

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES**

**Call to Order:** By CHAIRMAN PECK, on February 18, 1991, at 8:15 a.m.

#### **ROLL CALL**

**Members Present:**

Rep. Ray Peck, Chairman (D)  
Sen. Greg Jergeson, Vice Chairman (D)  
Sen. Don Bianchi (D)  
Rep. Larry Grinde (R)  
Rep. Mike Kadas (D)

**Members Absent:** Sen. H.W. Hammond (R)

**Staff Present:** Pam Joehler, Senior Fiscal Analyst (LFA)  
Skip Culver, Associate Fiscal Analyst (LFA)  
Doug Schmitz, Budget Analyst (OBPP)  
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 SEN. HAMMOND informed him that he would not be back on time and granted his proxy to REP. GRINDE on all motions.

#### **HEARING ON WRAP UP - POSTSECONDARY EDUCATION**

**Tape No. 1**

**Ms. Joehler** distributed a handout on Wrap-Up Items. **EXHIBIT 1**

020

CHAIRMAN PECK asked SEN. JERGESON if he had a report on the bill draft that the subcommittee authorized him to proceed on. SEN. JERGESON stated that Greg Petesch informed him that the subcommittee has the same status as a regular committee for bill drafting. Were working on a Capital Equipment acquisition program that will parallel with the Long Range Building and that each biennium the agencies will prepare prioritized lists of their equipment needs. They will present this to the Administration in their budget process and the Administration will then present their list of priorities as well as the planning sources for the purchases. At this point we are not sure where to put the threshold on equipment. We are mostly

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concerned about the more expensive pieces of equipment, computer, lab equipment etc.

045

**Skip Culver** stated that the subcommittee authorized funding level for the Star Schools Program in OPI but did not authorize the FTE.

Stars School Project

**Motion/Vote:** SEN. JERGESON moved 1.5 FTE for the Stars School Project in OPI. MOTION CARRIED unanimously 5/0.

**Mr. Culver** stated that in the motion regarding HB28 it read that the subcommittee adopts the Executive Budget. The Executive Budget included two FTE, the discussion of this whole issue was that they were adding two FTE. The motion should include four FTE at the Executive Budget funding level. **Mr. Groepper** stated that when the Executive budget was put together OPI had two people on board then. In the first year we were going to have two accounting people and in the second year we were going to bring on the third accountant and start the HB28 accounting programming. At this time we have three accounting people and one programmer-analyst. There isn't any more money it's just a matter of FTE. **CHAIRMAN PECK** stated that they had two working and the request was to add two more but they weren't in the base. **Mr. Groepper** said the way HB28 was passed there was approximately \$200,000 for GAAP and \$150,000 to implement HB28. The timing of this was such that since HB28 didn't start until last July we put two accountants on to get the manuals together and develop the forms and once we started implementation of HB28 that is when we the extra work load picked up. **CHAIRMAN PECK** asked if the money is already in there. **Mr. Groepper** said yes.

095

**REP. GRINDE** stated that the last time he met with **Mr. Groepper** they talked about combining the reports and how specific and detailed these reports should be and asked **Mr. Groepper** where he is on those. **Mr. Groepper** said OPI has met with Montana Association of School Business Officials (MASBO) and have talked with the school Administrators and with a representative group of the County Superintendents of Schools to try and get at the consolidation of the forms. **Mr. Groepper** said they don't have the final reporting forms done for this school year but have taken into consideration **REP. GRINDE'S** concerns of how long they are and how much detail were asking for. **REP. GRINDE** stated that when this GAAP amendment went in it was suppose to be the simplest thing we could do for bookkeeping in the School Districts, how long will you need these people. **Mr. Groepper** stated that looking out beyond this biennium it is difficult. At the end of this school year these three accounting people will begin reviewing school district audits. There are 544 school districts and under the present law have to be audited every two

years. These people will make sure the school districts have their accounts set up in accordance with GAAP. Where they don't have them set up they will have to go out and help the school districts. Mr. Groepper stated that if the School Districts do a good job of converting to GAAP and get clean audits over the next biennium there wouldn't be any need to have all three of the accounting people. Once we are through all of the programming changes to get GAAP and HB28 up we may not need the programming person either. However, we will need them through this biennium.

REP. GRINDE stated that he would like to look at this in two years and see what is going on. There have been many calls from people in my district, other districts and particularly the smaller schools that are telling me that it is more complicated than it was before GAAP. REP. GRINDE stated that an Elect County Superintendent brought the problems to his attention, and he spoke to OPI and asked them to clear the problem up. REP. GRINDE stated that this women received a call from someone at OPI and asked her what she was doing giving this information out to a legislature. REP. GRINDE said he would like to be able to set this up so that the FTEs can be reviewed in the next biennium. CHAIRMAN PECK asked Ms. Joehler if it could be line itemed. Ms. Joehler said yes.

#### HB28 Accounting

Motion: REP. GRINDE moved to line item four FTE in OPI for GAAP accounting.

SEN. JERGESON stated that he objects to hear say at this point being used to justify a motion. If REP. GRINDE has a problem he should be talking to the people in OPI instead of in this subcommittee. CHAIRMAN PECK stated that he feels the smaller districts have a bigger problem than the larger districts. OPI is working on a computer package that would take care of this GAAP accounting. REP. GRINDE stated that he is not against the GAAP accounting method but there are some problems that are being done in implementing this and would like to keep a handle on it. Mr. Groepper stated that some of the concern is with a document that is required by statute. This is a preliminary budget form that the school districts are to provide to the County Superintendant of Schools. When GAAP was implemented the Montana Association of School Business Officials asked that the preliminary budget report form be modified so that all the line items in there were in accordance with GAAP. This document asks for a lot of information that you may or may not need to have, OPI does not request that information at our level but there is a statutory requirement that the school districts shall provide the County Superintendant of Schools with the preliminary budget. Mr. Groepper stated that the initial form was made up the way they thought the school business people wanted it. We have come to find out there needs to be a better balance with what the School Business Clerks want, with what the County Superintendents

of Schools can do and with what the School Administrators want to do. We are now trying to come up with something that everyone is pleased with.

**CHAIRMAN PECK** stated that last session **REP. EUDAILY** was working with OPI about reviewing the report forms and trying to reduce them down and simplify them, what has happened with that. **Mr. Groepper** stated that there is one person who is in responsible for coordinating all of the forms to make sure there isn't any duplication.

271

**REP. KADAS** asked **REP. GRINDE** if it his intention to line item all four FTE. **REP. GRINDE** said yes, and stated that he is not by any means going after this program. When this amendment was carried it was presented as being one of the simplest and least expensive programs and I would like to keep an eye on it and make sure that is the case. **REP. KADAS** stated that his recollection from the discussions was that this may cause some grief for the smaller schools because they hadn't been doing it and they will have to change there ways. **REP. GRINDE** stated that the problem with the smaller schools was, will they have to go to computerized programs. At that time they were told no. **CHAIRMAN PECK** asked **Mr. Groepper** if he has a problem with line iteming the four FTE. **Mr. Groepper** said he doesn't have problem with that.

**Vote:** MOTION CARRIED unanimously 5/0.

#### Fees and Assessments

321

**Mr. Groepper** stated that OPI was doing workshops and charging fees and abating the costs of the workshop. Under SBAS you need an appropriation to take in the fees and for the past two years we have been taking the fees and depositing them into the General Fund and foregoing other expenditures. It should be \$46,000 in the first year and \$15,000 in the second year and not \$46,000 each year of the biennium.

**Motion/Vote:** **SEN. BIANCHI** moved to correct the previous motion reading \$46,000 in each year of the biennium on fees and assessments to \$46,000 in FY92 and \$15,000 in FY93. MOTION CARRIED unanimously 5/0.

**Ms. Joehler** distributed a handout on Proposed Language. **EXHIBIT 2**

#### Fire Service Training

**CHAIRMAN PECK** reviewed page 1 of **EXHIBIT 2**

**Motion/Vote:** **REP. KADAS** moved the adoption of the language as proposed by the staff. MOTION CARRIED unanimously 5/0.

