

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION**

JOINT SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Royal C. Johnson, on January 16, 1995, at
8:00 AM

ROLL CALL

Members Present:

Rep. Royal C. Johnson, Chairman (R)
Sen. Daryl Toews, Vice Chairman (R)
Rep. Don Holland (R)
Sen. Greg Jergeson (D)
Rep. Mike Kadas (D)
Sen. Arnie A. Mohl (R)

Members Excused: None

Members Absent: None

Staff Present: Skip Culver, Legislative Fiscal Analyst
Sandy Whitney, Legislative Fiscal Analyst
Amy Carlson, Office of Budget & Program Planning
Curtis Nichols, Office of Budget & Program
Planning
Paula Clawson, Committee Secretary

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

Committee Business Summary:

Hearing: Commissioner of Higher Education
Executive Action: None

HEARING ON COMMISSIONER OF HIGHER EDUCATION

{Tape: 1; Side: A}

Jim Kaze, Chairman, Board of Regents, said the Board of Regents has been involved in a collaborative effort in the budgeting process. Individual campuses, the Office of Budget & Program Planning, the House Appropriations Subcommittee on Education, and the Legislative Interim Committee on Postsecondary Education have all had input into this budgeting process. **Mr. Kaze** said that this budget has no hidden agendas and the Board will not complain about any changes the legislature may make.

Mr. Kaze asked the subcommittee to not support the constitutional amendment that would create a Department of Education which would eliminate the Board of Regents, the Commissioner of Higher Education, the Board of Education and the Superintendent of Public Instruction. This is a signal of more government when the people of Montana want less government at a time when the state is putting less into post-secondary education and students are putting in more.

{Tape: 1; Side: A; Approx. Counter: 302}

Jeff Baker, Commissioner of Higher Education, spoke to the roles and functions of the office of the Commissioner of Higher Education. **EXHIBIT 1** **Mr. Baker** said that the restructuring of Montana's post-secondary schools into two units has pulled together the synergy of the schools while allowing individual campuses the latitude for decision making that responds to each campus' student needs. The Commissioner's Office works to be a facilitator for the University Systems in coordinating resources and services and being a spokesperson for the systems.

Mr. Baker reported that the Montana Higher Education Student Assistance Corporation (MHESAC) is a small area of his responsibility, although it is a very important program for Montana students. MHESAC is the overall provider for the student loan program and is asking, through a bond issue, for a \$5 million set-aside for a savings program that Montanans can use for future costs of education. MHESAC is also proposing an \$8 million Montana Loan program which will provide favorable interest rates for borrowers.

The Commissioner's Office functions include:

Academic - this is the heart of the Commissioner's Office function. The main emphasis is on moving students through the academic experience to graduation.

Legal - at any one time the legal department is involved in 200 student loan related lawsuits; 15-20 discrimination suits; and 5-10 State/Federal suits.

Personnel/Labor Relations - this department negotiates 20 collective bargaining agreements, almost all of which are multi-campus

Fiscal/Budgeting/Accounting - this office manages over \$400 million. The Guaranteed Student Loan Program (GSL) is undergoing transition at the federal level. The Department of Education has a new program, the Federal Direct Student Loan Program, (FDSL) which will establish 100% of the loan volume directly from the Dept. of Education and have private contractors perform the application and distribution processes state GSL's are currently performing. By the fall of 1996, all the Montana University System schools will use FDSL which will create a downsizing of 9.00 FTE's in the GSL program. GSL will continue to serve its \$470 million loan debt from 96,000 borrowers.

{Tape: 1; Side: B}

Group Insurance Program manages group insurance for 14,000 employees and their families.

Carl Perkins Funds Administration - the Board of Regents is the sole designated agency for Carl Perkins funds which support secondary and post-secondary programs. Administration for this grant is \$250,000, matched 1:1 by the state. The Board is working for coordination between secondary and post-secondary programs and in conjunction with School-to-Work programs.

Mr. Baker explained the methodology used to determine budgeted tuition increases. The Montana University System is moving away from state funding to different funding sources. In the past 10 years, state funding has increased 5% without inflation, while the system now has 2,000 more students. Adjusted for inflation, state funding is \$500 less per student than 10 years ago. The University System does not need to curb "out of control" spending, because spending is not "out of control." The need is to contain costs since the resource pool has not grown with inflation.

The funding model for this biennium is to allocate resources in an equitable manner. Each campus suggests its own tuition increases based on enrollment and cost of education. Enrollment funds will be allocated based on target enrollment:

- a) If the school does not meet its target enrollment, they receive funds proportional to actual enrollment;
- b) Schools can exceed in-state enrollment projections by 2%; if they go above 2%, all additional tuition money above the target is returned to the state General Fund;
- c) Schools can exceed out-of-state enrollment projections by 1%; if they go above the 1%, all tuition money above the target is returned to the Board of Regents for reallocation.

Mr. Baker showed a copy of a student bill to demonstrate the concern of students that "tuition" does not reflect all the fees and additional costs of post-secondary education.

{Tape: 2; Side: A}

SEN. DARYL TOEWS asked what body is liable for student loan defaults. **Mr. Baker** answered that fees from the loan process completely funds GSL and that the federal government is ultimately responsible for defaults.

