

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Chairman Royal Johnson, on February 20, 1993,
at 1:40 p.m.

ROLL CALL

Members Present:

Rep. Royal Johnson, Chair (R)
Sen. Don Bianchi, Vice Chair (D)
Rep. Mike Kadas (D)
Sen. Dennis Nathe (R)
Rep. Ray Peck (D)
Sen. Chuck Swysgood (R)

Members Excused: none

Members Absent: none

Staff Present: Taryn Purdy, Legislative Fiscal Analyst
Skip Culver, Legislative Fiscal Analyst
Doug Schmitz, Office of Budget & Program Planning
Amy Carlson, Office of Budget & Program Planning
Curt Nichols, Office of Budget & Program Planning
Jacqueline Brehe, Committee Secretary

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

Committee Business Summary:

Hearing: NONE
Executive Action: NONE

DISCUSSION ON UNIVERSITY SYSTEM ALLOCATIONS

CHAIRMAN ROYAL JOHNSON referred the committee to the two exhibits distributed by **REP. MIKE KADAS** the previous day **EXHIBITS 1 and 2** and asked **REP. KADAS** to review the data for the committee.

REP. KADAS said both exhibits list several options for allocating reductions to the six university units. He described the various options in **Table 1** which was in both exhibits. **Table 2 in EXHIBIT 1** had shaded areas which indicated the number of general fund dollars per student for each campus under each option. He noted that **Table 2 of EXHIBIT 2** had shaded columns which indicated the total expenditure per student for each campus under each option. It also listed this expenditure as a percentage of

the peers. He pointed out the effect option 1 had on the UofM. He said his objective in accumulating the data was to examine the schools in a comparative context for each of the options proposed.

REP. RAY PECK commented that the use of the column labelled "percentage of peers" was of limited value because the peer schools were funded differently, some using fees, some not.

REP. KADAS asked the OBPP for clarification on figures omitted from the OBPP proposal introduced yesterday and asked if they were included in a recalculation of the data as submitted today in **EXHIBIT 3**. **Curt Nichols, OBPP**, explained that when the committee adopted the 92-93 expenditures from HB 2 and HB 509, it made an adjustment to recognize the pay increases between '92 and '93 and essentially added \$3.2 million to the allocations. He said he had omitted this amount in his original calculation.

REP. KADAS asked why there were changes on some campuses, but not all. **Mr. Nichols** answered that a flooring mechanism was used. OBPP assumed that no unit would be less than one percent above their currently approved level which was the '93 appropriations plus budget amendments. When money was being added, it did not affect the unit which had been "floored."

REP. KADAS asked for clarification of assumption c on the last page of **EXHIBIT 3** regarding general fund allocation. **Mr. Nichols** explained that public service, research, plant and support was supported with general fund and millage. Tuition revenue (both resident and non-resident) earned by a campus was allocated to the campus. The remaining general fund was allocated based on resident enrollment. The final step was to put the "floor" on each campus which was explained previously. **REP. KADAS** asked if OBPP allocated tuition before it allocated general fund and asked if it made a difference. **Mr. Nichols** said the total budget had been determined and each campus would keep its tuition. **REP. KADAS** asked for clarification of the methodology used in determining the total budget. **Mr. Nichols** said it was the amount spent in '92 and '93 plus any additional tuition revenue. He added that it was done by campus.

REP. KADAS asked if after doing so, did OBPP go back and use the tuition assumptions as described yesterday to calculate tuition using the 1993 student enrollment and student mix. **Mr. Nichols** replied affirmatively. **REP. KADAS** noted that tuition was being driven by 1993 enrollment. He asked how the general fund was then distributed. **Mr. Nichols** replied that distribution of the remaining state funds was based on resident enrollment of the campus, exclusive of public service, research etc. **REP. KADAS** asked if it was based on a flat dollar amount for in-state students, and if the number of students was based on 1993 enrollment. **Mr. Nichols** said yes.

SEN. DON BIANCHI commented that the OBPP was leveling the playing field for the campuses as to the distribution of the remaining

state monies. He noted there was no adjustment for high-cost educational programs. He asked if OBPP had taken into consideration the mod which was approved last year at MSU of \$1.5 million to fund the engineering school because it was a high-cost program. He noted that with the OBPP methodology, the \$1.5 million would be redistributed across all the campuses. **Mr. Nichols** commented that no unique formula was used to accommodate high-cost programs. **SEN. BIANCHI** noted that the \$1.5 million was not in the 92 base, but was in the MSU budget this year. He added that there had also been a \$900,000 mod for nursing programs which under the OBPP proposal would be redistributed among campuses. He asked how the legislature would continue to fund the new nursing slots established by the mod.

