position for one year. SEN. HAMMOND asked if they would be denying someone from coming into the program. Ms. Wellbank said yes.

Mr. Noble stated that the definition of current level has not always been in terms of dollars. Current level has often been used to sustain a level of effort. In the Commissioners request they also reduced the number of slots. The reductions were one Dental, one Veterinary, one Optometry, three Occupational Therapy and two Public Health.

969

SEN. BLAYLOCK stated that he hoped the subcommittee would not go along with the proposed budget recommendations of cutting those eleven slots in the WICHE program. This program is one of the wisest things Montana has ever done. As a result of this program some of the best schools in the world are open to Montana students. He would like all of the students in the WICHE program to come back to Montana but it is difficult to get them to go into the small communities. With the demographics of our society both women and men who are going to become Doctors have professionally trained spouses and in the small communities of Montana there aren't any jobs for the spouse. He doesn't feel that is any reason to cut the slots, it is one of the best economic things we have going. SEN. BLAYLOCK asked the subcommittee to keep the slots the same.

048

CHAIRMAN PECK stated that his son's father-in-law is a dentist and he says that Montana has more dentists than it needs and asked SEN. BLAYLOCK if he agreed. SEN. BLAYLOCK said he has not seen data to that effect.

079

Mr. Noble stated that the Commissioners Office has recognized both in financial constraint, changing demand and need, that the number of students supported in the WICHE program was at a high of 161 students in 1977-1978 and has been phased down to 106 in the current year. At this time the BOR has passed a resolution based upon a request from the Montana Library Association (MLA). The MLA would like to open up and fund two slots for a Masters of Library Science Program to begin in 1993. There has been a demand in the past, however, in light of financial constraints the BOR has not seen fit to approve it. This time the BOR was persuaded by both the demand and changing need in the library field.

105

CHAIRMAN PECK asked if a student who wasn't in the WICHE program and wanted to go out of state, should he not receive support too. Why do we say these students should be supported and not the other students where we don't have the educational programs? Noble said that it has to do with State need and being the cheapest alternative course available to provide an educational opportunity. The WICHE program was designed around the high cost health industries to avoid the cost of set up and operations. CHAIRMAN PECK stated that speech and communications is health related and a significant consideration to the educational programs in the public schools and it was discontinued. Noble stated that Speech and Communication could be one that The WICHE Commissioners of the 13 Western could be reviewed. States establish which program are eligible. CHAIRMAN PECK stated that he wasn't suggesting that we formalize that in the WICHE Program but that the State of Montana could assume that responsibility. CHAIRMAN PECK asked if the BOR approved the Library Science Program. Mr. Noble said they have approved it for submission to this subcommittee for its consideration. however, the first priority is reinstating the reduced slots and then to consider two slots beginning in 1993.

143

REP. KADAS asked how much a slot in WAMI costs. CHAIRMAN PECK asked if it was approximately \$30,000 per slot. Mr. Noble said yes. REP. KADAS asked if it were more expensive to use WAMI than it is to use WICHI. Mr. Noble said the comparisons are not identical, the WAMI Program provides services in addition to just educating the 60 students to the medical field in Montana. Though it isn't an exact comparison WAMI would be slightly more expensive. REP. KADAS asked Ms. Wellbank why it was decided to put all the eggs in the WAMI basket in terms of FTE. Wellbank said it was because of the clinical service requirement in Montana. REP. KADAS asked how much difference there was in cost per student. CHAIRMAN PECK said that it was a difference of \$7,000 or \$8,000 per year. Mr. Noble said that he would bring back the cost break down. CHAIRMAN PECK stated that Montana is dedicated to twenty slots and if we don't use them one of the other states would be allowed to use them. REP. KADAS asked if we are paying an additional \$15,000 per year just to save slots. CHAIRMAN PECK said he is not sure. Mr. Noble said that the agreement with WAMI is essentially a cost agreement. The cost on the WAMI Program is in excess of \$30,000 per student. REP. KADAS asked if \$22,800 is a fair comparison to make to the WAMI Program. Ms. Wellbank said yes.

296

SEN. HAMMOND asked if the students in the WICHE and WAMI Program have to be accepted into a Medical School before they can apply to the program. Mr. Noble said they have to be certified by the Commissioners Office as an eligible Montana resident. As soon as

they are certified as eligible their name goes into the Medical Review Committee. CHAIRMAN PECK asked if it were possible for a Montana resident of one year to join the WICHE or WAMI Program.

Mr. Noble said no. SEN. JERGESON asked how many WICHE students return to Montana as compared to the WAMI students. Mr. Noble distributed a handout on WICHE Student Statistics. EXHIBIT 5

CHAIRMAN PECK stated that he thought WAMI was doing better than WICHE. Mr. Noble said that because of the family practice it is designed to do a little better. CHAIRMAN PECK asked Mr. Noble to compare the differences in figures per student cost.

416

REP. KADAS stated that he would like to know what the ramifications are and what our ability is to shift our commitment from WAMI to WICHE.

431

CHAIRMAN PECK asked if the WAMI students at the University of Washington pay resident fees and Montana pays the difference. Mr. Noble said yes. CHAIRMAN PECK asked if that were the same for WICHE students. Mr. Noble said yes.

Mr. Noble distributed a handout on WICHE applicants and beginning students supported. EXHIBIT 6

472

CHAIRMAN PECK called for Public Testimony.