## VO-TECH CENTERS

Audit Costs

**Ms. Joehler** reviewed page 2 of **EXHIBIT 2**. **Ms. Joehler** stated this is standard language and has been in the bill for several years. The total audit costs are estimated to be in that a portion of those costs are to be paid from funds other than those appropriated. **CHAIRMAN PECK** asked what the reason was for that. **Ms. Joehler** said because the auditors audit all funds.

**Motion/Vote:** **SEN. JERGESON** moved the language in the bill dealing with the Vo-Tech Audit Costs. **MOTION CARRIED** unanimously 5/0.

1.5 Mill Levy Collections

**CHAIRMAN PECK** reviewed #2, page 3 of **EXHIBIT 2**.

**Ms. Joehler** stated that the \$965,005 in the first year and \$981,480 in the second year is the dollar amount that was included in the subcommittee recommendation for the Vocational Technical Center and what this language would do is if the revenue received from the 1.5 mill levy exceeds this amount the Commissioners Office is authorized to distribute those additional amount to the Vo-Tech Centers. This would also result in a general fund reversion so it doesn't go above their appropriated authority.

**Motion/Vote:** **SEN. BIANCHI** moved to adopt the language for the 1.5 Mill Levy Collections dealing with the Vo-Tech Centers. **MOTION CARRIED** unanimously 5/0.

Lump Sum Appropriation and Accountability Requirements

**CHAIRMAN PECK** reviewed #3, page 3 **EXHIBIT 2**.

438

**Ms. Joehler** stated that the motion by the subcommittee indicated that you wanted to provide flexibility to the Board of Regents to operate the Vo-Tech Centers in implementing the budget for the 1993 biennium. The intent was to have a single dollar amount for each Vo-Tech Center and that is what the language in the top section of Item #3, page 3 of **EXHIBIT 2** speaks of. There was also discussion when the motion was made for this lump sum appropriation that you wanted the Vo-Tech Centers to continue to record all of their financial affairs in the instruction, support, and physical plant programs that they currently do. You also wanted to have the budget request for the next biennium to be presented in those categories so you could see where their needs were in those particular areas next time. **Ms. Joehler** stated that this language has been reviewed by Ms. Cohea but the University has not seen this particular language until this morning. **CHAIRMAN PECK** stated that there is going to be a

restriction on Personal Services that you can't transfer out of but you can transfer in on other parts of the state budget and this language would exclude the Vo-Tech Centers from limitations. **CHAIRMAN PECK** stated that it would take a positive motion to include the language in the bill otherwise it will continue as budgeted in the past. **Mr. Noble** stated that the language looks acceptable and is the intent that we had in mind for the Vo-Tech Centers in light of their very constrained budget. **CHAIRMAN PECK** stated that this is a major consideration for the subcommittee. If this is done here there will be expectations elsewhere. **REP. KADAS** asked if we need to adopt it since we already adopted it. **CHAIRMAN PECK** said the subcommittee didn't adopt the formal language to put in place what Ms. Joehler thinks the intent of the subcommittee was. We need to put the language in the bill here to implement what is believed to be the intent of the subcommittee.

**Motion/Vote:** **REP. KADAS** moved to adopt the language dealing with the Lump Sum Appropriation and Accountability Requirements for the Vo-Tech Center.

**CHAIRMAN PECK** stated that he believes **REP. KADAS** makes a point but feels that every one else may argue the same point. Fundamentally **REP. KADAS** is saying because of the tight budget they are in they need the flexibility and I suspect everyone is going to feel that way. **CHAIRMAN PECK** stated that he is very reluctant about doing this and then imposing that personal services restriction on other parts of the Government. **REP. KADAS** stated that his argument isn't the tight budget argument, it's that they have gone from being essentially entities of the High Schools where they had parts of their budgets paid for by the High Schools, parts through their own system, and parts by the State. Now they are state entities and in all that gyration they are still in the process of figuring out where there costs are and I am hopeful that if we give them some flexibility we will begin to get an idea of where those costs are. **REP. KADAS** stated that he would not make the same motion because budgets are tight.

570

**REP. GRINDE** asked if we will get a good look at this to see how it works down the road if we want to look at it in two years. **REP. KADAS** said he believes the LFA can provide that information. **CHAIRMAN PECK** asked Ms. Joehler what differences she sees in terms of information on budgeting the Vo-Tech Centers under this statement that would not be developed under this ongoing procedure. **Ms. Joehler** stated that what may happen is they will realize that they need to move expenditures around, other than what might have been considered during session. In terms of getting accounting information and being able to be accountable for the expenditures as long as they continue to use SBAS there should be no problem. **CHAIRMAN PECK** asked if there would be any restrictions on them moving money other than the personal services. **Ms. Joehler** said there is a 5% restriction on

programs, however, most of their money is in personal services. **CHAIRMAN PECK** asked if a budget amendment would be appropriate. **Ms. Joehler** said yes.

Role Call Vote: MOTION CARRIED 4/1, **CHAIRMAN PECK** voting no.

#### COMMUNITY COLLEGES

##### Unrestricted Budgets

**CHAIRMAN PECK** reviewed page 4 of **EXHIBIT 2**

**Ms. Joehler** stated that this language is similar to the language for the Audit costs for the Vo-Tech Centers.

665

Motion/Vote: **REP. KADAS** moved the adoption of the language for the Community Colleges dealing with unrestricted budgets on page 4 of **EXHIBIT 2** setting the level at 49% in the first year and 50% in the second year as the state percentage of the budget. MOTION CARRIED unanimously 5/0.

#### UNIVERSITY SYSTEM

**CHAIRMAN PECK** reviewed page 5 of **EXHIBIT 2**.

696

**Ms. Joehler** stated that this language is inserted in the General Appropriations Act delegating appropriation authority responsibility to the BOR for all funds other than current unrestricted operating funds.

**CHAIRMAN PECK** asked if this represents change from current language. **Ms. Joehler** said the only change is the note that has been added for the approval date for the comprehensive program budget by the BOR. It is currently July 1.

729

**Mary Ann Wellbank** stated that there is an error in the forth paragraph on page 5 of **EXHIBIT 2**. The \$12,050,00 should read \$12,131,000 to agree with the first figure.

**SEN. JERGESON** stated that he has no problem with this language but what happens in the event that this revenue estimate on the millage changes either by action of the legislature or because somebody else decides they are going to be different. **CHAIRMAN PECK** said it can be changed in the process. **SEN. JERGESON** asked what happens if the mill levies come in less than the revenue estimate. **Ms. Joehler** said she is fairly confident that the subcommittee could expect a supplemental appropriation on the University System. **SEN. HAMMOND** asked what the record of those supplementals being approved has been. **Ms. Joehler** said they have been pretty good.

749

**SEN. BIANCHI** asked what the Regents do. **Ms. Joehler** stated that each University Campus and Higher Ed Agency prepare a detailed budget for each year of the biennium and they do this each fiscal year. This summarizes not only the current unrestricted operating account but all of the other fund types that prepare a detailed request. The Commissioner Office compiles a total request in one very large notebook and presents it to the BOR. Their first meeting of the fiscal year is usually late June early July. **SEN. BIANCHI** asked how this proposal differs from **CHAIRMAN PECK'S HB45**. **CHAIRMAN PECK** stated that HB 45 deals with the private funds and merely require prior notification. It doesn't set budget figures or anything like that. **SEN. BIANCHI** asked if the Regents budget includes private funds. **Ms. Joehler** said she believes it can include private funds for some purposes. **Mr. Noble** said it includes private funds for every fund category the University System has is in this report. It is marked in terms of where it is deposited in the State Treasury and there is a sheet in there that is established in SBAS for every expenditure. Subsequent changes that the campuses have to make need to be processed through the Commissioners Office to the Budget Office for those changes.

797

**SEN. JERGESON** asked why the date change is needed. **Mr. Noble** stated that they are dealing with very large entities and more time is needed so that when that operating budget is approved by the BOR it is the operating budget that they are going to operate that campus by. With the July 1 date when the legislature adjourns they put up the appropriation bill and proceed into their budget planning. By the time their internal document is through in the fall it is different than what the Regents have approved, then we have to amend or modify the Regent budget. The October 1 date will make the RERS process more meaningful and give a more meaningful document.