SEN. ARNIE MOHL asked what rate of graduating high school students were used to determine projected enrollment. **Mr. Baker** answered that the current rate of about 50% of high school graduates enrolling in post-secondary education was used. There are no assumptions that the rate will increase as enrollment figures are conservative.

REP. MIKE KADAS asked how the GSL changes will effect the payment schedule on the new building which is basically to be supported by the GSL program. **Mr. Baker** answered that both GSL and MHESAP have a lag effect that will need continued servicing of debt well into the future. The Commissioner's office will look into renting space to other tenants when it becomes necessary.

REP. KADAS commented that the legislature is not often aware of the mandatory fees in addition to tuition, because these mandatory fees are not addressed from the General Fund. He also said it is necessary to keep up with financial aid as the tuition share paid by the students becomes higher.

REP. KADAS clarified that the new funding model allows different levels of tuition at different institutions. **Mr. Baker** explained that in the past, state support of the campuses was not proportional because it was not recognized that different campuses have different costs of education. This system will be proportional. Tuition at each campus will be generally based on the same proportion of the cost of education, but campuses do have latitude to deviate from the proportion if needed. The University System is in a transition phase for raising tuition so as not to impact students too suddenly.

REP. KADAS asked what tuition increases will be over the biennium. **Mr. Baker** said that not all decisions had been made yet, but the University of Montana is between 6.5% - 9.5%. There will also be changes in tuition based on student division level. Upper division (juniors and seniors) will have a higher tuition than lower division. This will build an incentive for upper division students to not take lower division course work, thus possibly opening space in those courses for lower division students.

REP. KADAS asked what financial aid increases are being considered to address the needs tuition increases will generate.

Mr. Baker answered that there is a proposal developed by students for a community-based financial aid package that will expand the present work-study program.

SEN. GREG JERGESON asked if the pay plan amount is the allocation of general fund/millage anticipated to pay for the negotiated settlement with the University Teachers Union (UTU).

Mr. Baker explained that the pay plan is included in the UTU agreement and additional amounts for UTU above the pay plan come from tuition increases. UTU is paid by the 3% millage increase and tuition increases. There is no General Fund increase.

SEN. JERGESON asked what is included in the category of Needs. **Mr. Baker** answered that this is the category used to distribute the lump sum budget throughout the campuses.

CHAIRMAN JOHNSON asked how the target cost of education allocation for FY96 & FY97 relates to the actual cost of education. **Mr. Baker** responded that the allocation is 80-85% of the target cost of education. This target will be adjusted every biennium.

CHAIRMAN JOHNSON asked if each division will receive the same allocation percentage each year. **Mr. Baker** said that the allocation among divisions is left to each campus, so there is no set amount of allocation by division. Campuses allocate funds based on their individual priorities.

{Tape: 2; Side: A; Approx. Counter: 1350; Comments: Change to Tape 2; Side B}

CHAIRMAN JOHNSON asked which university fees are voted by students. **Mr. Baker** answered athletic fees were voted by students. **Jim Todd, Vice-President of Administration and Finance, University of Montana-Missoula**, explained that students sit on committees that determine health service fees and most of the other fees.

CHAIRMAN JOHNSON asked how students taking more or fewer credits than are considered "full time" effects state support of percentage of total cost of students education. **Mr. Todd** answered that state support is based on FTE's of student courses - 15 credit hours are an FTE. So over and under full-time loads of students generally balance out.

CHAIRMAN JOHNSON asked if the appropriation is only approved for the two years, because of the labor settlement which includes incentives up to 6.25% increase per year, how much money does that increase in this biennium; in the 1999 and 2001 bienniums. **Mr. Baker** answered that incentives are included in this allocation package. The overall pool of money will not be changed once this is approved.

CHAIRMAN JOHNSON clarified that the Board of Regents is asking for lump-sum funding. **Mr. Baker** affirmed.

CHAIRMAN JOHNSON commented that the 1993 legislature decided any excess of the six mill levy be returned to the general fund, and any shortage would be requested made up from the legislature. It is anticipated that 1995 will be short. What part of the plan addresses this allocation. **Mr. Baker** said that the next biennium is based more on actual millage funds, not on projected millage. Greater predictability has been built into this budget.

SEN. TOEWS asked what motivation is provided for campuses to lower their cost of doing business. **Mr. Baker** said the motivation is that there is no way to get additional dollars. The cost of education targets are not driven by expenditures. There is still a lot to be examined in the area of cost control. Great incentive to control tuition comes from public concerns.

CHAIRMAN JOHNSON asked if research money is included in total funds for financial aid. **Mr. Baker** said it is, but private scholarships to students are not included.

OTHER BUSINESS

{Tape: 2; Side: B; Approx. Counter: 815}

Amy Carlson, Office of Budget & Program Planning, provided an overview of how the University System Budget was determined.

EXHIBITS 2 and 3

Lump sum funding for the University System is recommended, and is shown broken out in the areas of:

- 1) Commissioner of Higher Education Office
- 2) Agencies
- 3) Educational Units

Funding sources come from general fund; local millage plus six mill statewide for the six 4-year units; tuition; rent; and other small accounts. In unrestricted funds, the budget office can't track specifically what is General Fund-supported and what is tuition-supported. Unrestricted areas also are supported by grants, contracts and other funding sources.