Mr. Nichols noted that there were substantial increases in the instructional budget lines of each campus under the OBPP proposal. There was no reduction in funding, so if the programs operated in '92-'93, they could operate in '94-'95. He noted that to the extent there was a mixture of high-cost and low-cost programs, the high-cost programs were being recognized in the averages. In reply to a question from **REP. PECK**, he said that all approved budget amendments were included in his calculations.

REP. KADAS inquired as to the amount of general fund in the OBPP proposal. **EXHIBIT 3 Mr. Nichols** replied that it was the same amount currently appropriated by the committee-\$163 million.

REP. KADAS noted that OBPP was suggesting that the committee adopt its proposal and yet there was no revenue side included, only expenditures. **Mr. Nichols** explained that a revenue side could be easily prepared. He said the essentials of the OBPP proposal were that revenues be included in the appropriations and that expansions be focused on instructional programs.

REP. KADAS noted that the OBPP was also suggesting substantial increases in tuition. **Mr. Nichols** said the intent was to record the tuition which had been proposed. **REP. KADAS** asked if money would be removed from the instructional budget from each campus if the committee adopted the structure of the OBPP proposal but not all of the tuition increases. **Mr. Nichols** confirmed **REP. KADAS'** interpretation noting that the floor appropriations for some campuses would have an effect.

REP. KADAS referred to amendment 5 of **EXHIBIT 3** and commented that the Regents had proposed a two tier in-state structure while the OBPP had a two tier out-of-state structure. **Mr. Nichols** answered that the numbers were taken from information resulting from the Regents' 1992 December meeting. He said he did not see a change in the in-state structure.

Rod Sundsted, Associate Commissioner for Fiscal Affairs, OCHE, noted that the present discussion demonstrated how difficult it was to allocate reductions, which was why the Regents requested the committee to appropriate current level and give them the flexibility to administer reductions between units. **REP. KADAS**

asked the reaction of OCHE to the OBPP proposal. **Mr. Sundsted** said he was not sure if the OBPP proposal was a good model because he was not sure how the Regents were going to administer reductions.

CHAIRMAN JOHNSON said he had asked the Commissioner of Higher Education, at previous meetings, about the Regents' discussions regarding tuition increases. He expressed disappointment that no information had been forthcoming. **Mr. Sundsted** said three of the 21 options which the Regents adopted as valid approaches to administer reductions dealt with tuition. They did not adopt any of the options for implementation.

Lindsay Norman, President of Montana Tech, said he was distressed at the introduction of an additional criteria by the OBPP--the "floored criteria." He noted that campuses with the high-cost programs were being discriminated against. He also emphasized that at this point no tuition increase has been proposed. There has only been a discussion of an array of options. He stated that his preference would be for the committee to set the reductions and to give the units the flexibility to administer cuts. He said units working with the Regents should set their tuition, an authority which already resides with the Regents. He added that the guarantees within the OBPP proposal were hollow because predicting enrollments was a risky and unreliable process.

Tape 2:A:000

REP. PECK responded to **Dr. Norman's** remarks saying that he was oversimplifying. He said it was necessary to establish the revenue sources.

Dr. Norman said he was asking the committee to assume their current tuition structure going forward. The committee could then apply the reductions. He said that if it was difficult to give a lump sum to the OCHE, then give each campus the lump sum along with flexibility. **REP. PECK** noted that language to that effect was already in the bill. He asked if the units would accept that language along with the prohibition of budget amendments for tuition. **Dr. Norman** said he would rather have tuition guarantees. **REP. PECK** noted that the students wanted some type of protection against substantial increases in tuition. He informed the committee that the legislative counsel had the opinion that the legislature could legally prevent budget amendments within its appropriation authority. **Dr. Norman** commented that with that type of restriction, a certain level of tuition revenue would be generated, but any additional students would be educated without the support of the state or their own tuition dollars. The effect will be to limit access.

CHAIRMAN JOHNSON reiterated that the committee had voted to give the units lump sum funding and had set the level of reductions. Now to be decided was the basis for the appropriations for tuition increases and how they will be allocated across the campuses.