**SEN. JERGESON** asked why plant funds aren't listed with current funds, loan funds, and endowment funds. **Mr. Noble** stated that if the language were technically correct it would read, plant funds appropriated through Long Range Building Program. **CHAIRMAN PECK** asked **Mr. Noble** if they would prefer correcting the language. **Mr. Noble** said yes, so there is no confusion in terms of legislative audit reports. **CHAIRMAN PECK** asked **Mr. Noble** and **Ms. Joehler** to correct the language.

#### Decoupling Language

879

**CHAIRMAN PECK** reviewed Decoupling Language of page 6 of EXHIBIT 2

**REP. KADAS** asked **Mr. Noble** if the Commissioners Office has looked this language over. **Mr. Noble** said no. **CHAIRMAN PECK** asked **Mr.**



Noble to look the language over and see if this is what they were intending. **REP. KADAS** asked Ms. Joehler if a dollar amount was set and the FTE is lower how would that be dealt with. **Ms. Joehler** said she would look at adjusting the formula factors. **CHAIRMAN PECK** asked if it were necessary to be that specific in the language. **Ms. Joehler** said Ms. Cohea reviewed the language that the University System proposed and she felt that this would be a better way of saying it. **Ms. Joehler** said she would put a dollar amount in the language as the subcommittee reports out the Full House Appropriations. As the budget changes this dollar amount will change also. **REP. KADAS** asked if that will change automatically if money is taken in or put out or will it have to be a part of the amendment. **Ms. Joehler** said it would automatically change.

**CHAIRMAN PECK** asked Commissioner Hutchinson what he thinks of the language. **Commissioner Hutchinson** stated that their considered opinion is that the language is substantially in compliance with what we want. However we're not sure about the specification of the 25,064 full time students. Our management is not geared toward that figure, we have six individual kind of enrollments that we work for and we gear our management around that and not the summation. At first flush it looks alright but we haven't thought through all of the ramifications of it. **CHAIRMAN PECK** stated that the subcommittee will meet again at a later date, so you could look it over and we'll get back to this language.

968

**SEN. JERGESON** stated that he would like to see the language more clear and asked that the word result in line 2 be changed to force. **CHAIRMAN PECK** asked that **REP. GRINDE** and **SEN. HAMMOND** meet with Ms. Joehler and the University people to work on the language.

#### Audit Cost

**CHAIRMAN PECK** asked if the percentages are a percent of non general fund dollars. **Ms. Joehler** said it is something that has historically happened.

**Motion/Vote:** **SEN. JERGESON** moved the adoption of the Audit Cost covering the University System. **MOTION CARRIED** unanimously 5/0.

**Ms. Wellbank** stated that in the Executive budget 50% of the Audit Costs for MSU and UM are supported with current unrestricted funds and current unrestricted funds support 74% of the Audit Costs. **Ms. Joehler** stated that the language says that 50% of theses costs from MSU and UM must be paid from funds other than those appropriated.

**CHAIRMAN PECK** referred to page 1 of **EXHIBIT 1**.

Fire Services Fund Structure

035

**Ms. Joehler** stated that the other day she brought out that the Fire Services Training School wants to be able to use the same fund structure that the University System uses. **Ms. Joehler** said she indicated they would be transferring the appropriation that was voted on to the current unrestricted fund. There are proprietary funds in the Fire Services Training School and some federal monies. The Commissioners Office has indicated that the proprietary funds and the federal funds would not be deposited to the current unrestricted funds. The federal funds would be deposited to the restricted fund and the proprietary funds will be put into a designated fund. These are two funds that are not specifically appropriated by dollar amount by the legislature. The money that would be included in the current unrestricted funds would just be the general fund portion of Fire Services Training School budget which is the majority of their budget.

080

**SEN. JERGESON** stated that the vehicle the subcommittee approved replacing in the second year of the biennium won't make it to the second year and they asked that we could move that to the first year.

**Motion/Vote:** **SEN. JERGESON** moved to by the vehicle in the first year of the biennium instead of the second year. **MOTION CARRIED** unanimously 5/0

Commissioner of Higher Ed/Vo-Tech Administration

115

**Ms. Joehler** reviewed page 4 of **EXHIBIT 1**.

**REP. KADAS** asked if there still is \$6,500 in federal fund authority available for use. **Ms. Joehler** said yes.

**Motion/Vote:** **REP. KADAS** moved to change the Deputy Commissioner salary from 90% - 10% to 80% in general fund and Carl Perkins a 50/50 split of general fund and federal funds. **MOTION CARRIED** unanimously 5/0.

Audit expenditure in Vo-Tech Centers'and CHE budgets

**Motion/Vote:** **REP. KADAS** moved to the first year and make biennial appropriations on the audit funds already appropriated. **MOTION CARRIED** unanimously 5/0.

Revenue Options University System

239

**Ms. Joehler** reviewed page 5 of **EXHIBIT 1**

REP. KADAS stated that the Governor has in his pay plan some tuition increases and would rather see it happen that way than to put them in this way. REP. KADAS stated that he would rather leave tuition alone in this budget. CHAIRMAN PECK asked if there are budget amendments to increase tuition in excess of two million dollars for the current year. Ms. Joehler said yes, in fact the budgeted number of students for FY92 and FY93 may be less than actual number of students in FY91. CHAIRMAN PECK asked if the two year average determines the level of tuition in this case for FY92. Ms. Joehler said yes, and we will probably be facing tuition budget amendment. Mr. Noble stated that there is no doubt when using the prior two year growing average as a base to set the budgets you will be under appropriating if you have a campus that is increasing. SEN. JERGESON stated that his concern is that downsizing and limiting enrollments is going to affect how we estimate tuition revenue. SEN. JERGESON said he doesn't want to see the remaining students paying a tuition increase to make up for the lose of student and yet the University System shouldn't lose the revenue either. Commissioner Hutchinson stated that SEN. JERGESON makes a good point. In the example of downsizing we presented for UM there was the problem of lost tuition. Our preference would be to not work the tuition on this side of the house.

398

REP. KADAS stated that a budget amendment is only legal if you couldn't have anticipated it prior, and are we at cross purposes, because we really know that a campus with increasing enrollment it is going to require a budget amendment. CHAIRMAN PECK said he doesn't think it has been questioned on that basis. We know that the volatility of enrollments are such that the Finance Committee has not questioned it. Ms. Joehler said she doesn't feel there is a problem with that.

CHAIRMAN PECK stated that he thinks REP. KADAS is saying that we shouldn't fool with this at this point and just go along with what we have. The Commissioners Office has suggested that we wait and look at tuition at a more appropriate time when we know pay plan and specifics. CHAIRMAN PECK said he agrees with this.

Commissioner Hutchinson distributed and reviewed a handout on Accreditation Problems. EXHIBIT 3

623

REP. GRINDE asked if the reason the School of Pharmacy is not being funded is because of the formula that drives the situation. Commissioner Hutchinson stated that if they get the Regents budget most of these things will be taken care of. REP. GRINDE asked if the Commissioners Office has any way of directing money to these programs. Commissioner Hutchinson stated that they have very limited flexibility and that flexibility translates not only through the Regents but onto the Campus and they are constrained in their ability. It is very difficult for a campus to find

\$400,000 over the biennium out of a whole cloth. **REP. GRINDE** stated that without having these things pop up what is the answer, how do we fund this without appropriating new monies every time we come in here. **Commissioner Hutchinson** stated that if they don't have adequate funds to take care of this and there aren't other kinds of bills that come forward like proposed by the Montana Pharmacy Association we are going to have to make a decision whether or not we want to retain pharmacy. In the case of Pharmacy, if you don't graduate from an accredited pharmacy school you can't take the licensure exam and you have no real capacity to work as a pharmacist. So effectively you close the school by losing accreditation. Which means we do whatever we can to scrape together that kind of funds and it will mean other programs within the Institution will suffer as a result of that in order to try and come up with the necessary funds to take care of pharmacy. It then becomes a matter of priorities within the Institutions within the State. **REP. GRINDE** asked **Commissioner Hutchinson** if this is a priority. **Commissioner Hutchinson** said there is no question about it being a priority. It is probably one of the highest priorities, if not the highest priority for the UM. **Commissioner Hutchinson** stated that if they had discretionary money the Regents would have to look upon this as the top or near the top priority for funding out of any discretionary monies that might be available. **REP. GRINDE** stated that when **REP. KADAS** made the motion on the eight million discretionary it took any prioritizing away from the system and this is one program we should be looking at and finding a funding mechanism or else the University has to make priority judgements and some other programs have to go by the way side. **Sheila Stearns** stated that in this biennium they have used discretionary funds to transfer \$125,000 out of other instructional programs to bolster Pharmacy. We have gone as far as we can go and quite a ways. **REP. GRINDE** asked if it is not going to direct that students themselves within the Pharmacy School are paying a higher tuition to help fund the school. **Ms. Stearns** said yes, the students pay about \$1,000 annually themselves. **REP. KADAS** asked if the \$400,000 is an absolute necessity in order to keep the School of Pharmacy going. **Ms. Stearns** stated that they have put in 16 FTE and are required to have 20 FTE faculty to maintain accreditation of the program. We need this program modification to get up to 20 FTE. **REP. GRINDE** asked if they got this money would they come back in the next session and still have this problem. **Commissioner Hutchinson** said if they got the \$400,000 in addition to the base increases that the UM has made it would not be a problem in two years.