The budget recommends 2.5% vacancy savings on non-instruction personal services because the University System allocates FTE's differently than the state. The quality pool is tuition from across the system from increases anticipated in out-of-state students.

Tape 3, Side A

Library books have been budgeted at 6% increase per year plus \$125,000.

Continuation of the FY95 pay plan is in the base. However, the new pay plan is not in HB2.

CHAIRMAN JOHNSON asked if the University of Montana is getting \$3.5 million of the total \$4.3 million in the quality pool. **Ms. Carlson** said numbers had been adjusted up since this estimate - the University of Montana figure is correct, but other units will increase.

ADJOURNMENT

Adjournment: This meeting adjourned at 11:33 AM.



ROYAL C. JOHNSON, CHAIRMAN



PAULA CLAWSON, SECRETARY

RCJ/pc

[THIS MEETING WAS RECORDED ON 3 90-MINUTE TAPES]

EDUCATION

Joint Appropriations Subcommittee

ROLL CALL

DATE 1/16/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Royal Johnson, Chairman	✓		
Rep. Mike Kadas	✓		
Rep. Don Holland	✓		
Sen. Daryl Toews	✓		
Sen. Greg Jergeson	✓		
Sen. Arnie Mohl	✓		

EXHIBIT 1
DATE 1/16/95
SB _____

1995 REGULAR LEGISLATIVE SESSION

Education Appropriations Subcommittee

REP. ROYAL JOHNSON, CHAIR
REP. MIKE KADAS
REP. DON HOLLAND

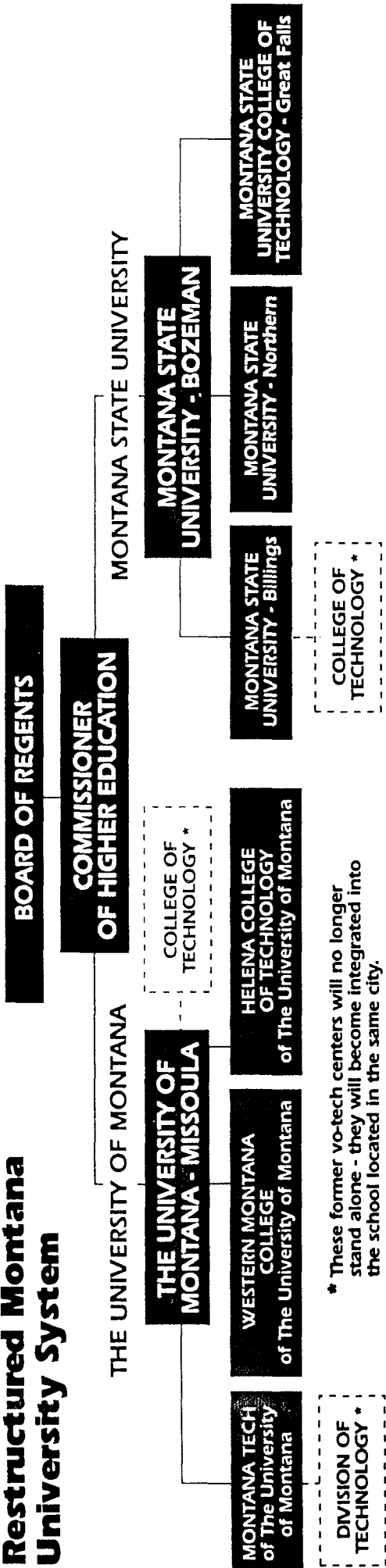
SEN. DARYL TOEWS
SEN. ARNIE MOHL
SEN. GREG JERGESON

January 16, 1995

The original of this document is stored at
the Historical Society at 225 North Roberts
Street, Helena, MT 59620-1201. The phone
number is 444-2694.

(binder)

Restructured Montana University System



* These former vo-tech centers will no longer stand alone - they will become integrated into the school located in the same city.

EXHIBIT 2
 DATE 1-16-95
 SB _____

Montana University System

	FY94 Base	Fiscal Year 1996			Fiscal Year 1997		
		Base Adjust	New Proposals	TOTAL	Base Adjust	New Proposals	TOTAL
Educational Units	\$168,975,350	\$3,386,246	\$5,588,839	\$177,950,435	\$5,841,973	\$10,681,612	\$185,498,935
Commissioner of Higher Ed.	32,511,662	3,244,133	-196,637	35,563,158	4,291,217	-193,379	36,609,500
Stations - Research/Service	18,018,385	446,683	-354,899	18,110,169	485,075	-355,459	18,148,001
Pay Plan	0	0	3,498,335	3,498,335		7,210,848	7,210,848
Total Agency Costs	219,505,397	7,077,062	8,535,538	235,122,097	10,618,265	17,343,622	247,467,284
General Fund	109,452,199			111,462,927			116,804,303
Millage - Six	16,956,631			13,709,522	(see below for		14,094,523
Millage - Local	892,000	(see below for		926,160	explanation)		944,682
Tuition	59,667,819	explanation)		73,534,859			79,066,591
Federal	13,067,122			14,298,310			14,571,769
Other	19,469,626			21,190,319			21,985,416
Total Funding Costs	219,505,397	3,386,246	8,727,989	235,122,097	5,841,973	17,163,930	247,467,284