474

Julie Borche, Senior Computer Science, stated that the work study program is especially important to her because she has a four year old daughter. She is on AFDC and this program pays for childcare while she is going to school. Because work study is considered a part of school they pay for the babysitter while she is at work. The work study program has allowed her to finish school within four years and urged the subcommittee to support this program. CHAIRMAN PECK asked Ms. Borche if she is on the State or Federal Work Study Program. Ms. Borche said she is not sure what it is. CHAIRMAN PECK asked what the maximum amount of money is that she can make in the work study program. Ms. Borche said she can make \$1,900. She is a lab assistant and tutors Computer Science students. CHAIRMAN PECK asked Ms. Borche what she wants to do when she gets her degree. Ms. Borche said she has a lot of options and is not sure what she will do yet.

531

Sheila Cates, Coordinator of Library Development, distributed written testimony. EXHIBIT 7

577

CHAIRMAN PECK asked where she can get the BA in Library Science in Montana. Ms. Cates said she can't, only a minor is available in Montana.

580

SEN. BIANCHI asked if the minor qualifies her to enter a graduate Masters Degree Program. Ms. Cates said yes. SEN. BIANCHI asked where can a student get a Masters Degree in library. Ms. Cates said at the University of Washington.

615

SEN. JERGESON asked how many years it takes to get a Masters.

Ms. Cates said it is a recommended two year program. SEN.

JERGESON said the turn over of completion would be greater than those in the WICHE and WAMI Programs. CHAIRMAN PECK asked how one could guarantee that these people would come back to Montana and take these positions. Ms. Cates stated that most of the people interested in this program indicate that they want to stay in Montana.

635

Sidney Poole, Librarian, stated that she served on the Blue Ribbon Task Force that was commissioned by the State Library Commission. Through the WICHE Program of the 15 fields available, Montana excludes only Library Studies and Maritime Technology, and of the 14 states in the WICHE Program only Idaho and Montana do not support the Library Program. Ms. Poole urged the subcommittee to support this program.

738

Pat McClury, UM Associated Students, asked the subcommittee to look at the Program differences in the WICHE and WAMI Program before making any cuts. Mr. McClury urged the subcommittee to accept the Regents recommendations.

797

John Dolan, MSU, stated that there is a significant return on Doctors in the WICHE and WAMI Programs but feels that if a student wants to become a Doctor then Montana should provide that accessibility for the students even if they don't return. This program does that without nearly as much expense as a medical program would cost. Mr. Dolan stated there are approximately 800 students in the work study program.

859

REP. KADAS asked if the annual maximum dollars available from the work study is based on need. Mr. Dolan said yes, and no matter how needy a student is, he can't work more than 20 hours per week.

SEN. HAMMOND asked if there is a state work study which doesn't depend on need. Jack Noble stated that the state work study has to be 70% need and 30% non need. Over 90% is awarded based on need.

HOUSE EDUCATION & CULTURAL RESOURCES SUBCOMMITTEE February 7, 1991 Page 10 of 10

899

Mr. Noble stated that in making a comparison to the WICHE and WAMI Programs, the total cost after reducing for the WAMI tuition for the program is approximately \$1,900,798. The direct cost is \$23,760 per student in WAMI and \$22,800 in WICHE. The cost per student on the indirect side moves to \$26,700 per year in WAMI.

932

Heidi Leighty, Montana College Coalition, urged the subcommittee to keep all of the slots available in the WICHE program. The facts and figures heard today represent more than just facts and figures, they represent students. These are real people who need these programs to achieve their goals by gaining access to higher education opportunities.

ADJOURNMENT

Adjournment: 10:05

REPRESENTATIVE RAY PECK, Chair

MELTSSA J BOYLES Secretary

RP/mjb

HOUSE OF REPRESENTATIVES

EDUCATION SUBCOMMITTEE

ROLL CALL

DATE	<u> </u>	

NAME	PRESENT	ABSENT	EXCUSED
REP. RAY PECK, CHAIRMAN			
SEN. GREG JERGESON			
REP. LARRY GRINDE			
SEN. DON BIANCHI			
REP. MIKE KADAS			
SEN. H.W. "SWEDE" HAMMOND			

HR:1991

CS10LRLCALEDSUB

EXHIBIT / DATE 3- 7-91

TO:

Representative Peck and Members of the Education

Subcommittee of the Appropriations Committee

FROM:

Mary Ann Wellbank, OBPP

DATE:

February 7, 1991

RE:

Executive Budget Recommendation for the CHE

Student Assistance Program

Attached is a spreadsheet illustrating the Executive Budget Recommendation for the Student Assistance Program. I hope this will be helpful to you in evaluating the Governor's proposed budget.

CUTIVE BUDGET RECOMMENDATION - CHE STUDENT ASSISTANCE PROGRAM pared by Mary Ann Wellbank, OBPP

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STUDENT ASSISTANCE PROGRAM

Student Aid Programs

The cost of the student aid programs increases 5.3 percent in the 1993 biennium due to increased state matching funds required for the SEOG program-from 5 percent in fiscal 1990 to 10 percent in fiscal 1991. The current level budget provides sufficient funds to continue the 10 percent match, al-

though state matching requirements will increase to 15 percent beginning in fiscal 1992. (This is discussed in the Board of Regents budget modification in the next section.) Table 4 details the student aid program costs and funding for the 1991 and 1993 biennia. The state-funded work study program assists students at the university units and the vocational-technical centers.