Michael Malone, President, MSU, said the discussion of tuition was extremely complex, and before he gave input to the committee or to the Regents, he felt he needed to obtain feedback from students. He also expressed concern regarding the consequences of the OBPP proposal to campuses with special high-cost programs, such as engineering and nursing programs at MSU, which had been funded previously through budget amendments. He said he did not know how the nursing program at MSU would continue if funds from budget amendments were now redistributed over all the units.

REP. KADAS said that the OBPP in its proposal used as its base the '92-'93 budget. If the mod was in the budget in both '92 and '93, it was fully included in their proposal. If it was phased in, it would be partially included. **Dr. Malone** explained that the engineering mod came in '92 at \$500,000 with the second installation in '93 of \$1.06 million. The nursing mod for '92 was \$300,000 and \$584,000 for '93. **REP. KADAS** explained that the OBPP methodology would short MSU one half of the \$500,000 in engineering and one half of the \$300,000 in nursing. **Jim Isch, MSU**, noted that the OBPP was allocating funds to resident students on an average per student basis. He said the effect was to flatten the per student expenditure for all six units and then add the tuition. The money which had been placed in the budgets for the high-cost programs, such as nursing and engineering, would, under the OBPP proposal, be placed into the general fund for allocation to all students in the system.

In response to **Dr. Isch's** remarks, **Mr. Nichols** stated that MSU had a floor so that everything which was appropriated and that the budget amendments approved were increased by one percent. **REP. KADAS** remarked that the concept of a floor overrode the notion of dollars/in-state student. **Dr. Isch** commented that in the OBPP proposal, tuition estimates for MSU had gone up about \$8.9 million, but the floor remained unchanged which meant that state funding per resident student will have gone down.

George Dennison, President, UofM, stated that it would be easier for the committee to return to the LFA current level and proceed with the allocation process. He mentioned that the concept of floors does take into account where the resident students were.

Taryn Purdy, LFA, said she would be providing the committee with figures to illustrate where the executive allocation was in comparison to the LFA current level and to what the committee action has been to date.

REP. KADAS stated there were two main questions to be decided regarding tuition. The first question dealt with amendments 1-4 in **EXHIBIT 3**. These amendments leave the basic tuition structure in place and add adjustments for graduate students and summer tuition, etc. The second question dealt with amendment 5 which assumes the implementation of tuition indexing. The question before the committee is whether it wishes to endorse that decision and build in spending authority for it in the budget or

to wait and continue the dialogue with the Regents. If the committee does include spending authority for the tuition increase, it does not mean the Regents would adopt it. However, this would create a misimpression in the mind of the general public that the university system had not been cut at all.

Mr. Sundsted agreed that it made some sense to allow the dialogue between the legislature and the Regents to continue without placing tuition numbers in yet. He added that the figures in the OBPP proposal were gross tuition numbers which did not take into account fee waivers or scholarships. **REP. PECK** asked if another meeting of the Regents was being contemplated in the near future. **Mr. Sundsted** said no. **REP. PECK** commented that the delay in the response of the OCHE until February 17 had really put the committee under a difficult time constraint. **Mr. Sundsted** noted that the most important part of the budget was the expenditure side which had been accomplished. There was still time in the whole budgetary process to resolve the tuition side.

SEN. CHUCK SWYSGOOD noted that the committee had made its allocation to the units. If the Regents wished to raise tuition to offset the \$22 million cut, that was their prerogative, but they would have to answer to the students and to the public at large. **REP. KADAS** replied that the committee cannot entirely ignore the tuition question. If the legislature was going to limit enrollment and if it was going to use tuition to do it, then levels of tuition had to be discussed.

ADJOURNMENT

Adjournment: 2:45 p.m.



REP. ROYAL JOHNSON, Chair



JACQUELINE BREHE, Secretary

jb/

HOUSE OF REPRESENTATIVES

EDUCATION

SUB-COMMITTEE

ROLL CALL

DATE

2-20-19

NAME	PRESENT	ABSENT	EXCUSED
REP. ROYAL JOHNSON, CHAIRMAN	✓		
SEN. DON BIANCHI, VICE CHAIRMAN	✓		
REP. MIKE KADAS	✓		
SEN. DENNIS NATHE	✓		
REP. RAY PECK	✓		
SEN. CHUCK SWYSGOOD	✓		