Commissioner of Higher Education

	FY94 Base	Fiscal Year 1996			Fiscal Year 1997		
		Base Adjust	New Proposals	TOTAL	Base Adjust	New Proposals	TOTAL
Full Time Equivalent Employees	84.95	1.00	-9.75	76.20	1.00	-9.75	76.20
Personal Services	2,476,277	379,105	-268,058	2,587,324	389,914	-268,871	2,597,320
Operating Expenses	3,999,950	159,693	75,421	4,235,064	229,144	75,492	4,304,586
Equipment	40,608	-3,738	0	36,870	-8,738	0	31,870
Local Assistance	75,000	4,000	0	79,000	4,000	0	79,000
Grants	7,460,618	544,430	0	8,005,048	644,109	0	8,104,727
Benefits and Claims	15,107,209	1,822,235	0	16,929,444	2,584,071	0	17,691,280
Transfers	3,135,005	449,335	0	3,584,340	565,107	0	3,700,112
Debt Service	216,995	-110,927	0	106,068	-116,390	0	100,605
Total Agency Costs	\$32,511,662	\$3,244,133	\$-192,637	\$35,563,158	\$4,291,217	\$-193,379	\$36,609,500
General Fund	6,478,691	312,703	-40,248	6,751,146	315,642	-40,306	6,754,027
Federal Special Revenue Fund	9,028,506	1,205,036	-152,389	10,081,153	1,479,179	-153,073	10,354,612
Proprietary Fund	17,004,465	1,726,394	0	18,730,859	2,496,396	0	19,500,861
Total Funding Costs	\$32,511,662	\$3,244,133	\$-192,637	\$35,563,158	\$4,291,217	\$-193,379	\$36,609,500
Administration Program	1,000,557	126,185	-40,248	1,086,494	110,825	-40,306	1,071,076
Student Assistance Program	5,317,087	345,967	0	5,663,054	369,699	0	5,686,786
Dde Mathematics & Sci Ed Act	298,264	19,905	0	318,169	27,859	0	326,123
Mus Group Insurance Program	16,858,210	1,872,649	0	18,730,859	2,642,651	0	19,500,861
Talent Search	465,734	-15,080	75,421	526,075	-14,265	75,492	526,961
C.D. Perkins Admin	5,094,742	765,109	-16,988	5,842,863	949,912	-17,027	6,027,627
Guaranteed Student Loan Pgm	3,080,766	386,540	-210,822	3,256,484	467,111	-211,538	3,336,339
Board Of Regents-admin	33,052	40	0	33,092	70	0	33,122
B Of R Bond Payments	216,995	-110,927	0	106,068	-116,390	0	100,605
Montana Career Info System	146,255	-146,255	0	0	-146,255	0	0
Total Program Costs	\$32,511,662	\$3,244,133	\$-192,637	\$35,563,158	\$4,291,217	\$-193,379	\$36,609,500

Educational Units

	FY94 Base	Fiscal Year 1996			Fiscal Year 1997		
		Base	New	TOTAL	Base	New	TOTAL
		Adjust	Proposals		Adjust	Proposals	
MSU Billings College of Tech.	2,155,014	118,015	-15,243	2,257,786	167,775	-15,266	2,307,523
MT Tech UM Division of Tech.	1,689,027	117,716	-13,071	1,793,672	186,686	-11,728	1,863,985
MSU College of Tech. Great Falls	2,532,861	444,357	-20,135	2,957,083	621,309	-20,376	3,133,794
UM College of Tech. Helena	2,635,124	111,408	-19,526	2,727,006	291,570	-20,380	2,906,314
UM College of Tech. Missoula	2,876,147	487,375	-25,084	3,338,438	653,290	-24,398	3,505,039
University of Montana Missoula	51,944,844	796,811	-491,247	52,250,408	1,349,680	-501,437	52,793,087
Montana State Univ. Bozeman	54,356,082	3,598,735	-467,924	57,486,893	4,356,992	-470,255	58,242,819
Montana Tech of UM	11,163,007	563,883	-82,310	11,644,580	635,901	-82,804	11,716,104
Montana State Univ. Billings	16,414,057	578,394	-156,769	16,835,682	840,723	-162,060	17,092,720
Montana State Univ. Northern	8,901,228	554,642	-77,032	9,378,838	641,848	-78,701	9,464,375
Western Montana College UM	5,331,318	559,584	-53,575	5,837,327	672,233	-54,752	5,948,799
Community Colleges	4,210,862	221,105	0	4,431,967	189,745	1,705,018	6,105,625
Quality Pool	0		4,373,796	4,373,796		5,935,167	5,935,167
System Needs	0		1,394,738	1,394,738		1,796,460	1,796,460
UM UTU agreement	0		1,242,221	1,242,221		2,687,124	2,687,124
FY94 Budget Amendments	4,765,779	-4,765,779		0	-4,765,779		
Pay Plan	0	0	3,139,150	3,139,150		6,482,318	6,482,318
Total Agency Costs	168,975,350	3,386,246	8,727,989	181,089,585	5,841,973	17,163,930	191,981,253
General Fund	90,610,746			92,081,310			97,037,723
Millage - Six	16,956,631			13,709,522	(see below for explanation)		14,094,523
Millage - Local	892,000	(see below for explanation)		926,160			944,682
Tuition	59,667,819			73,534,859			79,066,591
Other	848,154			837,734			837,734
Total Funding Costs	168,975,350	3,386,246	8,727,989	181,089,585	5,841,973	17,163,930	191,981,253