Table 4 Student Aid Programs 1991 - 1993 Biennia

<u>Program</u>	Actual Fiscal 1990	Approp Fiscal 1991	Curr Fiscal FY 92	ent Level Fiscal FY 93	Change 1991-93 <u>Biennium</u>
SSIG Perkins Loan program Paul Douglas Teacher SEOG State Work Study	\$415,195 55,000 58,458 46,118 386,147	\$ 440,000 55,000 82,728 99,056 391,587	\$ 440,000 55,000 82,728 99,056 391,587	\$ 440,000 55,000 82,728 99,056 391,587	2.90% 0.00% 17.19% 36.47% 0.70%
Total Costs	\$960,918	\$1,068,371	<u>\$1,068,371</u>	\$1,068,371	5.30%
Funding					
General Fund SSIG match Perkins Loan match SEOG State match	218,399 55,000 46,118	220,000 55,000 99,056	220,000 55,000 99,056	220,000 55,000 99,056	0.37% 0.00% 36.47%
State Work Study	386,147	<u>391,587</u>	<u>391,587</u>	391,587	0.70%
Sub-Total GF	\$705,664	\$765,643	\$765,643	\$765,643	4.08%
Federal Funds SSIG match Paul Douglas Sch.	196,796 58,458	220,000 82,728	220,000 82,728	220,000 82,728	5.57% <u>17.19</u> %
Sub-Total Fed.	\$255,254	\$ 302,728	\$ 302,728	\$ 302,728	8.51%
Total Funds	\$960,918	\$1,068,371	\$1,068,371	\$1,068,371	<u>5.30</u> %

Funding

The Student Assistance Program is funded from general fund and federal funds. Interest from the education trust formerly allocated to the Board of Regents is no longer available, since the trust principal has been expended.

Consistent with the intent of House Bill 100, \$237,705 of general fund was reverted when the education trust fund interest became available in fiscal 1990. The state general fund supports all of the WICHE, WAMI, and Minnesota Rural Dentistry programs, as well as the state work study. General fund

STUDENT ASSISTANCE PROGRAM

Table 3
Student Assistance Program Current Level Budget
1993 Biennium

	- Stude	nts -		Cost	Cost	Total
Program	Cont.	New	\$/Slot	<u>Continuing</u>	<u>New</u>	<u>Cost</u>
Fiscal 1992						
WICHE						
Administrative Dues						\$ 71,500
Student Assistance:						
Medicine	20	5	\$22,800	\$ 456,000	\$114,000	\$ 570,000
Osteopathic Medicine	3	2	11,100	33,300	22,200	55,500
Dentistry	9	2	12,400	111,600	24,800	136,400
Veterinary Medicine	32	10	18,400	588,800	184,000	772,800
Optometry	14	3	6,800	95,200	20,400	115,600
Occupational Therapy*		1	4,500	24,000	4,500	28,500
Public Health**	3	1	4,400	8,799	4,400	13,199
Podiatry	3	1	7,600	22,800	7,600	30,400
Subtotal	.88	25		\$1,340,499	\$381,900	\$1,793,899
Winn Dural Dontistur	6	2	12 400	74 400	24 900	99 200
Minn. Rural Dentistry WAMI Medicine	60	2 20	12,400 37,367	74,400 <u>2,242,032</u>	24,800	99,200 2,242,032
wami medicine		20	3/,36/	2,242,032	0	_2,242,032
Total	154	47		<u>\$3,656,931</u>	\$406,700	\$4,135,131
	- Stude	nts -		Cost	Cost	Total
PROGRAM	Cont.	<u>New</u>	\$/Slot	Continuing	<u>New</u>	Cost
Fiscal 1993						
WICHE						675 000
Administrative Dues Student Assistance:						\$75,000
Medicine	19	5	\$22,800	\$ 433,200	\$114,000	\$547,200
Osteopathic Medicine	3	2	11,500	34,500	23,000	57,500
Dentistry	9	2	12,900	116,100	25,800	141,900
Veterinary Medicine	32	10	18,400	588,800	184,000	772,800
Optometry	12	3	7,100	85,200	21,300	106,500
Occupational Therapy*		ĭ	4,700	12,534	4,700	17,234
Public Health**	3	ī	4,400	10,266	4,400	14,666
	4	ī	7,900	31,600	7,900	39,500
Podlatry						
Podiatry						
Subtotal	84	25		\$1,312,200	\$385,100	\$1,772,300
-	84 5	25 2	12,900	\$1,312,200	\$385,100 25,800	\$1,772,300 90,300
Subtotal			12,900 39,198		, ,	

^{*} There is an additional charge of \$1,500 in fiscal 1992 and \$1,567 in fiscal 1993 for clinical costs for continuing students.

^{**} Continuing students cost \$2,933 each in fiscal 1992.

In fiscal 1993, two of the three continuing students cost \$2,933 and one continuing student costs the full rate of \$4,400.

Exhibit 3 consists of a 19-page study. The original is available at the Montana Historical Society, 225 N. Roberts, Helena, MT. 59601. (Phone 406-444-4775)

DATE 2-7-91 HB. Ed. Y CULY. YELD SUD.

MONTANA GUARANTEED STUDENT LOAN PROGRAM

REPORT ON EVALUATION OF SERVICE

OCTOBER 1990

EXHIBIT 4 DATE 3-7-91 HB.Ed. & Cur. Dev. Aw.

History
of the
Montana Guaranteed Student Loan Program
by
Bill Lannan, Director

February 1991

The purpose of this report is to provide a background to the reader on the Montana Guaranteed Student Loan (GSL) Program. In addition to this basic description of the program, the reader is directed to the U.S. Codes Title IV of the Higher Education Act Part B and the current regulation 34 CFR 668 and 34 CFR Parts 682 and 683.