800

**CHAIRMAN PECK** stated that there are some ongoing cost for continuing education in the Pharmacy School and asked **Ms. Stearns** where they crank into this budget. **Ms. Stearns** stated that one of the four FTE that this program modification adds would be divided up into three parts. It would be a 1/3rd time Clinical Supervisor Continuing Education provider in hospitals in Billings, Helena, Great Falls and Butte. **CHAIRMAN PECK** stated

that he does not understand the answer. **Ms. Stearns** said that one FTE would be divided in to 3rds and those people would be employed 2/3rds time by their home hospitals and 1/3rd time by the School of Pharmacy. For the 1/3rd time they would have continuing education responsibilities as well as supervising clinical students in their internships. **CHAIRMAN PECK** stated that a total of one FTE would be dedicated to licensed pharmacists and asked how many are dedicated to that now. **Ms. Stearns** said they have a part-time person who is shared with St. Patricks Hospital at .5 FTE and a .25 drug information center person. This appropriation will raise the .25 to a full FTE.

**CHAIRMAN PECK** asked what fees Pharmacists pay and what portion of the costs of that FTE do they pay for continuing education. **Bonnie Tippie** said she is not sure what the exact cost of the fees are, but they are based on the cost of the program and the students do pay fees for their continuing education.

**CHAIRMAN PECK** asked Dr. Stearns if the accreditation standard for the School of Pharmacy includes a student teacher ratio of 7/1. **Dr. Stearns** said she is not sure if that is the exact number. **CHAIRMAN PECK** said that bothers him because the professional school is saying that they need 7/1 and the rest of them are functioning at a higher level. **Dr. Stearns** stated that it relates to the nursing expenses and all health related curriculum and that relates to diagnosis and malpractice. If you have a clinical component which pharmacy does then you have to have closer supervision in order to avoid liability and malpractice issues. **CHAIRMAN PECK** stated that he feels that accreditation groups dictate to the school and the legislature how much money were going to spend on a program. **Commissioner Hutchinson** agreed with **CHAIRMAN PECK**, however, if we are going to maintain accreditation there isn't much you can do.

**Dr. Stearns** stated that she feels the State Association of Legislatures might address the issue of accreditation. When the accreditation standard rise is not something that we can cope with or that the legislature can cope with and the only alternative is to shut the program down. **CHAIRMAN PECK** stated that Dr. Stearns made a very good point and it is time we start looking at this and saying to the accreditation groups that if they put on unrealistic standards this may be there end result. **Dr. Stearns** stated that the reason the State Pharmacy Association is willing to step up to this is because they want to be sure that there is an ongoing stream of pharmacists for this state.

**SEN. JERGESON** asked if the difference in funding at MSU is less because their funding has been better for the School of Education then it is at Eastern. **Commissioner Hutchinson** said that may be the reason but is not sure how they will come out on that accreditation. It may be a matter of who got in the barrel first. **SEN. JERGESON** asked if it is critical to maintain accreditation for the Education School and EMC and MSU why isn't it as equally critical to achieve accreditation in the Education

Program at Northern. **Commissioner Hutchinson** said it is just as critical. Northern Montana College had accreditation up until 1980 or 1981 and for reasons I can't explain the accreditation was lost. Any Institution in Montana that has Education as a central core of the Institution then they should have accreditation. Education is accreditation is one that is possible to function with out the accreditation. It is not desirable or a good thing but it can be done without accreditation.

205

**REP. BARDANOUE** asked what percent of the 1/5th Pharmacy requires. **Dr. Stearns** said if they recieve 1/5th Pharmacy would take 13%.

**REP. KADAS** asked if there are other areas where MODS were originally consumed by the change over to going to 1/5th - 1/5th that are not accreditation related but have some other area that will pop up if we don't get to the 1/5th - 1/5th. **Commissioner Hutchinson** said there are several others. One that we are concerned about it disabled student services at the UM.

Tape No. 3

**REP. KADAS** asked what the consequences are if they don't get the 1/5th - 1/5th. **Ms. Holmes** stated that they are under close monitoring by the Office of Cival Rights to provide access and not just physical access but informational access to the growing number of students with disabilities who are attending the UM campus. There is 15 million dollars in federal funds that may be in jeopardy if we are found in violation of Section 504 and other disability programs. **REP. KADAS** asked if the Office of Cival Rights can remove your federal financial aide. **Ms. Holmes** said yes, it has never been done in the United States but when they say you are either in compliance with our federal regulations or all federal funds can be removed that is the ultimate threat. **REP. KADAS** asked what type of threats the have used up to this point. **Ms. Holmes** said that up to this point they have been in a very cooperative arrangements with the Office in trying to work out an agreement. Last year we were able to do some internal relocation of funds to move the coordinators position full-time so he is on campus eight hours a day to provide assistance.

**CHAIRMAN PECK** asked **Ms. Holmes** if it isn't important for her to show that they made a request to the legislature and the legislature did not respond. **Ms. Holmes** said yes.

340

**CHAIRMAN PECK** stated that the other area that has not been looked into is the local assistance program for the fire services training school. **Commissioner Hutchinson** said he cannot give much detail on this but it was a federally mandated program according to a five year plan they submitted.

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**SEN. BIANCHI** asked if Commissioner Hutchinson could provide the subcommittee with a list of the federal and stated mandates. Commissioner Hutchinson said yes.

**REP. BARDANOUVE** asked Commissioner Hutchinson if they will be able to take care of these if they get the Regents budget. Commissioner Hutchinson said they would be able to take care of these with the Regents budget.

**CHAIRMAN PECK** stated that **REP. GRINDE** requested feedback on the Museum of the Rockies in terms of options or alternatives and asked Dr. Malone if he was prepared to address the issue.

**Dr. Malone** distributed and reviewed a handout on the Museum of the Rockies. **EXHIBIT 4**

**Mr. Salay** distributed and reviewed a handout on Museum of the Rockies, Revenue and Support. **EXHIBIT 5**

**REP. KADAS** asked what the request was for the Museum of the Rockies. **Mr. Salay** said it is \$291,000 for salaries and benefits and \$159,000 for physical plant in FY92 and \$298,000 for salaries and benefits and \$165,000 for physical plant operations.

**REP. BARDANOUVE** stated that the Museum of the Rockies is a fine project but unfortunately the project got off on the wrong foot when it was authorized. We were asked to authorize this under the condition that it would not become a part of the University Budget. Now with hindsight that is what has put this in jeopardy. **Mr. Salay** said there is a lot of past history with the Museum, but we are where we are now. The Museum of the Rockies reaches all 56 counties in Montana through one of its vocational programs. **REP. BARDANOUVE** stated that he does not question the value of the Museum. **CHAIRMAN PECK** stated that we are not debating the value of the Museum today that has been done **REP. GRINDE** requested information and that is what we are doing today. **CHAIRMAN PECK** stated that the Museum of the Rockies will be taken up in Full Appropriations.