Five Options for Allocating the Total Six Units Reduction

Option 1: Current subcommittee allocation

Option 2: Initial allocation based upon share of LFA current level

Option 3: 25 percent of difference between option 1 and option 2

Option 4: 50 percent of difference between option 1 and option 2

Option 5: 75 percent of difference between option 1 and option 2

EXHIBIT 1

DATE 2-20-93

TABLE 1
Change from Current Subcommittee Allocation
Five Allocation Options
Six Units

Unit	LFA Current Level	Option 1 Current Subcommittee 93 Bienn	Option 2 Feb 9 Allocation Change	Option 3 25% Allocation Change	Option 4 50% Allocation Change	Option 5 75% Allocation Change
MSU	115,657,261	6,560,364	(1,962,060)	(1,471,545)	(981,030)	(490,515)
UM	105,293,507	12,107,094	4,348,343	3,261,257	2,174,172	1,087,086
EMC	34,538,841	606,888	(1,938,172)	(1,453,629)	(969,086)	(484,543)
NMC	18,471,363	422,751	(938,346)	(703,760)	(469,173)	(234,587)
WMCUM	11,059,382	557,655	(257,276)	(192,957)	(128,638)	(64,319)
MCMST	<u>23,568,418</u>	<u>2,484,195</u>	<u>747,512</u>	<u>560,634</u>	<u>373,756</u>	<u>186,878</u>
TOTAL	<u>308,588,772</u>	<u>22,738,947</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>

TABLE 2
Reductions from Current Level, by Unit
Five Allocation Options

Unit	LFA Current Level	Option 1 Current Subcommittee 93 Bienn	Per Resd Std	Option 2 Feb 9 Allocation Change	Per Resd Std	Option 3 25% Allocation Change	Per Resd Std	Option 4 50% Allocation Change	Per Resd Std	Option 5 75% Allocation Change	Per Resd Std
MSU	115,657,261	6,560,364	4,826	8,522,424	4,698	8,031,909	4,730	7,541,394	4,762	7,050,879	4,794
UM	105,293,507	12,107,094	3,955	7,758,751	4,260	8,845,837	4,184	9,932,923	4,108	11,020,008	4,031
EMC	34,538,841	606,888	3,884	2,545,060	3,568	2,060,517	3,647	1,575,974	3,726	1,091,431	3,805
NMC	18,471,363	422,751	4,379	1,361,097	4,065	1,126,511	4,144	891,924	4,222	657,338	4,300
WMCUM	11,059,382	557,655	4,246	814,931	4,102	750,612	4,138	686,293	4,174	621,974	4,210
MCMST	<u>23,568,418</u>	<u>2,484,195</u>	<u>5,160</u>	<u>1,736,683</u>	<u>5,410</u>	<u>1,923,561</u>	<u>5,348</u>	<u>2,110,439</u>	<u>5,285</u>	<u>2,297,317</u>	<u>5,223</u>
TOTAL	<u>308,588,772</u>	<u>22,738,947</u>		<u>22,738,946</u>		<u>22,738,947</u>		<u>22,738,947</u>		<u>22,738,947</u>	

EXHIBIT 1
DATE 2-20-93
CS

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MCMST	23,568,418	2,484,195	747,512	560,634	373,756	186,878
TOTAL	308,588,772	22,738,947	1	0	1	0

TABLE 2
Reductions from Current Level, by Unit
Five Allocation Options

Unit	LFA Current Level	Option 1 Current Subcommittee 93 Bienn	Option 2 Feb 9 Allocation Change	% of Peers	Per Budg Sid	Option 3 25% Allocation Change	% of Peers	Per Budg Sid	Option 4 50% Allocation Change	% of Peers	Per Budg Sid	Option 5 75% Allocation Change	% of Peers	Per Budg Sid
MSU	115,657,261	6,560,364	8,522,424	86.9%	5,698	8,031,909	85.4%	5,621	7,541,394	85.8%	5,618	7,050,879	86.2%	5,672
UM	105,293,507	12,107,094	7,758,751	77.6%	5,086	8,845,837	81.2%	5,264	9,932,923	80.3%	5,205	11,020,008	79.4%	5,145
EMC	34,538,841	606,888	2,545,060	91.1%	5,182	2,060,517	85.9%	4,960	1,575,974	87.2%	5,034	1,091,431	88.5%	5,108
NMC	18,471,363	422,751	1,361,097	96.7%	5,564	1,126,511	91.7%	5,347	891,924	93.0%	5,419	657,338	94.2%	5,491
WMCUM	11,059,382	557,655	814,931	96.9%	5,556	750,612	94.5%	5,454	686,293	95.1%	5,488	621,974	95.7%	5,522
MCMST	23,568,418	2,484,195	1,736,683	85.8%	6,378	1,923,561	88.8%	6,547	2,110,439	88.1%	6,491	2,297,317	87.3%	6,454
TOTAL	308,588,772	22,738,947	22,738,946			22,738,947			22,738,947			22,738,947		