Federal legislation was enacted by Congress in 1965. Most, if not all federal student aid programs are contained in Title IV of the Higher Education Act of 1965. Subsequent amendments to the act have been made by almost every Congress since. After Congress authorized the fifty states to establish state guarantee agencies, the 1979 Montana legislature adopted the laws included in Title 20, Chapter 26, Part 11, MCA. The Board of Regents of Higher Education was delegated the authority to establish the program and provide for the guarantee of loans and the administration of the program. Hereinafter, the term "agency" or "guarantee agency" shall mean the Board of Regents of Higher Education.

A number of entities or institutions play a role in the student loan program. They are, first of all, the Board of Regents or guarantee agency. Second, the private lending community who provides the capital and makes the student loan. In Montana there are about 160 lenders representing banks, savings and loan associations and credit unions. Third, the postsecondary educational institutions throughout this nation enroll the students who may be eligible for student loans. A very important partner in the Guaranteed Student Loan Program is the secondary market. Almost all Montana lenders sell their loans to Montana Higher Education Student Assistance Corporation The secondary market provides liquidity to the originators of (MHESAC). student loans, i.e., banks, savings and loans, and credit unions. MHESAC portfolios include 85% to 90% of all Montana Guaranteed Student Loans in repayment. In order for a school to be eligible, it is required to request participation from the U.S. Department of Education and satisfy the educational, administrative and fiscal requirements of the Department. Finally, there are the students who borrow money from the lender to pay educational expenses to attend postsecondary institutions. Because the student borrower normally has no assets or collateral, the guarantee agency provides a "quarantee" to the lender. If the student defaults, the agency will pay the lender the outstanding principal and interest.

A brief scenario would be, a student enrolls in an educational institution and needs additional resources. The student's intent is to borrow money from his/her local banker to pay some of the educational costs. If the student believes he/she is eligible to borrow under the Stafford Loan (formerly GSL)

program, the student completes a financial needs analysis form and loan application. An independent servicer processes the financial needs analysis form and submits the results to the educational institution. The educational institution reviews the needs analysis and determines if the student is eligible to borrow. Eligibility depends on the student's and/or parents' financial resources; the cost of education (tuition, fees, board and room, books, travel, miscellaneous living expenses, etc.); and any other assistance or financial aid the student will receive. A first or second year student can borrow up to \$2,625 per academic year. Upper division undergraduates or third and fourth year students can borrow up to \$4,000 per year. Graduate and professional students can borrow up to \$7,500 per year. There are also aggregate limits for undergraduate and graduate student borrowers. After the school determines student eligibility and the maximum amount a student may borrow, the student takes the loan to a participating lender who agrees to loan the money. The lender then sends the application to the guarantee agency for processing.

In processing the borrower's application the guarantee agency determines whether the borrower is eligible, i.e. no outstanding defaulted loans, the educational institution is a participating school, and the lender is an eligible lender. If all eligibility criteria is met, the guarantee agency issues the lender a "notice of guarantee" which insures the lender against loss of outstanding principal and interest in the case of a prospective default. Upon receipt of the notice of quarantee, the lender can send the student a check for the amount of the loan. The loan check is normally mailed to the educational institution in multiple disbursements over the academic year to be delivered to the student. The student is obligated to use the funds for educational purposes only. As long as the borrower is in school the Department of Education pays interest accruing on the student loan. graduation or when the student borrower officially withdraws from school, the loan enters a grace period six months after which the borrower begins making payments of principal and interest. The interest is 7, 8 or 9 percent depending on the date the borrower first borrowed. Today Stafford loans have an 8% interest rate.

In addition to the Stafford loan, an independent borrower can borrow under Supplemental Loans for Students (SLS), or the parent of a dependent student can borrow under the Parental Loans for Undergraduate Students (PLUS). Neither of these programs provide interest subsidy while the student is in school and the loan enters repayment 60 days after disbursement. SLS and PLUS borrowers are entitled to deferment of principal while the student is in school but the interest accruing during this time must be paid or capitalized.

A more detailed discusson on how the guarantee agency operates follows. An obvious question would be how does the guarantee agency get the funds to administer the student loan program and pay the lenders for defaulted loan claims. Under section 20-26-1106 MCA the state is not obligated to appropriate any money to pay student loan defaults nor can the guarantee agency obligate the credit of the state. Other sources of funds must be available. Section 20-26-1105 MCA establishes a guaranteed student loan account into which all money designated for the guaranteed student loan program is credited. There are seven sources of funds:

DATE 2-1-9/ HB.Ed.+Cur. Pos

1) The insurance fee or guarantee fee charged to each borrower on a Stafford, SLS or PLUS loan. The fee is 3% of the principal amount of the loan.

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- 2) An administrative cost allowance (ACA) the Department of Education pays the guarantee agency for administration of the program. That allowance constitutes 1% of the loans guaranteed by the agency and is paid on a quarterly basis.
- 3) The supplemental pre-claims unit is reimbursed \$50 from the Department of Education on each loan satisfactorily resolved providing that the loan is at least 120 days delinquent.
- 4) Interest earned on the investment of funds not necessary for the program operations. These funds are invested by the State Board of Investments.
- Reinsurance claims filed by the guarantee agency for defaulted student loan claims paid by the guarantee agency. The agency and the Department of Education have entered into an agreement whereby the Secretary of Education agrees to reimburse the guarantee agency for losses resulting from the death or total and permanent disability of a borrower. Losses resulting from the default of borrowers are reimbursed at 100%, 90% or 80%, depending on the annual default rate characteristic of the guarantee agency. If the guarantee agency's annual default rate is 5% or less, the reimbursement is 100%; less than 9% and more than 5% the reimbursement is 90%; greater than 9% the reimbursement is 80%.
- 6) Recoveries from defaulted borrowers. The guarantee agency is obligated to collect principal and interest from defaulted borrowers. Through the efforts of the guarantee agency's collection practices or through the utilization of collection agencies, recoveries are made on student loan defaulters. Normally, the guarantee agency is entitled to keep 30% of the money recovered through collections to help pay collection costs, it returns 70% of the recoveries to the Department of Education. In addition, federal income tax offsets are also used on defaulted borrowers.
- 7) Initially, federal advances were made to the guarantee agency in order to establish reserve funds when the program was starting up. These advances, extending over a five-year period, amounted to \$734,173 from 1980 to 1985 have since been returned to the Department of Education.