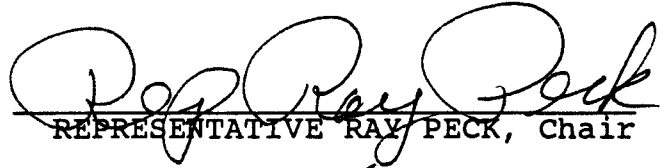
**SEN. JERGESON** stated that he noticed that when agencies put in for new buildings they don't show what the ongoing costs are going to be. **CHAIRMAN PECK** stated that this is a good example of what HB45 is trying to deal with. The issue of going out and doing something with private funds and bringing it in here and telling the legislature to take care of it. We need prior notification if these agencies want us to pick these up.


537

**REP. GRINDE** stated that he would like some information from the University System regarding an Audit. It is report 11 - Agency 5104 dated 7-18-90. **REP. GRINDE** stated he would like detailed documentation that would explain the \$8,048,000 in GAAP adjustments.

**ADJOURNMENT**

**Adjournment:** 11:00 a.m.

  
REPRESENTATIVE RAY PECK, Chair

  
MELISSA BOYLES, Secretary

RP/mjb



**HOUSE OF REPRESENTATIVES**  
**EDUCATION SUBCOMMITTEE**

**ROLL CALL**

**DATE** 2-18-91

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  
CS10LRLCALED SUB

JOINT APPROPRIATIONS EDUCATION SUBCOMMITTEE  
WRAP-UP ITEMS REQUIRING ACTION  
FEBRUARY 18, 1991

1. Boilerplate language for:  
Fire Services Training School  
Community Colleges  
Vocational Technical Centers  
University System (4)
2. Fire Services Fund Structure
3. Commissioner of Higher Education/Vocational Technical Administration-  
correct funding of Deputy Commissioner for Vocational Education
4. Audit expenditures in vocational technical centers' and Commissioner of  
Higher Education's budgets
5. Letter to Department of Administration, Tort Claims Division
6. Revenue options, university system
7. Office of Public Instruction, needs 1.5 FTE from Federal funds. These  
were inadvertently omitted when the subcommittee increased federal authority.
8. Office of Public Instruction, subcommittee needs to clarify motion  
regarding HB 28 accounting. Specifically the number of FTE.
9. Office of Public Instruction, budget modification for fees and  
assessments motion states \$46,000 per year, it should read \$46,000  
in fiscal year 1992 and \$15,000 in fiscal year 1993.
10. The subcommittee appropriated from the motorcycle safety account,  
presently this is a statutory appropriation and does not need to be  
appropriated however there is a bill removing this from the  
statutory provisions so the appropriation should remain in the bill  
subject to the passage of that bill.

SUBCOMMITTEE ACTION WORKSHEET-POSTSECONDARY EDUCATION  
LFA CL, SUBCOMMITTEE ACTION, AND COMPARISON TO EXECUTIVE BUDGET  
CURRENT AND MODIFIED LEVEL  
ALL FUNDS

\*\*\*\*\*PRELIMINARY\*\*\*\*\*

	FY 92			FY 93			1993 BIENNIAL		
	GENERAL FUND	OTHER FUNDS	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS	TOTAL FUNDS
U SYSTEM-6 UNITS									
LFA CL	\$85,536,663	\$44,510,817	\$130,047,480	\$85,611,056	\$44,754,817	\$130,365,873	\$171,147,719	\$89,265,634	\$260,413,353
SUBCMTTE ACTION:									
Add arbitrated salary adj	\$3,877,453		\$3,877,453	\$3,877,453		\$3,877,453	\$7,754,906	\$0	\$7,754,906
Liab Ins Premium increases	\$209,940		\$209,940	\$232,685		\$232,685	\$442,625	\$0	\$442,625
Audit-exec, 1st year	\$160,973		\$160,973	(\$137,742)		(\$137,742)	\$23,231	\$0	\$23,231
Restore per svcs-EMC	\$18,000		\$18,000	\$18,000		\$18,000	\$36,000	\$0	\$36,000
MOD-RERS	\$95,862		\$95,862	\$95,862		\$95,862	\$191,724	\$0	\$191,724
MOD-Federal Minimum Wage	\$330,904		\$330,904	\$330,904		\$330,904	\$661,808	\$0	\$661,808
MOD-Library Catch-Up	\$1,002,560		\$1,002,560	\$0		\$0	\$1,002,560	\$0	\$1,002,560
TOTAL ADJUSTMENTS	\$5,695,692	\$0	\$5,695,692	\$4,417,162	\$0	\$4,417,162	\$10,112,854	\$0	\$10,112,854
SUBCOMMITTEE BUDGET	\$91,232,355	\$44,510,817	\$135,743,172	\$90,028,218	\$44,754,817	\$134,783,035	\$181,260,573	\$89,265,634	\$270,526,207
EXECUTIVE BUDGET*	\$89,640,773	\$44,136,156	\$133,776,929	\$89,108,360	\$44,356,544	\$133,464,904	\$178,749,133	\$88,492,700	\$267,241,833
SUBCMTTE OVER(UNDER) EXEC	\$1,591,582	\$374,661	\$1,966,243	\$919,858	\$398,273	\$1,318,131	\$2,511,440	\$772,934	\$3,284,374
*EXCLUDES STATUTORY APPROPRIATION									
VOCATIONAL TECHNICAL CENTERS									
LFA CL	\$7,018,306	\$3,546,039	\$10,564,345	\$6,983,554	\$3,562,515	\$10,546,069	\$14,001,860	\$7,108,554	\$21,110,414
SUBCMTTE ACTION:									
Implemented Formula	\$1,271,444	(\$661,323)	\$610,121	\$1,227,200	(\$661,323)	\$565,877	\$2,498,644	(\$1,322,646)	\$1,175,998
SUBCOMMITTEE BUDGET	\$8,289,750	\$2,884,716	\$11,174,466	\$8,210,754	\$2,901,192	\$11,111,946	\$16,500,504	\$5,785,908	\$22,286,412
EXECUTIVE BUDGET	\$7,693,789	\$3,522,599	\$11,216,388	\$7,673,371	\$3,542,032	\$11,215,403	\$15,367,160	\$7,064,631	\$22,431,791
SUBCMTTE OVER(UNDER) EXEC	\$595,961	(\$637,883)	(\$41,922)	\$537,383	(\$640,840)	(\$103,457)	\$1,133,344	(\$1,278,723)	(\$145,379)

\*\*\*\*\*PRELIMINARY\*\*\*\*\*  
 SUBCOMMITTEE ACTION WORKSHEET-POSTSECONDARY EDUCATION  
 LFA CL, SUBCOMMITTEE ACTION, AND COMPARISON TO EXECUTIVE BUDGET  
 CURRENT AND MODIFIED LEVEL  
 ALL FUNDS