Public Service and Experiment Stations

	FY94 Base	Fiscal Year 1996			Fiscal Year 1997		
		Base	New	TOTAL	Base	New	TOTAL
		Adjust	Proposals		Adjust	Proposals	
Bureau of Mines	1,872,036	189,020	-27,143	2,033,913	190,822	-27,166	2,035,752
Agricultural Experiment Station	10,071,315	129,086	-210,293	9,990,108	163,317	-210,744	10,023,888
Cooperative Extension Service	4,965,579	261,606	-117,463	5,109,722	264,916	-117,549	5,112,946
Forestry Conservation Exp Sta	684,610	38,313		722,923	39,250		723,860
Fire Services Training School	244,532	8,971		253,503	7,023		251,555
Budget Amendments	180,313	-180,313			-180,313		
Pay Plan			359,185	359,185		728,530	728,530
Total Agency Costs	18,018,385	446,683	4,286	18,469,354	485,075	373,071	18,876,531
General Fund	12,333,305	301,674	-4,508	12,630,471	336,705	342,543	13,012,553
Station revenues	1,617,007	-4,075	8,794	1,621,726	-714	30,528	1,646,821
Federal	4,068,073	149,084		4,217,157	149,084		4,217,157

Executive Budget detailed allocation

	FY94 Base	PLB adj 96	New prop 96	Total 96	PLB adj 97	New prop 97	Total 97
MSU CT BILLINGS							
Personal services	1,794,793			1,794,793			1,794,793
P.S. adjustments		(104,385)		(104,385)	(103,275)		(103,275)
NP P.S. reduction			(15,243)	(15,243)		(15,266)	(15,266)
Operating	360,221			360,221			360,221
PLB Inflation, fixed costs		25,215		25,215	5,006		5,006
Resident enrollment		197,185		197,185	266,044		266,044
Subtotals	2,155,014	118,015	(15,243)	2,257,786	167,775	(15,266)	2,307,523
<i>Possible allocation</i>							
Quality pool			2,246	2,246		4,493	4,493
Building Maint			4,314	4,314		7,737	7,737
Library books			1,271	1,271		2,618	2,618
Other equipment			8,383	8,383		8,605	8,605
Pay plan			43,842	43,842		90,528	90,528
Totals	2,155,014	118,015	44,813	2,317,842	167,775	98,715	2,421,504
Resident enrollment change		63			85		
Equipment - no equipment in base, no books in equipment							
Personal services - net supplemental of \$140,987 and 1.5% pay plan increase							

UM TECH DT

Personal services	1,287,317			1,287,317			1,287,317
P.S. adjustments		(119,239)		(119,239)	(118,063)		(118,063)
NP P.S. reduction			(13,071)	(13,071)		(11,728)	(11,728)
Operating	348,763			348,763			348,763
PLB Inflation, fixed costs		28,937		28,937	332		332
Equipment	52,947			52,947			52,947
Resident enrollment		208,018		208,018	304,417		304,417
Subtotals	1,689,027	117,716	(13,071)	1,793,672	186,686	(11,728)	1,863,985
<i>Possible allocation</i>							
Quality pool			15,141	15,141		20,188	20,188
Building Maint			3,949	3,949		6,938	6,938
Library books			356	356		733	733
Other equipment			7,173	7,173		7,717	7,717
Pay plan			26,598	26,598		61,534	61,534
Totals	1,689,027	117,716	40,146	1,846,889	186,686	85,382	1,961,095
Resident enrollment change		82			120		
Equipment - no library books in equipment							
Personal services - one time only money not automatically removed from the base \$133,230 and 1.5% increase							
Inflation, fixed costs - zero base item not requested (total 50)							

Executive Budget detailed allocation

	FY94 Base	PLB adj 96	New prop 96	Total 96	PLB adj 97	New prop 97	Total 97
MSU CT GREAT FALLS							
Personal services	2,048,692			2,048,692			2,048,692
P.S. adjustments		(14,552)		(14,552)	(13,147)		(13,147)
NP P.S. reduction			(20,135)	(20,135)		(20,376)	(20,376)
Operating	475,708			475,708			475,708
PLB Inflation, fixed costs		17,974		17,974	(6,658)		(6,658)
Equipment	8,461			8,461			8,461
Resident enrollment		440,935		440,935	641,114		641,114
Subtotals	2,532,861	444,357	(20,135)	2,957,083	621,309	(20,376)	3,133,794
<i>Possible allocation</i>							
Quality pool			(5,275)	(5,275)		(10,550)	(10,550)
Building Maint			7,005	7,005		12,326	12,326
Library books			876	876		1,804	1,804
Other equipment			12,726	12,726		13,709	13,709
Pay plan			46,900	46,900		111,030	111,030
Totals	2,532,861	444,357	42,097	3,019,315	621,309	107,943	3,262,110
Resident enrollment change		163			237		
Equipment - no library books in equipment							
Inflation, fixed costs - zero base items not requested (15,574)							
UM CT HELENA							
Personal services	2,191,508			2,191,508			2,191,508
P.S. adjustments		(334)		(334)	1,101		1,101
NP P.S. reduction			(19,526)	(19,526)		(20,380)	(20,380)
Operating	402,143			402,143			402,143
PLB Inflation, fixed costs		26,494		26,494	(552)		(552)
Equipment	41,473	(1)		41,472	(1)		41,472
Resident enrollment		85,249		85,249	291,022		291,022
Subtotals	2,635,124	111,408	(19,526)	2,727,006	291,570	(20,380)	2,906,312
<i>Possible allocation</i>							
Quality pool			21,440	21,440		36,754	36,754
Building Maint			5,388	5,388		9,789	9,789
Library books			1,118	1,118		2,304	2,304
Other equipment			9,789	9,789		10,887	10,887
Pay plan			50,772	50,772		110,104	110,104
Totals	2,635,124	111,408	68,981	2,815,513	291,570	149,458	3,076,152
Resident enrollment change		29			99		
Equipment - no library books in equipment							
Inflation, fixed costs - zero base items not requested (240)							