Table 1 illustrates the annual default rate calculated on the federal fiscal year, October 1st through September 30th. The annual default rate is defined as claims paid for the fiscal year divided by the loans in repayment on October 1st of each year. Please note that the guarantee agency "hit the trigger" during the 1985, 1986 and 1987 fiscal years. The 90% reimbursement rate is calculated on the reimbursement claims submitted after the date(s) the agency's annual default rate exceeds 5%. The 90% reimbursement rate effected the agency's reserves for 2 weeks in 1985, slightly more than 3 months in 1986 and about 2 months in 1987.

In 1987, the Department of Education began charging the guarantee agency a reinsurance fee. The reinsurance fee is 1/4 of 1% of the loans guaranteed during the fiscal year. However, if during the year, an agency's annual default rate is in excess of 5%, the reinsurance fee jumps to 1/2 of 1% of the loans guaranteed during the fiscal year. In 1987, the reinsurance fee for the guarantee agency was \$166,952 for the entire year even though the annual default rate exceeded 5% only for the months of August and September.

TABLE 1
Annual Default Rate

Fiscal Year End		Reimbursement	Date Effective
September 30th	<u>Claims Rate</u>	Received	From 100%
1980	N/A	100%	N/A
1981	N/A	100%	N/A
1982	N/A	100%	N/A
1983	N/A	100%	N/A
1984	N/A	100%	N/A
1985	5.10%	90%	9/16/85
1986	6.04%	90%	6/26/86
1987	6.50%	90%	8/08/87
1988	4.23%	100%	N/A
1989	4.25%	100%	
1990	4.39%	100%	

Table 2 portrays the guarantee agency's cumulative net default rate at year end for the past five fiscal years. Cumulative default rate is defined as claims paid less recoveries divided by matured paper.

TABLE 2

Net Default Rates - Cumulative
As of September 30th

De	fault Claims Paid		
FYE 9/30	Default Rate	Less Recoveries	Matured Paper
9/30/84	3.70%	\$ 1,083,085	\$ 29,223,752
9/30/85	4.02%	1,991,837	49,599,789
9/30/86	6.40%	4,943,892	77,128,289
9/30/87	7.90%	8,371,336	105,974,425
9/30/88	7.27%	11,291,955	155,300,403

The next obvious question is what expenses does the guarantee agency incur? The simplest way to describe expenses is to briefly describe the duties of the guarantee agency in administering the program.

DATE 3-1-9/ HB.Ed. & CULY DIN NO

1. General Administration

General administration of the program entails the management and accounting of the agency's records; filing the necessary reports to the Department of Education or the State of Montana; and marketing the student loan program to lenders, schools and students or parent borrowers. In addition, the agency assists in training lenders and educational institutions of their obligations to the student, the guarantee agency, the Department of Education and each other to ensure the integrity of the loan program; it performs compliance reviews of the lenders and schools to insure each entity's strict adherence to the laws and regulations governing the program; and other duties as prescribed by the Department of Education or the Board of Regents.

2. Application Processing

Application processing entails processing student loan applications; issuing notices of guarantee to lenders; disbursing checks to student borrowers for those lenders participating in the guarantee agency disbursement service; collecting the guarantee fee or insurance fee from the borrowers through the lenders; answering lender, school and student inquiries relative to loan applications in process; and in some cases correcting errors on rejected applications. A toll free 800 number is provided to enable borrowers to call and check on the status of their loans.

3. Managing the Data Base

Managing the student loan data records entails making the necessary adjustments to the data base resulting from graduation, withdrawal, name and/or address changes, loans paid in full, and school transfers. Maintenance of loans in repayment may require filing deferments for eligible borrowers in an authorized deferment period.

4. Assists Lenders with Delinquent Loans

Upon request, the guarantee agency provides assistance to lenders on delinquent borrowers. When a borrower's account becomes 60-90 days delinquent, the lender requests the guarantee agency to act as a third party to intervene with the borrower. The purpose of this intervention is to try and prevent the borrower from defaulting. This is accomplished through verbal and written communications.

5. Supplemental PreClaims Assistance

When an account reaches 120 days of delinquency the loan is transferred to the Supplemental Pre-Claims personnel who perform the same activity of paragraph 4 above.

6. Claims Management

When the lender submits a claim to the guarantee agency on a defaulted borrower, it must be examined to ensure the lender has followed the guarantee agency's regulations in servicing the loan.

Failure to perform proper due diligence results in the loss of the guarantee on the loan. Failure on the part of the guarantee agency to catch improper servicing methods results in loss of reinsurance from the Department of Education.

7. Collections

When a loan is defaulted the guarantee agency has the responsibility to continue to collect the money from the defaulter. The collection activities can be accomplished by the guarantee agency itself and/or turned over to collection agencies. In addition the agency has the authority to offset the borrowers' federal and state income tax returns.