	FY 92			FY 93			1993 BIENNIAL		
	GENERAL	OTHER	TOTAL	GENERAL	OTHER	TOTAL	GENERAL	FUNDS	TOTAL
	FUND	FUNDS	FUNDS	FUND	FUNDS	FUNDS	FUND	FUNDS	FUNDS
HIGHER ED AGENCIES									
LFA CL	\$21,679,180	\$24,625,417	\$46,304,597	\$21,747,672	\$26,782,508	\$48,530,180	\$43,426,852	\$51,407,925	\$94,834,777
SUBCMTE ACTION:									
Add arbitrated salary adj	\$471,412		\$471,412	\$471,412		\$471,412	\$942,824	\$0	\$942,824
Add "Other" expenses	\$35,003		\$35,003	\$35,003		\$35,003	\$70,006	\$0	\$70,006
Add Equip	\$3,700	\$5,700	\$9,400	\$10,700	\$3,000	\$13,700	\$14,400	\$8,700	\$23,100
Restore Poplar River exp	\$4,336		\$4,336	\$4,336		\$4,336	\$8,672	\$0	\$8,672
Base Difference Adj	\$148	\$6,771	\$6,919	\$147	\$6,722	\$6,869	\$295	\$13,493	\$13,788
CHE-Restore deleted position	\$31,227	\$24,086	\$55,313	\$31,153	\$24,032	\$55,185	\$82,380	\$48,118	\$110,498
CHE-Adjust fixed costs, audits	\$6,839	\$258	\$7,097	\$6,838	\$258	\$7,096	\$13,677	\$516	\$14,193
CHE-Temporary rent adjustment	\$14,850		\$14,850	\$3,713		\$3,713	\$18,563	\$0	\$18,563
CHE-Reduce Student Assistance	(\$180,563)		(\$180,563)	(\$239,873)		(\$239,873)	(\$420,436)	\$0	(\$420,436)
CHE-Reduce Fed Asst to est rev	\$0	(\$22,728)	(\$22,728)	\$0	(\$22,728)	(\$22,728)	\$0	(\$45,456)	(\$45,456)
CC's-Adj state support/cost	\$284,124		\$284,124	\$449,951		\$449,951	\$734,075	\$0	\$734,075
CHE-VotTech/CDPerkins	\$59,885	\$789,137	\$849,022	\$66,308	\$886,136	\$952,444	\$126,193	\$1,675,273	\$1,801,466
CHE-Add'l reinsurance (12)		\$127,669	\$127,669		\$127,669	\$127,669	\$0	\$255,338	\$255,338
FSTS-add recharges	\$7,554		\$7,554	\$7,900		\$7,900	\$15,454	\$0	\$15,454
MOD-Biological Weed Control	\$60,000		\$60,000	\$125,564		\$125,564	\$230,182	\$0	\$230,182
MOD-RERS	\$122,167		\$122,167	\$108,015		\$108,015	\$200,000	\$0	\$200,000
MOD-Vo-Tech Center Contingency	\$200,000		\$200,000	\$0		\$0	\$127,180	\$0	\$127,180
MOD-SEOG increased match	\$63,590		\$63,590	\$63,590		\$63,590	\$72,540	\$0	\$72,540
MOD-Perkins Loan incr. match	\$36,270		\$36,270	\$36,270		\$36,270	\$210,406	\$0	\$210,406
MOD-State Work Study-min. wage	\$105,203		\$105,203	\$105,203		\$105,203	\$281,591	\$0	\$281,591
MOD-Grp Insurance Add'l Costs	\$0	\$140,547	\$140,547	\$0	\$141,044	\$141,044	\$100,000	\$100,000	\$100,000
MOD-Add'l Federal Funds (06)	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	\$0	\$539,092	\$539,092
MOD-Add'l Workload/GSL (12)		\$269,546	\$269,546		\$269,546	\$269,546	\$0	\$0	\$0
TOTAL ADJUSTMENTS	\$1,325,745	\$1,390,986	\$2,716,731	\$1,286,230	\$1,485,679	\$2,771,909	\$2,426,411	\$2,876,665	\$5,303,076
SUBCOMMITTEE BUDGET	\$23,004,925	\$26,016,403	\$49,021,328	\$23,033,902	\$28,268,187	\$51,302,089	\$45,853,263	\$54,284,590	\$100,137,853
EXECUTIVE BUDGET*	\$21,813,048	\$25,211,257	\$47,024,305	\$21,783,664	\$27,694,781	\$49,478,445	\$43,596,712	\$52,906,038	\$96,502,750
SUBCMTE OVER(UNDER) EXEC	\$1,191,877	\$805,146	\$1,997,023	\$1,250,238	\$573,406	\$1,823,644	\$2,256,551	\$1,378,552	\$3,635,103

\*excludes distribution programs

DETAIL OF LFA CL AND BOR REQUEST  
VO-TECH ADMINISTRATION PROGRAM

-----LFA CL-----										-----EDUCATION SUBCOMMITTEE ACTION-----										& Proposed correction to 2/11/91 Worksheet																			
---VO-TECH ADMINISTRATION---										---CARL D. PERKINS ADMIN.---										-----TOTAL-----																			
POSITION	FTE	GF	FED	TOTAL	FTE	GF	FED	TOTAL	FTE	GF	FED	TOTAL	FTE	GF	FED	TOTAL	FTE	GF	FED	TOTAL	FTE	GF	FED	TOTAL	FTE	GF	FED	TOTAL											
FY92 >>>>DEPUTY COMM'R	1.00	32,848	32,849	65,697	0.90	59,127	0	59,127	0.10	59,127	6,570	65,697	1.00	59,127	6,570	65,697	1.00	59,127	6,570	65,697	0.00	26,279	(26,279)	0	0	0	0	0	0										
FINANCIAL ASST.	1.00	17,235	17,235	34,469	0.50	17,235	0	17,235	0.50	17,235	8,617	25,852	1.00	17,235	8,617	25,852	1.00	17,235	8,617	25,852	0.00	8,618	(8,618)	0	0	0	0	0	0										
GENDER EQUITY	1.00	15,346	15,347	30,693	0.00	0	0	0	1.00	15,347	15,347	30,693	1.00	15,347	15,347	30,693	1.00	15,347	15,347	30,693	0.00	1	(1)	0	0	0	0	0	0										
FED PROGRAM OFC.	1.00	20,020	20,021	40,041	0.00	0	0	0	1.00	20,021	20,021	40,041	1.00	20,021	20,021	40,041	1.00	20,021	20,021	40,041	0.00	1	(1)	0	0	0	0	0	0										
SECRETARY	1.00	9,974	9,974	19,948	0.50	9,974	0	9,974	0.50	9,974	4,987	14,961	1.00	9,974	4,987	14,961	1.00	9,974	4,987	14,961	0.00	4,987	(4,987)	0	0	0	0	0	0										
PS	5.00	95,422	95,426	190,848	1.90	86,336	0	86,336	3.10	48,971	55,541	104,512	5.00	135,307	55,541	190,848	5.00	135,307	55,541	190,848	0.00	39,885	(39,885)	0	0	0	0	0	0										
OE	39,646	39,646	39,642	79,288	*	20,000	0	20,000	*	39,646	39,642	79,288	*	59,646	39,642	99,288	*	59,646	39,642	99,288	*	20,000	0	20,000	0	0	0	0	0										
SUBTOTAL OPNS	135,068	135,068	135,068	270,136	*	106,336	0	106,336	*	88,617	95,183	183,800	*	194,953	95,183	290,136	*	194,953	95,183	290,136	*	59,885	(39,885)	20,000	0	0	0	0	0										
GRANTS	1,541,417	1,541,417	*	*	*	*	*	*	*	1,893,923	1,893,923	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*										
TRANSFERS*	2,651,931	2,651,931	*	*	*	*	*	*	*	3,128,447	3,128,447	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*										
TOTAL	135,068	4,328,416	4,463,484	*	*	106,336	0	106,336	*	88,617	5,117,553	5,206,170	*	194,953	5,117,553	5,312,506	*	194,953	5,117,553	5,312,506	*	59,885	789,137	849,022	0	0	0	0											
FY93 >>>>DEPUTY COMM'R	1.00	32,733	32,733	65,466	0.90	65,466	0	65,466	0.10	65,466	6,547	72,013	1.00	65,466	6,547	72,013	1.00	65,466	6,547	72,013	0.00	32,733	(26,186)	6,547	0	0	0	0	0										
FINANCIAL ASST.	1.00	17,194	17,195	34,389	0.50	17,195	0	17,195	0.50	17,195	8,597	25,792	1.00	17,195	8,597	25,792	1.00	17,195	8,597	25,792	0.00	8,598	(8,598)	0	0	0	0	0	0										
GENDER EQUITY	1.00	15,294	15,295	30,589	0.00	0	0	0	1.00	15,295	15,295	30,589	1.00	15,295	15,295	30,589	1.00	15,295	15,295	30,589	0.00	1	(1)	0	0	0	0	0	0										
FED PROGRAM OFC.	1.00	19,951	19,952	39,903	0.00	0	0	0	1.00	19,952	19,952	39,903	1.00	19,952	19,952	39,903	1.00	19,952	19,952	39,903	0.00	1	(1)	0	0	0	0	0	0										
SECRETARY	1.00	9,951	9,952	19,903	0.50	9,952	0	9,952	0.50	9,952	4,976	14,927	1.00	9,952	4,976	14,927	1.00	9,952	4,976	14,927	0.00	4,976	(4,976)	0	0	0	0	0	0										
PS	5.00	95,123	95,127	190,250	1.90	92,612	0	92,612	3.10	48,819	55,366	104,185	5.00	141,431	55,366	196,797	5.00	141,431	55,366	196,797	0.00	46,308	(39,761)	6,547	0	0	0	0	0										
OE	23,819	23,819	23,815	47,634	*	20,000	0	20,000	*	23,819	23,815	47,634	*	43,819	23,815	67,634	*	43,819	23,815	67,634	*	20,000	0	20,000	0	0	0	0	0										
SUBTOTAL OPNS	118,942	118,942	118,942	237,884	*	112,612	0	112,612	*	72,638	79,181	151,819	*	185,250	79,181	264,431	*	185,250	79,181	264,431	*	66,308	(39,761)	26,547	0	0	0	0	0										
GRANTS	1,506,417	1,506,417	*	*	*	*	*	*	*	1,893,923	1,893,923	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*										
TRANSFERS*	2,589,562	2,589,562	*	*	*	*	*	*	*	3,127,953	3,127,953	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*										
TOTAL	118,942	4,214,921	4,333,863	*	*	112,612	0	112,612	*	72,638	5,101,057	5,173,695	*	185,250	5,101,057	5,286,307	*	185,250	5,101,057	5,286,307	*	66,308	886,136	952,444	0	0	0	0	0										
*Transfers include \$189,109 and \$188,615 in fiscal 92 and 93, respectively, for OPI administration																																							
BIENNIAL TOTAL OPNS										254,010										254,010										508,020									
CORRECTIONS																																							
1. Correct funding for Deputy in Vo-Tech Center Admin; FY 93 only																																							
2. Correct funding for Deputy in Carl Perkins program; FY 92 and FY 93																																							
BIENNIAL TOTAL ADJ																																							
BIENNIAL TOTAL OPNS										254,010										254,010										508,020									