Executive Budget detailed allocation

	FY94 Base	PLB adj 96	New prop 96	Total 96	PLB adj 97	New prop 97	Total 97
UM CT MISSOULA							
Personal services	2,365,241			2,365,241			2,365,241
P.S. adjustments		70,803		70,803	73,956		73,956
NP P.S. reduction			(25,084)	(25,084)		(24,398)	(24,398)
Operating	503,931			503,931			503,931
PLB Inflation, fixed costs		26,206		26,206	5,436		5,436
Equipment	6,975			6,975			6,975
Resident enrollment		390,366		390,366	573,898		573,898
Subtotals	2,876,147	487,375	(25,084)	3,338,438	653,290	(24,398)	3,505,039
<i>Possible allocation</i>							
Quality pool			37,483	37,483		49,977	49,977
Building Maint			6,662	6,662		11,715	11,715
Library books			884	884		1,820	1,820
Other equipment			12,103	12,103		13,030	13,030
Pay plan			55,927	55,927		127,696	127,696
Totals	2,876,147	487,375	87,975	3,451,497	653,290	179,840	3,709,277
Resident enrollment change		134			197		
Equipment - no library books in equipment Inflation, fixed costs - some zero base items not requested and some were increased							
UM MISSOULA							
Personal services	41,757,957			41,757,957			41,757,957
P.S. adjustments		401,737		401,737	468,316		468,316
NP P.S. reduction			(491,247)	(491,247)		(501,437)	(501,437)
Operating	8,402,535			8,402,535			8,402,535
PLB Inflation, fixed costs		289,978		289,978	256,547		256,547
Equipment	1,782,119			1,782,119			1,782,119
Library book standard inflation		50,051		50,051	94,837		94,837
Resident enrollment		(293,492)		(293,492)	41,927		41,927
Buildings		201,084		201,084	340,600		340,600
UM law fee		149,686		149,686	149,686		149,686
Subtotals	51,942,611	799,044	(491,247)	52,250,408	1,351,913	(501,437)	52,793,087
<i>Possible allocation</i>							
Quality pool			3,551,522	3,551,522		4,125,867	4,125,867
Building Maint			97,316	97,316		157,841	157,841
Library books			81,959	81,959		168,836	168,836
Other equipment			176,790	176,790		175,558	175,558
UTU agreement			1,242,221	1,242,221		2,687,124	2,687,124
Pay plan			975,471	975,471		1,976,075	1,976,075
Totals	51,942,611	799,044	5,634,032	58,375,687	1,351,913	8,789,864	62,084,388
Resident enrollment change		(110)			(8)		
Buildings - new business school building Equipment - increases due to library inflation of 3.8% UM Law - UM law school fee increase dedicated to law school							