8. Bankruptcies, Legal Actions, Fraud and Abuse

Normally student loans are not dischargable through bankruptcies. In some bankruptcy cases, the guarantee agency will have to file specific documents with the court. In other cases, the guarantee agency can take legal actions against borrowers who are able to pay but delinquent, or student borrowers who are abusing or attempting to defraud the program. The guarantee agency has a paralegal and attorney available to assist with in-state cases.

The administration of the Guaranteed Student Loan Program can be provided by employees of the guarantee agency or in some cases by third party servicing organization. From 1980 through 1987, the guarantee agency contracted with United Student Aid Funds, Inc. (USA Funds) located in Indianapolis, Indiana, to fully service the loan administration functions. In 1987, the Board of Regents directed the guarantee agency to study the feasibility of bringing some of those functions to Montana. The purpose of the Regents' request was to bring the servicing closer to the clients, i.e., student borrowers, schools and lenders, and to provide jobs to Montanans in Helena. The guarantee agency consummated a servicing contract with USA Funds to provide remote processing in Helena so the various servicing functions could be phased in over a period of time. The first phase, applications processing, commenced in April 1988 and continues. Attachment A indicates the date each phase of the program was implemented.

A compliance audit is performed by the Legislative Auditors Office every two years and a financial audit each year.

EXHIBIT 4

DATE 2-1-91

HB Ed. CULT. Des. Sul.

Attachment A

History of Montana Guaranteed Student Loan Program

Status Management	March 1989
Customer Assistance	October 1988
Fee Billing	April 1989
Pre-Claims Activity	October 1989
Claim Processing	October 1989
Post Claim Activity	February 1990
Accounting, Recoveries,	
Fiscal Reports	February 1990
Paralegal	October 1990
Supplemental Pre-Claims	February 1991

Full servicing is now being conducted in the Helena office. The guarantee agency has received positive response from schools, lenders and borrowers endorsing the move of the servicing function from Indianapolis to Helena, as is reflected in the attached Customer Survey conducted in October 1990 by Anderson ZurMuehlen & Company, Certified Public Accountants.

WICHE STUDENT STATISTICS

INFORMATION TAKEN FROM WICHE RECORDS. (WICHE has current addresses on 73% of the alumni. Statistics do not include students currently enrolled.)

MEDICAL ONLY

213 Alumni

90 (42%) practice in Montana

15 (7%) did practice in Montana at one time 7 (3%) still in training

112 (52%)

10 physicians from other WICHE states are currently in Montana

ALL WICHE FIELDS

980 Alumni

284 (43%) practice in Montana

588 (46%) practice in another WICHE state

872 (89%) practice in West



Western Interstate Commission for Higher Education Western Interstate Commission for Higher Educa P.O. Drawer P Boulder, Colorado 80301-9752 Telephone (303) 497-0200 FAX (303) 497-0291 ■ Telephone (303) 497-0200 FAX (303) 497-0291

NOTE: New telephone oretix: 541

proving Education In The West.

November 27, 1990

RECEIVED

NOV 3 0 1990

MENTAKA UNIVERSITA SALA I

Pat Admire Certifying Officer for Montana WICHE Student Exchange Program 33 South Last Chance Gulch Helena, MT 59620-3101

Dear Pat:

In response to the request for information on the Montana PSEP alumni from you and Jack Noble, I am enclosing numerous pieces of information as well as this letter of statistics that I hope you will be able to weed through.

- (1) I am returning a hand-corrected copy of your "WICHE Service/Payback Obligations" sheet sent in with your 9/18/90 letter. For your information, the two Wyoming bilateral contracts in medicine may be cut to about half (from 19 to 10), subject to approval as part of the Wyoming reallocation proposal under consideration this fall.
- (2) A printout of the current location of the 213 PSEP medical alumni supported by Montana in which we believe we have a current address. I've included the phone number where it is available. On the "note" section, the "Z90" means that they responded to our survey this summer. The numbers "2/3/4/5" in any combination after the Z90 have the following meanings:
 - "2" academic/in a teaching capacity;
 - "3" civic leader;

original support.

- "4" special/prominent political, professional associations, etc., and those noting special appreciation of the program; "5" - has at one time or still practices in state providing
- (3) A printout of the current location of 39 individuals who were supported by other WICHE states who are currently practicing in Montana.
- (4) A handful of survey responses which you may find interesting. Please feel free to ask for others you may find you want as you go through the printouts.

As for the statistics on your alumni:

- o According to our records, we have 1,039 files on Montana people; of which 122 are currently enrolled in the program, with and without support. We believe we have current addresses on 660 (73%), and are still trying to find 249 individuals.
- o A tested mailing indicates that we have now located 1,024 medical alumni (77%). After 35+ years in business, it is likely that the majority of the remaining 313 have either retired or died; but we have no way to verify it as yet.

DATE 2-79/ HB Ed. + Cour. Pas. Sub.

o Our office ultimately sent surveys to 1,021 medical and 65 podiatric alumni from all supporting WICHE states; of which we received a 40% response in medicine and a 34% response in podiatry (443 returned/completed). Of Montana alumni in medicine and podiatry, 86 forms were returned.

o Of total Montana alumni, 284 (43%) are currently practicing in Montana; and another 588 (46%) are practicing in another WICHE state. That is a combined total of 89% practicing in the West.

o In medicine only, of your 213 "found" alumni, 90 (42%) are currently practicing in Montana, with another 15 who did practice in Montana at one time in their career (see first printout for individual names), and at least another 7 who are still in training, and hope to return when through. That percentage is higher than many other WICHE states.

o As indicated in the second printout, another 39 individuals who were supported by other WICHE states are currently practicing in Montana, of which 10 are physicians.