2-20-93

Amendments to House Bill 2
 For the Education Subcommittee

1. Increase the subcommittee's current appropriations for the six colleges and universities by \$3,630,000 each year of the 1995 biennium to recognize revenue which will be realized from current tuition rates.
2. Increase the subcommittee's current appropriations for the six colleges and universities by \$716,081 each year of the 1995 biennium to include authority for the graduate student tuition differential should it be implemented by the Board of Regents.
3. Increase the subcommittee's current appropriations for the six colleges and universities by \$309,480 each year of the 1995 biennium to include authority for the nonresident summer tuition increase should it be implemented by the Board of Regents.
4. Increase the subcommittee's current appropriations for the six colleges and universities by \$490,000 in FY94 and \$770,000 in FY95 to include authority for increased nonresident tuition which would result from placing a cap on WUE enrollments should such a cap be implemented by the Board of Regents.
5. Increase the subcommittee's current appropriations for the six colleges and universities by \$4,530,000 in FY94 and \$8,900,000 in FY95 to include authority for increased resident and nonresident tuition which would result from increasing tuition rates to the levels cited in the tuition plan presented to the regents in December of 1992 and listed below should such tuition increases be implemented by the Board of Regents.

TUITION RATES FOR FULL TIME ACADEMIC YEAR STUDENT

	Resident Student			Nonresident Student		
UNIT	FY93	FY94	FY95	FY93	FY94	FY95
UM	\$1288	\$1394	\$1499	\$4928	\$5442	\$5956
MSU	1288	1394	1499	4928	5442	5956
MCMST	1288	1394	1499	4928	5442	5956
EMC	1288	1394	1499	4508	4919	5330
NMC	1288	1394	1499	4508	4919	5330
WMCUM	1288	1394	1499	4508	4919	5330

6. Add language which provides a guarantee of revenue to match above estimates if the Board of Regents implement the policies. The language would be in the form of the following example.

"	UNIT	FY94 REVENUES	FY95 REVENUES
	UM	\$23,135,799	\$25,006,068
	MSU	20,957,043	22,789,472
	MCMST	3,269,466	3,528,957
	EMC	5,555,505	5,983,737
	NMC	2,770,274	2,921,538
	WMC	1,629,653	1,737,967

EXHIBIT 3A
DATE 2-20-91

The above listed tuition and fee revenues are anticipated ~~for each~~ ^{SB} of the respective colleges and universities based upon implementation of: (1) a graduate student tuition at a rate of 150% of resident tuition; (2) an increase in summer school tuition rates for non resident students to the equivalent rate charged nonresident students during the academic year; and (3) increases in resident and nonresident academic year student tuition rates to those listed in the following table. <<insert tuition rate table>>

If these above cited policies are implemented, to the extent actual revenues received in either year are less than those estimated above for the respective college or university any excess millage which would under <item#> cause a reversion of general fund may be expended without reversion to replace the revenue shortfall. If the amount of shortfall exceeds excess millage the governor shall request a supplemental appropriation from the general fund to replace the revenue shortfall."