# TUITION

17-Feb-91 TUITOPT

BIENNIAL COMPARISON-SIX UNIVERSITY UNITS  
SUBCOMMITTEE ACTION AS OF 2/14/91

EXHIBIT 1  
DATE 2-18-91  
HB Ed. & Over. Des. L.

	1990 ACTUAL	1991 APPROP	% OF TOTAL	1992 SUBCMTE	1993 SUBCMTE	% OF TOTAL	% CHG 91-93 B
GENERAL FUND	\$75,838,717	\$83,588,800	64.0%	\$91,232,355	\$90,028,218	67.0%	13.7%
MILLAGE	\$12,050,000	\$12,022,000	9.7%	\$11,887,000	\$12,131,000	8.9%	-0.2%
TUITION & FEES	\$30,793,377	\$30,924,803	24.8%	\$31,998,465	\$31,998,465	23.7%	3.7%
IDC	\$1,213,672	\$0	0.5%	\$0	\$0	0.0%	-100.0%
OTHER	\$1,596,760	\$1,136,955	1.1%	\$625,352	\$625,352	0.5%	-54.2%
	-----	-----	-----	-----	-----	-----	-----
TOTAL FUNDS	\$121,492,526	\$127,672,558	100.0%	\$135,743,172	\$134,783,035	100.0%	8.6%

FISCAL 1990 TUITION EXCLUDES \$1,687,733 OF BUDGET AMENDED TUITION EXPENDITURES

FISCAL 1991 TUITION EXCLUDES \$1,268,024 BUDGET AMENDMENT APPROVED BY REGENTS IN APRIL 1990

## REVENUE OPTIONS-SUBCOMMITTEE BUDGET SIX UNIVERSITY UNITS

FUND SOURCE	FY 92	FY 93	1993 BIENNIUM
GENERAL FUND	\$91,232,355	\$90,028,218	\$181,260,573
MILLAGE	\$11,887,000	\$12,131,000	\$24,018,000
TUITION	\$31,998,465	\$31,998,465	\$63,996,930
OTHER	\$625,352	\$625,352	\$1,250,704
	-----	-----	-----
TOTAL	\$135,743,172	\$134,783,035	\$270,526,207
 % TUITION	 23.6%	 23.7%	 23.7%
 25% TUITION =	 \$33,935,793	 \$33,695,759	 \$67,631,552
ADD'L REQ'D	\$1,937,328	\$1,697,294	\$3,634,622
 26% TUITION =	 \$35,293,225	 \$35,043,589	 \$70,336,814
ADD'L REQ'D	\$3,294,760	\$3,045,124	\$6,339,884

EXHIBIT 2  
DATE 2-18-91  
HB Ed. & Cur. Res. Div.

PROPOSED LANGUAGE  
FOR THE FIRE SERVICES TRAINING SCHOOL

Following the Fire Services Training School:

The fire services training school must be provided office, classroom, and storage space in the Great Falls vocational-technical center at no charge.

PROPOSED LANGUAGE  
FOR VOCATIONAL TECHNICAL CENTERS

1. AUDIT COSTS

a. Following Billings Vocational Technical Center:

Total audit costs are estimated to be \$28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in item 1.

b. Following Butte Vocational Technical Center:

Total audit costs are estimated to be \$29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in item 1.

c. Following Great Falls Vocational Technical Center:

Total audit costs are estimated to be \$28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in item 1.

d. Following Helena Vocational Technical Center:

Total audit costs are estimated to be \$29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in item 1.

e. Following Missoula Vocational Technical Center:

Total audit costs are estimated to be \$25,254 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in item 1.



## 2. 1.5 MILL LEVY COLLECTIONS

Insert following the vocational technical centers:

The commissioner of higher education may transfer county millage collections among the centers. Total revenue received from the 1.5-mill levy that exceeds \$965,005 in fiscal 1992 and \$981,480 in fiscal 1993 is appropriated to the office of the commissioner of higher education for distribution to the vocational technical centers and must result in a general fund reversion of a like amount.

## 3. LUMP SUM APPROPRIATION AND ACCOUNTABILITY REQUIREMENTS

Insert following the vocational technical centers:

It is the intent of the legislature that the board of regents have additional appropriation flexibility to operate the vocational technical centers during the 1993 biennium. Therefore, the legislature has approved for each vocational technical center a single appropriation for its general operations. The appropriation for each postsecondary vocational technical center listed above is for the following programs: instruction, academic support, student services, institutional support, and operation and maintenance of plant. The vocational technical centers are exempt from section \_\_\_\_\_ of this bill which requires personal services line items.

It is further the intent of the legislature that all fiscal matters pertaining to the postsecondary vocational technical centers during the 1993 biennium and the 1995 biennium budget request be recorded, maintained, and submitted using the college and university business administration (CUBA) fund structure and functional expenditure classifications.

## PROPOSED LANGUAGE FOR COMMUNITY COLLEGES

Insert following the Commissioner of Higher Education agency budget:

The appropriation in items \_ through \_ provides 49 percent and 50 percent of the total unrestricted budgets for the community colleges in fiscal years 1992 and 1993, respectively. The total unrestricted budgets for the community colleges must be approved by the board of regents.

The general fund appropriation for each community college includes 49 percent of the total audit cost. The remaining 51 percent of these costs are to be paid from funds other than those appropriated in items \_ through \_ . Audit costs may not exceed \$18,000 for Dawson and Miles Community Colleges and \$25,000 for Flathead Valley Community College for the biennium.

PROPOSED LANGUAGE  
FOR THE UNIVERSITY SYSTEM

EXHIBIT 2  
DATE 2-18-91  
HB Ed & Curr. Des. Sub.

Insert at the beginning of Section F of the general appropriations act:

All funds, other than plant funds and current unrestricted operating funds, are appropriated contingent upon approval of the comprehensive program budget by the board of regents by July 1 (see note) of each year. The budget must contain detailed revenues and expenditures and anticipated fund balances of current funds, loan funds, and endowment funds. All movement of funds between the current unrestricted subfund and the designated subfund account entities must be clearly identified in the state budgeting and accounting system.

Programs for the university units' budgets include instruction, organized research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.

All university units must account for expenditures consistently within programs and funds across all units and shall use the national center for higher education management systems program classification structure, along with the college and university business administration (CUBA) system, as a minimum standard for achieving consistency.

Included within current unrestricted funds to the six university units is the sum of \$11,887,000 in fiscal 1992 and \$12,131,000 from revenues generated under the provision of 20-25-423. The department of revenue shall levy the full 6 mills as authorized in 20-25-423. Revenues received by the university system under the provisions of 20-25-423 that exceed \$11,887,000 in fiscal 1992 and \$12,050,000 in fiscal 1993 are appropriated to the office of the commissioner of higher education for distribution to the university system and must cause a general fund reversion of a like amount.