Our database is limited in the number of qualifiers I can select, but I trust these statistics will be of use to you in your upcoming legislative session.

If I can be of further assistance, please let me know. Good luck!

Sincerely,

Sandy L. Jackson Senior Staff Associate Student Exchange Program

Enclosures

WICHE APPLICANTS AND BEGINNING STUDENTS SUPPORTED

DATE 2-7-91 HB Ed a Ceur. Den Sur

	Number of Applicants	Number of Acceptances	Funded By WICHE	Funded By WAMI	Funded By Minn. Dental
1981-82					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry	94 16 37 8 2 4	32 8 14 3 1 2 0	10 3 13 3 0 2 0	20 0 0 0 0 0 0	0 4 0 0 0 0
Total	161	60	31	- 20	4
<u>1982–83</u>					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry	90 16 30 11 4 5	31 9 13 8 2 3 3	10 4 13 7 1 2 3	20 0 0 0 0	0 2 0 0 0 0
Total	159	69	40	20	2
1983-84					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine	74 9 29 9 1 1 2	33 6 13 9 1 1 2 5	11 2 13 7 1 1 2	20 0 0 0 0 0	0 4 0 0 0 0
Total	130	70	41	20	4
<u>1984–85</u>					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine	75 7 34 9 3 3 0 <u>7</u>	33 6 12 7 2 2 0 4	13 2 12 6 1 1 0 4	20 0 0 0 0 0	0 3 0 0 0 0
Total	138	66	39	20	3
<u>1985–86</u>					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine	65 4 27 6 5 2 1	31 4 12 3 2 2 1 3	10 1 12 3 2 2 1 3	20 0 0 0 0 0	0 0 0 0 0 0
Total	116	58	34	20	0

WICHE APPLICANTS AND BEGINNING STUDENTS SUPPORTED (Continued)

	Number of <u>Applicants</u>	Number of Acceptances	Funded By WICHE	Funded By WAMI	Funded By Minn. Dental
1986-87					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine Total	67 13 24 5 2 1 1 4	30 11 12 2 1 1 0 2	7 4 12 2 0 0 0 1	20 0 0 0 0 0 0 0 0	0 2 0 0 0 0 0 0 0 0 2
1987-88					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine	67 11 23 11 5 2 2	34 10 11 5 2 2 2	5 2 5 5 1 1 2	20 0 0 0 0 0 0	0 2 0 0 0 0
Total	129	70	50	20	2
1988-89					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine	62 5 27 12 6 3 0	36 4 11 6 3 1 0 3	6 2 10 5 2 1 0	20 0 0 0 0 0 0	0 2 0 0 0
Total	122	64	26	20	2
1989-90					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine Total	59 5 23 11 7 3 4 8	33 4 11 8 4 3 3 4	6 3 11 6 4 2 2 2 2	20 0 0 0 0 0 0 0 0	0 0 0 0 0 0
<u>1990–91</u>					
Medicine Dentistry Veterinary Medicine Optometry Occupational Therapy Public Health Podiatry Osteopathic Medicine Total	55 8 20 8 12 4 2 3	36 7 12 5 6 2 1 2	8 4 11 3 4 2 1 1	20 0 0 0 0 0 0 0	0 2 0 0 0 0 0

DATE 2-7-91
HB Ed. V Curr. Par. Sew.

Mr. Chairman and members of the Committee,

I am Sheila Cates, Coordinator of Library Development, at the Montana State Library. I am also today representing Richard Miller, State Librarian, who is unable to be here because the Montana State Library Commission is meeting today also.

I wish to submit as part of my testimony a copy of a resolution from the Montana State Library Commission requesting graduate library studies be added to the WICHE program in Montana. I would also make you aware of the fact the Board of Regents approved a motion in support of this resolution.

Part of my job responsibilities at the State Library include Continuing Education for Montana's librarians. In that capacity I am several times a year asked about the Masters Degree in Library Science -- How does one obtain such a degree? and Where can a person get the Masters Degree in Library Science? Sometimes the comment is, "I'd love to get the MLS, but I can't afford the out-of-state tuition to go somewhere to get the degree".

Three years ago we had a task force that developed a statewide plan for continuing education for Montana's librarians. A needs assessment survey was conducted of the state's library community -- school, public, academic and special librarians. Two hundred and ninety nine surveys were returned. In response to a question about the level of library preparation people desire, 26% or 77 people indicated a strong interest in the Master's Degree from a program accredited by the American Library Association. One of the goals in the plan is "To improve access to the American Library Association-accredited MLS programs" and an objective of that goal

is "Lobby for funding of WICHE program . . . "

That is why we're here today -- asking for your support of the budget request from the Board of Regents to add two additional slots in the WICHE program in FY '93 for the Masters Degree in Library Science. This is a comparatively low cost WICHE program which will add an additional \$7600 to the current request.

There are currently 6 public libraries in the state that as federation headquarter libraries are required to employ as director a person with the Masters Degree in Library Science. Last year three of those positions were vacant for several months — two of the positions were filled by people from out-of-state with the Masters Degree. For the third position, there were no applicants with the MLS. There are also three other public libraries in the state which require the Masters Degree of their directors. Currently there are four of the six units of the University System searching for new library directors. At a minimum those positions also require the Masters Degree in Library Science. In all of these libraries there are usually additional staff positions held by people with the Masters Degree as well.