EXHIBIT 3B
DATE 2-20-93
SB _____

FY92 ACT +

FY93

93 PAY PLAN

FY93 APR

FY92-3 AVG

W/CUR BAs

FY94

FY95

5103	UM						
	INSTRUCTION	24,538,499	26,371,162	25,454,831	27,480,130	32,633,642	32,633,642
	RESEARCH	794,076	667,711	730,894	682,649	730,894	730,894
	PUBLIC SERVICE	343,925	437,868	390,897	437,868	390,897	390,897
	SUPPORT	14,088,619	13,493,011	13,790,815	13,704,362	13,790,815	13,790,815
	PLANT	5,931,054	5,785,840	5,858,447	5,785,840	5,858,447	5,858,447
	WAIVERS	933,106	1,228,074	1,080,590	1,649,818	1,080,590	1,080,590
	TOTAL	46,629,279	47,983,666	47,306,473	49,740,667	54,485,284	54,485,284
5104	MSU						
	INSTRUCTION	30,729,231	31,120,111	30,924,671	31,803,227	33,233,896	33,233,896
	RESEARCH	628,839	617,982	623,411	617,982	623,411	623,411
	PUBLIC SERVICE	310,223	416,127	363,175	416,127	363,175	363,175
	SUPPORT	15,523,970	14,680,420	15,102,195	15,363,308	15,102,195	15,102,195
	PLANT	6,076,974	6,230,590	6,153,782	6,230,590	6,153,782	6,153,782
	WAIVERS	1,271,066	1,327,730	1,299,398	1,782,485	1,299,398	1,299,398
	TOTAL	54,540,303	54,392,960	54,466,632	56,213,719	56,775,856	56,775,856
5105	MCMST						
	INSTRUCTION	5,372,399	5,515,532	5,443,966	5,670,815	5,851,120	5,851,120
	RESEARCH	49,555	41,378	45,467	42,709	45,467	45,467
	SUPPORT	3,134,867	2,893,518	3,014,193	2,998,828	3,014,193	3,014,193
	PLANT	1,737,046	1,627,453	1,682,250	1,637,264	1,682,250	1,682,250
	WAIVERS	202,536	257,561	230,049	366,302	230,049	230,049
	TOTAL	10,496,403	10,335,442	10,415,923	10,715,918	10,823,077	10,823,077
5106	EMC						
	INSTRUCTION	7,976,396	8,392,764	8,184,580	8,704,433	9,676,021	9,676,021
	PUBLIC SERVICE	337,745	271,286	304,516	278,089	304,516	304,516
	SUPPORT	6,116,275	5,099,629	5,607,952	5,233,009	5,607,952	5,607,952
	PLANT	2,086,713	2,174,587	2,130,650	2,175,424	2,130,650	2,130,650
	WAIVERS	388,386	382,715	385,551	487,276	385,551	385,551
	TOTAL	16,905,515	16,320,981	16,613,248	16,878,231	18,104,689	18,104,689
5107	NMC						
	INSTRUCTION	4,356,836	4,668,398	4,512,617	4,831,006	4,830,386	4,830,386
	PUBLIC SERVICE	6,901	8,891	7,896	8,891	7,896	7,896
	SUPPORT	3,075,287	2,827,167	2,951,227	2,804,544	2,951,227	2,951,227
	PLANT	1,246,147	1,155,208	1,200,678	1,150,222	1,200,678	1,200,678
	WAIVERS	276,699	278,375	277,537	381,301	277,537	277,537
	TOTAL	8,961,870	8,938,039	8,949,955	9,175,964	9,267,724	9,267,724
5108	WMCUM						
	INSTRUCTION	2,591,492	2,660,142	2,625,817	2,720,910	2,921,977	2,921,977
	SUPPORT	1,781,590	1,669,719	1,725,655	1,784,207	1,725,655	1,725,655
	PLANT	755,311	711,156	733,234	711,156	733,234	733,234
	WAIVERS	86,273	89,683	87,978	159,147	87,978	87,978
	TOTAL	5,214,666	5,130,700	5,172,683	5,375,420	5,468,843	5,468,843
		142,748,036	143,101,788	142,924,912	148,099,919	154,925,473	154,925,473

UNIT ALLOCATIONS BASIS:

ALL TUITION AND FEES ALLOCATED TO CAMPUS ON WHICH EARNED.

ALL RESEARCH, PUBLIC SERVICE, SUPPORT, AND PLANT PROGRAMS FUNDED WITH STATE FUNDS (MILLAGE AND GENERAL FUND).

REMAINING STATE FUNDS ALLOCATED TO UNITS BASED ON RESIDENT ENROLLMENT.

UNIT ALLOCATION ADJUSTED TO PROVIDE MINIMUM 1% INCREASE FROM FY93 WITH CURRENTLY APPROVED BUDGET AMENDMENTS

PROGRAM ALLOCATIONS BASIS:

ALL PROGRAMS EXCEPT INSTRUCTION FUNDED AT SUBCOMMITTEE BASE LEVEL (FY92 & FY93 FROM HB2 AND HB509)

INSTRUCTION PROGRAM IS ALLOCATED ALL REVENUE INCREASES ABOVE SUBCOMMITTEE BASE LEVEL.

EXHIBIT

3C

DATE

2-20-93

SB

EDUCATION SUBCOMMITTEE DATE 2-20 93

DEPARTMENT(S) DIVISION

PLEASE PRINT

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