Note: The university system has indicated that in order to provide accurate position and budget information to the Regents Employees Reporting System that would correspond to original operating budgets, the budget approval date should be moved to October 1 each fiscal year.

## PROPOSED LANGUAGE FOR THE UNIVERSITY SYSTEM

### 1. "DECOUPLING LANGUAGE"

Insert following the six university units:

It is understood by the 52nd Legislature that the appropriations contained in this act for the six university units may result in the board of regents limiting or reducing enrollment during fiscal years 1992 and 1993. It is the intent of the 52nd Legislature that if the board of regents adopts an "enrollment downsizing" policy during the 1993 biennium that results in fewer than 25,064 student full-time equivalents being budgeted for the 1995 biennium, the legislative fiscal analyst shall present to the 53rd legislature a current level budget for the six units of no less than \$\_\_\_\_\_ for the 1995 biennium.

### 2. AUDIT COSTS

Following Montana State University:

Total audit costs are estimated to be \$110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through \_\_\_\_.

Following University of Montana:

Total audit costs are estimated to be \$110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through \_\_\_\_.

Following Eastern Montana College:

Total audit costs are estimated to be \$69,450 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through \_\_\_\_.

Following Northern Montana College:

Total audit costs are estimated to be \$56,823 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through \_\_\_\_.

Following Western Montana College of the University of Montana:

Total audit costs are estimated to be \$58,402 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through \_\_.

Following Montana College of Mineral Science and Technology:

Total audit costs are estimated to be \$66,294 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through \_\_.

## MONTANA UNIVERSITY SYSTEMS

EXHIBIT 3

## Accreditation Problems

DATE 2-18-91

HB Ed. &amp; Curr. Dev. Sub.

<u>PROGRAM</u>	<u>STATUS</u>	<u>FY 92</u>	<u>FY 93</u>	<u>TOTAL</u>
Pharmacy (UM)	1	\$ 200,000	\$ 200,000	\$ 400,000
Engineering (TECH)	1	510,330	220,000	730,330
Education (EMC)	1	<u>412,274</u>	<u>285,000</u>	<u>697,274</u>
TOTAL (Status 1)		\$1,122,604	\$ 705,000	\$1,827,604
-----				
Engineering (MSU)	2	\$ 500,000	\$1,062,000	\$1,562,000
TOTAL (Status 2)		\$ 500,000	\$1,062,000	\$1,562,000
-----				
Business (MSU)	3	\$ -0-	\$ 238,000	\$ 238,000
Education (MSU)	3	-0-	\$ 200,000	200,000
Interior Design (MSU)	3	<u>81,620</u>	<u>\$ 134,245</u>	<u>215,865</u>
TOTAL (Status 3)		\$ 81,620	\$ 572,245	\$ 653,865
-----				
Nursing (NMC)	4	\$ 93,600	\$ 93,600	\$ 187,200
Education (NMC)	4	165,000	165,000	\$ 330,000
Technology (NMC)	4	<u>116,000</u>	<u>111,000</u>	<u>227,000</u>
TOTAL (Status 4)		\$ 374,600	\$ 369,600	\$ 744,200
-----				
GRAND TOTAL		<u>\$2,078,824</u>	<u>\$2,708,845</u>	<u>\$4,787,669</u>

Status 1: Critical situation. Program on "show cause", published probation, or similar severe warning. Additional funds are absolutely critical to retain accreditation.

Status 2: Dangerous situation. Anticipated that program will be placed on "show cause" or published probation. Additional funds are necessary to prevent such action.

Status 3: Severe situation. Continued underfunding will lead program to accreditation difficulties.

Status 4: No accreditation. Program insufficiently funded to secure accreditation at this time but accreditation should be obtained.

**MUSEUM OF THE ROCKIES**

EXHIBIT 7  
DATE 2-18-97  
HB Ed. ~ Cur. Des. Sub.

The Museum of the Rockies is a Department of Montana State University. It is a Regents Approved Program. The land and the buildings belong to the State of Montana.

**CHRONOLOGY**

- 1956 Montana State College Historical Museum established at MSC.
- 1965 Private 501(c)(3) corporation formed to support capital construction and exhibits. Museum renamed Museum of the Rockies.
- 1966 Board of Regents authorizes MSU to enter an agreement with the private corporation to build a museum facility.
- 1968 Legislature approves building plans for construction of museum facility.  
MSU agrees to provide land, utilities, maintenance and staff for museum.
- 1971 Governor <sup>Anderson</sup> ~~Swan~~ signs Easement Agreement with the corporation approving construction of museum facility and requests that the State approve plans and specifications by 1973.
- 1972 Construction is completed and as stated in Easement Agreement, title of facility becomes automatically vested in the State.
- 1981 Museum Director, Dr. Michael W. Hager appears before the Legislature to present program for an expanded Museum. The 47th Legislature appropriates \$110,000 in Coal Tax Funds (HB 550) to do architectural planning.  
The State Architecture and Engineering Division selects architect for the new expansion. The contract is submitted to State Board of Examiners for approval.
- 1982 The Regents authorize the President of MSU to proceed with the planning authorized and funded by HB 550.
- 1984 The Building Plan is approved by the Board of Regents.
- 1985 The Legislative Long Range Building Committee approves the building project.  
Montana State University Revenue Bonds are issued to finance construction.
- 1986 \$7.5 Million MSU Revenue Bonds are financed.  
The State Division of Architecture and Engineering signs construction contract with Sletten Construction following normal state bid and selection procedures.  
Project supervised by A & E Division through completion.
- 1987 Legislature appropriates \$100,000 for additional personnel for the biennium.
- 1989 April 1 new addition opens, tripling size of facility and program.
- 1989 Legislature appropriates \$530,000 (of \$750,000 request) for personnel and maintenance for the biennium. Governor vetoes funding for second year.

EXHIBIT 5DATE 2-18-91HB Ed. & Cur. Pers. Adv.**MUSEUM OF THE ROCKIES  
REVENUE AND SUPPORT****REVENUE**

Individual Memberships	\$ 95,000
Business Memberships	\$ 30,000
General Admissions	\$300,000
Planetarium Admissions	\$150,000
Contributed Cash	\$ 55,000
Store Sales	\$410,000
Programs and Classes	\$207,600
Interest (Revenue accrued)	\$264,200
Miscellaneous Revenue	<u>\$ 19,500</u>
<b>Total Revenue</b>	<b>\$1,531,300</b>

**SUPPORT**

Grants	\$323,212
Restricted Funds	\$549,808
Projects	<u>\$203,500</u>
<b>Total Miscellaneous Support</b>	<b>\$1,076,520</b>
MSU Appropriation	\$304,000
Benefits	\$110,000
Physical Plant	<u>\$170,000</u>
<b>Total MSU Support</b>	<b>\$584,000</b>
<b>Total Support</b>	<b>\$1,660,520</b>
<b>Total Revenue and Support</b>	<b>\$3,191,820</b>



HOUSE OF REPRESENTATIVES

EDUCATION SUBCOMMITTEE

ROLL CALL VOTE

DATE 2-18-91 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: Rep Kadas moved to adopt  
the language dealing with the Lump  
Sum Appropriation Accountability requirements  
for the 16+ tech centers

NAME	AYE	NO
REP. LARRY GRINDE	X	
SEN. DON BIANCHI	X	
REP. MIKE KADAS	X	
SEN. H.W. "SWEDE" HAMMOND		
SEN. GREG JERGESON, VICE CHAIRMAN	X	
REP. RAY, PECK, CHAIRMAN		X
TOTAL		

HOUSE OF REPRESENTATIVES  
VISITOR REGISTER

Education SUBCOMMITTEE DATE 2-18-91  
DEPARTMENT(S) \_\_\_\_\_ DIVISION \_\_\_\_\_

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
JUDY WEAVER	MUSEUM OF THE ROCKIES	
DAVID SALAY	MUSEUM OF THE ROCKIES	
Barbara Holmann	U of Montana	
Shila Stearns	U of Montana	

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