This is all to say there are positions in the state people could compete for **if** they had the nationally recognized degree. More Montana people would seek the degree if it were more economically feasible.

HAVRE-HILL COUNTY LIBRARY

402 Third Street HAVRE, MONTANA 59501 406/265-2123 EXHIBIT 8

DATE 2-1-91

HB

February 6, 1991

The Honable Ray Peck, Chairman Education Committee

Dear Mr. Chairman and Committee:

Richard Miller, the State Librarian spoke to me briefly about the possibility of adding library studies to the Montana wiche program.

Ray, as you may know, my educational experiences have been long and thorny. I will briefly state my story in order to explain how this program could have helped me.

I graduated from Havre High School in 1964. After a short trying time in the State of Washington attending school I came back to Montana and married a neighboring farm boy. From this point library science credits were hard to find. In 1975, I began working as a library clerk for the Chinook school system. But try as I might it was near impossible to be qualified for a career in the library field within the State of Montana. I recognized some of my problems were personal, as I paid for homestudy courses from all corners of the United States and struggled at the kitchen table at night in order to be a qualified librarian and still keep my family at home. The real trouble began when Universities did not accept my non-tradional credits. Alas, a university in California accepted my non-tradional credits and I am presently working on my thesis for a non-tradional degree in library science.

I realize Montana does not require public library directors to have an MLS. However, speaking from experience, I would feel more accomplished and at ease with my job if I had been able to complete a formal degree. Of course, the solutions to this problem is to add library studies to the wiche program or add library studies to one of the Universities in Montana.

In our complex society Libraries are fast becoming one of the single most imperative steps to ones education be it formal or informal.

I am often asked the question "How did you get your library degree?" I gasp and quickly refer them to a directory published by the American Library Association of recommended library schools. When the directory is returned by these potential MLS seekers, I always here the same comment "Montana is not even mentioned".

Sincerely, Somme Bonnie Williamson

Ex.8 2-7-91 Ed. x Cur. 40 - Duly

February 6, 1991

Mr. Ray Peck Representative House District #15

Dear Mr. Peck

I am writing to urge your support of the legislative bill regarding a compromise between states for naivers of out-of-state trution for library science students.

Text year I will be attending the Univ. of Missouri and have seen what a great difference there is between in- and out-of-state tuition. If some agreement would be reached, the financia burden would be lessen considerably for library science majors. thank you for your time.

Era English #4

DATE 2 J. G. L. CLUS. Do. Auto.

February 6, 1991

Mr. Ray Peck Representative House District #15

Dear Mr. Peck:

I am writing to urge your support of adding a Masters of Library Science degree to the others covered by WICHE's in-state tuition program.

In 1986 when I entered the Masters of Library Science program at the University of Texas in Austin, I paid out-of-state tuition. The difference between out-of-state and in-state was approximately \$1,300 per semester at that time. In-state students paid approximately \$400 per semester. I had to go all the way to Texas because the only school closer (University of Washington) charged even more than UT for out-of-state students.

Information is crucial to life today. It is important to have trained professional librarians to assist people in finding information. WICHE is one way for Montana to get the trained professionals that are needed.

Thank you for you assistance.

Sincerely yours,

Vicki Gist

302 9th St., #6

Havre, MT 59501

Jen cerely Thlew Thekman 421 4th Je Harre, Mt 59501

February 6, 1991

Kep Hay Heck

Dear Rep. Rect

DATE 2-7-9/ HB Ed. + Cur. 40. Sen

RESOLUTION REQUESTING THAT GRADUATE LIBRARY STUDIES BE ADDED TO THE WICHE PROGRAM IN MONTANA

WHEREAS, the state of Montana has no higher education program leading to an American Library Association-accredited Master's Degree in Library Science, and

WHEREAS, there is a recognized need for trained librarians in libraries of all types in Montana, and

WHEREAS, the state has a continuing problem attempting to fill professional librarians positions in Montana's libraries, and

WHEREAS, the Western Interstate Commission for Higher Education provides a means by which Montana residents can be eligible to attend a number of graduate library studies programs in other states as if they were residents of those states (i.e., at reduced rates), and

WHEREAS, the Montana State Library Commission has the authority to improve library services to all Montanans, now therefore be it,

RESOLVED, that the Montana State Library Commission request that the Montana Board of Regents of Higher Education consider adding the Master's Degree in Library Science to Montana's WICHE program, and be it further

RESOLVED, that the Montana Board of Regents request funding for this purpose from the appropriate legislative subcommittee during the 1991 session of the Montana Legislature, and be it further

RESOLVED, that the Board of Regents provide two slots leading to the Master's Degree in Library Science during the 1992-1993 biennium.

Done this 21st day of January 1991, at a special meeting of the Montana State Library Commission, in Helena, Montana.

Mary Doggett, Chairperson

Thank Roggett

C.E. Abramson, Vice-Chairperson

HOUSE OF REPRESENTATIVES VISITOR REGISTER

	SUBCOMMITTEE	DATE_	01-	/-	70	_
DEPARTMENT (S)		DIVISION				

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NAME	REPRESENTING
Bill Lannan	Mont Guaranteed SLP.
Jacke Wrigg	Ant State Library
Skeila Cales	State Library
Johlene Hannawala	MESLP/CHE
Sidney Burgess Poole	school librarians / myself
Juli Bork	Montana Tech
Sandra Januie	State Library
Heide Leighty	Montana College Coldish
Todd Wiesen	ASUM
John Dolan	ASMSU
Patrick McCleary	ASUM
/	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.