Executive Budget detailed allocation

	FY94 Base	PLB adj 96	New prop 96	Total 96	PLB adj 97	New prop 97	Total 97
MSU BOZEMAN							
Personal services	41,887,302			41,887,302			41,887,302
P.S. adjustments		1,987,437		1,987,437	2,082,284		2,082,284
NP P.S. reduction			(467,924)	(467,924)		(470,255)	(470,255)
Operating	10,635,116			10,635,116			10,635,116
PLB Inflation, fixed costs		514,327		514,327	595,332		595,332
Equipment	1,833,664			1,833,664			1,833,664
Library book standard inflation		47,461		47,461	93,777		93,777
Resident enrollment		732,287		732,287	1,016,164		1,016,164
Buildings		317,223		317,223	569,435		569,435
Subtotals	54,356,082	3,598,735	(467,924)	57,486,893	4,356,992	(470,255)	58,242,819
<i>Possible allocation</i>							
Quality pool			281,823	281,823		732,377	732,377
Building Maint			96,512	96,512		153,894	153,894
Library books			85,098	85,098		175,301	175,301
Other equipment			175,329	175,329		171,169	171,169
Pay plan			1,015,584	1,015,584		2,077,004	2,077,004
Totals	54,356,082	3,598,735	1,186,422	59,141,239	4,356,992	2,839,490	61,552,561
Resident enrollment change		140			223		
Buildings - new engineering and physical sciences building							
Equipment - increases due to library inflation of 3.8%							
Inflation, fixed costs - increases allowed for rent of non-D of A buildings primarily for nursing (33,440/36,525), zero base not requested (30,760) and adjustment for audit costs inappropriately accounted for in this object (22,094)							
Personal Services - 1.3 million increase due to BA carry forward and 1.5% increase in pay plan							
UM TECH							
Personal services	8,512,440			8,512,440			8,512,440
P.S. adjustments		99,459		99,459	128,750		128,750
NP P.S. reduction			(82,310)	(82,310)		(82,804)	(82,804)
Operating	2,310,178			2,310,178			2,310,178
PLB Inflation, fixed costs		172,765		172,765	147,257		147,257
Equipment	336,090			336,090			336,090
Library book standard inflation		6,245		6,245	12,727		12,727
Resident enrollment		244,374		244,374	311,195		311,195
Subtotals	11,158,708	522,843	(82,310)	11,599,241	599,929	(82,804)	11,675,836
<i>Possible allocation</i>							
Quality pool			180,445	180,445		278,586	278,586
Building Maint			17,880	17,880		28,599	28,599
Library books			11,224	11,224		22,709	22,709
Other equipment			32,482	32,482		31,809	31,809
Pay plan			199,130	199,130		410,658	410,658
Totals	11,158,708	522,843	358,851	12,040,402	599,929	689,557	12,448,194
Resident enrollment change		57			75		
Equipment - equipment inflation on books 3.8%							
Inflation, fixed costs - agency submitted reduced cost of zero based item (577)							

Executive Budget detailed allocation

	FY94 Base	PLB adj 96	New prop 96	Total 96	PLB adj 97	New prop 97	Total 97
MSU BILLINGS							
Personal services	12,427,634			12,427,634			12,427,634
P.S. adjustments		184,423		184,423	198,761		198,761
NP P.S. reduction			(156,769)	(156,769)		(162,060)	(162,060)
Operating	3,745,240			3,745,240			3,745,240
PLB Inflation, fixed costs		13,165		13,165	(35,038)		(35,038)
Equipment	241,183			241,183			241,183
Library book standard inflation		5,507		5,507	10,958		10,958
Moved debt service to books		95,613		95,613	95,613		95,613
Resident enrollment		279,686		279,686	570,429		570,429
Subtotals	16,414,057	578,394	(156,769)	16,835,682	840,723	(162,060)	17,092,720
<i>Possible allocation</i>							
Quality pool			131,439	131,439		225,933	225,933
Building Maint			32,458	32,458		53,658	53,658
Library books			10,055	10,055		20,712	20,712
Other equipment			58,966	58,966		59,681	59,681
Pay plan			289,672	289,672		598,066	598,066
Totals	16,414,057	578,394	365,821	17,358,272	840,723	795,990	18,050,770
Resident enrollment change		70			174		
Inflation, fixed costs - allowed cost for recruitment and minor zero based items not requested (716)							

MSU NORTHERN

Personal services	6,624,008			6,624,008			6,624,008
P.S. adjustments		45,655		45,655	49,829		49,829
NP P.S. reduction			(77,032)	(77,032)		(78,701)	(78,701)
Operating	2,252,601			2,252,601			2,252,601
PLB Inflation, fixed costs		33,085		33,085	15,476		15,476
Equipment	24,619			24,619			24,619
Library book standard inflation		9		9	9		9
Resident enrollment		505,472		505,472	622,981		622,981
Subtotals	8,901,228	584,221	(77,032)	9,408,417	688,295	(78,701)	9,510,822
<i>Possible allocation</i>							
Quality pool			114,432	114,432		203,909	203,909
Building Maint			17,429	17,429		28,740	28,740
Library books			3,312	3,312		6,823	6,823
Other equipment			31,663	31,663		31,966	31,966
Pay plan			152,740	152,740		322,464	322,464
Totals	8,901,228	584,221	242,544	9,727,993	688,295	515,201	10,104,724
Resident enrollment change		149			187		
Equipment - MSU-Northern recorded most of their books in operating and not in equipment (same inflation rate applies)							
Inflation, fixed costs - zero based items not requested (total 247)							

Executive Budget detailed allocation

	FY94 Base	PLB adj 96	New prop 96	Total 96	PLB adj 97	New prop 97	Total 97
UM WESTERN							
Personal services	4,252,043			4,252,043			4,252,043
P.S. adjustments		20,408		20,408	24,608		24,608
NP P.S. reduction			(53,575)	(53,575)		(54,752)	(54,752)
Operating	1,035,918			1,035,918			1,035,918
PLB Inflation, fixed costs		59,918		59,918	27,467		27,467
Equipment	43,357			43,357			43,357
Library book standard inflation		859		859	1,628		1,628
Resident enrollment		478,399		478,399	618,530		618,530
Subtotals	5,331,318	559,584	(53,575)	5,837,327	672,233	(54,752)	5,948,799
<i>Possible allocation</i>							
Quality pool			43,100	43,100		267,633	267,633
Building Maint			10,787	10,787		18,763	18,763
Library books			3,751	3,751		7,727	7,727
Other equipment			19,596	19,596		20,869	20,869
Pay plan			97,744	97,744		211,794	211,794
Totals	5,331,318	559,584	121,403	6,012,305	672,233	472,034	6,475,569
Resident enrollment change		150			197		
Inflation, fixed costs - zero based items not requested and one item requested by agency but not entered into EBS by agency (total reduction 5,581)							
Changes not allocatable							
SummitNet			175,000	175,000		175,000	175,000
Hazardous Materials/Occ Health			175,000	175,000		175,000	175,000
Subtotal			350,000	350,000		350,000	350,000
Community Colleges							
Base	4,210,862			4,210,862			4,210,862
Resident enrollment		221,105		221,105	189,745		189,745
Pay Plan			184,770	184,770		385,365	385,365
Absorbtion			0	0		1,705,018	1,705,018
Subtotals	4,210,862	221,105	184,770	4,616,737	189,745	2,090,383	6,490,990
Resident enrollment change		194			194		
GRAND TOTAL MUS	164,203,039	8,142,797	8,727,855	181,073,691	10,620,460	17,163,857	191,987,356

Further explanation of terms:

Personal services	FY94 base personal services costs
P.S. adjustments	Present law base personal services adjustments (FY95 pay plan and other adjustments)
NP P.S. reduction	New proposals - 2.5% reduction of non-instructional faculty to be made of vacancy savings and administrative savings from restructuring
Operating	FY94 base operating costs
Inflation, fixed costs	Other present law base adjustments (inflation, fixed costs and zero based items)
Equipment	FY94 base equipment expenditures
Library book inflation	Inflation rate was set at 3.8% each year
PLB Resident enroll	Present law base resident enrollment adjustments: instruction, student services and fee waivers
Buildings	Present law base new space maintenance as a result of new buildings
UM law fee	UM law school increased fees

ENROLLMENT ADJUSTMENTS TO PRESENT LAW BASE

Adjustments for resident enrollment changes

	Resident Enrollment Projection			Student Services Adj.		Instruction Adjustment		Present Law Base Fee Waivers		Total PLB enrollment adj.	
	Budget FY94	Projected	Change	96	97	Total cost	/student	Enrollment adjustment	Rate adjustment	1996	1997
		1996	1997	96	97	1996	1997	1996	1997	1996	1997
Colleges Technology											
MSU CT Billings	395	458	63	\$12,502	\$16,868	\$184,683	\$2,931	\$249,176		\$197,185	\$266,044
UM Tech DT	308	390	82	\$16,273	\$23,814	\$191,745	\$2,338	\$280,603		\$208,018	\$304,417
MSU CT Great Falls	550	713	163	\$32,348	\$47,033	\$408,587	\$2,507	\$594,081		\$440,935	\$641,114
UM CT Helena	501	530	29	\$5,755	\$19,647	\$79,494	\$2,741	\$271,375		\$85,249	\$291,022
UM CT Missoula	515	649	134	\$26,592	\$39,095	\$363,774	\$2,715	\$534,803		\$390,367	\$573,898
Universities/Colleges											
UM Missoula	7,064	6,953	(111)	(\$21,959)	(\$1,717)	(\$317,610)	\$2,870	(\$24,829)		(\$293,492)	\$41,927
MSU Bozeman	7,620	7,760	140	\$27,817	\$44,288	\$427,747	\$3,052	\$681,032		\$732,287	\$1,016,164
UM MT Tech	1,452	1,509	57	\$11,365	\$14,937	\$192,596	\$3,363	\$253,129		\$244,376	\$311,196
MSU Billings	3,024	3,094	70	\$13,909	\$34,548	\$167,331	\$2,387	\$415,618		\$279,686	\$570,430
MSU Northern	1,524	1,672	148	\$29,450	\$36,991	\$387,788	\$2,613	\$487,088		\$505,472	\$622,981
UM WMC	881	1,031	150	\$29,754	\$39,081	\$390,121	\$2,602	\$512,416		\$478,399	\$618,530
Community Colleges											
DCC	412	470	57	\$11,361	\$11,361	\$123,339	\$2,154	\$123,339		\$134,699	\$134,699
FVCC	1,066	1,118	52	\$10,375	\$10,375	\$102,902	\$1,968	\$102,902		\$113,277	\$113,277
MCC	489	574	85	\$16,820	\$16,820	\$183,439	\$2,164	\$183,439		\$200,259	\$200,259
Totals	25,800	26,921	1,120	\$222,363	\$353,142	\$2,885,937	\$4,664,172	\$4,664,172		\$3,716,718	\$5,705,958
Biennial Totals											\$9,422,675

STUDENT SERVICES ADJUSTMENT DESCRIPTION

The student services enrollment attempted to estimate the incremental cost of providing student services. The estimate was calculated by using the average cost of student services personal services (without athletics) of UM and MSU (FY94 base personal services divided by FYFTE.) The larger schools average cost is likely to be close to the incremental cost. This average was increased by 1.5% to adjust for the FY95 pay plan.

INSTRUCTIONAL ADJUSTMENT DESCRIPTION

The average instructional cost was calculated for each campus. The total personal services in the FY94 base was divided by the budgeted resident student FYFTE for each campus. These averages were increased by 1.5% to account for the FY95 pay plan.

FEE WAIVER ADJUSTMENT DESCRIPTION

Increased rates and enrollments increase the value and number of fee waivers. The percent of total tuition that is comprised of fee waivers was held constant.

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