

HB 659 INTRODUCED BY RAPP-SVRCEK, ET AL.
CLOSE FOUR SMALLER COLLEGES UNLESS BRANCH COLLEGES
ARE ESTABLISHED

2/07 INTRODUCED
2/07 REFERRED TO EDUCATION & CULTURAL RESOURCES
2/07 FISCAL NOTE REQUESTED
2/16 FISCAL NOTE RECEIVED
3/11 HEARING
3/20 TABLED IN COMMITTEE

1 House BILL NO. 659
 2 INTRODUCED BY Raymond Mercer Cobb
 3 Raymond Mercer Cobb

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE
 5 CLOSURE OF WESTERN MONTANA COLLEGE, EASTERN MONTANA COLLEGE,
 6 NORTHERN MONTANA COLLEGE, AND MONTANA COLLEGE OF MINERAL
 7 SCIENCE AND TECHNOLOGY BY JULY 1, 1988, UNLESS THE BOARD OF
 8 REGENTS OF HIGHER EDUCATION ESTABLISHES BRANCH COLLEGES;
 9 ALLOWING COMMUNITY COLLEGES TO BE ESTABLISHED IF BRANCH
 10 COLLEGES ARE NOT ESTABLISHED; ALLOWING AND SETTING STANDARDS
 11 FOR BRANCH COLLEGES; AMENDING SECTIONS 20-25-201 AND
 12 20-25-301, MCA; AND PROVIDING AN EFFECTIVE DATE."

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 NEW SECTION. Section 1. Purpose -- findings. (1) The
 16 legislature recognizes that the people of this state desire
 17 quality higher education. The legislature finds, however,
 18 that funds are not available to maintain quality education
 19 at each unit of the university system as long as the
 20 university system is made up of six separate and independent
 21 units, each with its own administrative and educational
 22 expenses.

23 (2) The legislature also recognizes the broad power
 24 and authority of the board of regents to manage the
 25 university system. Nevertheless, it is the prerogative of

1 the legislature to appropriate money for maintenance of the
 2 university system and the duty of the legislature to
 3 appropriate funds in the amount and manner most conducive to
 4 quality higher education.

5 (3) Because funds are not available to support a
 6 quality education at each one of the six units of the
 7 university system, the smaller four colleges may no longer
 8 be administered or funded as separate and independent units
 9 of the university system. The legislature encourages,
 10 however, the establishment of either branch colleges or
 11 community colleges to replace the four smaller colleges, and
 12 will fund such branch or community colleges, if it is
 13 fiscally possible.

14 NEW SECTION. Section 2. Branch colleges. (1) The
 15 board of regents may establish branch colleges attached
 16 administratively and financially to either Montana state
 17 university or the university of Montana.

18 (2) A branch college must be administered by its
 19 parent university with the university president as the chief
 20 administrator of the branch college.

21 (3) A branch college shall provide undergraduate
 22 education with a certificate after 2 years of satisfactory
 23 performance by a student in good standing.

24 NEW SECTION. Section 3. Appropriation -- eastern
 25 Montana college. (1) There is appropriated to the board of



1 regents of higher education \$13,779,827 from the current
2 unrestricted fund for operation of eastern Montana college
3 until July 1, 1988, and \$11,830,094 from the general fund
4 for payment of outstanding contractual obligations of
5 eastern Montana college after July 1, 1988.

6 (2) If the board of regents establishes a branch
7 college at eastern Montana college by July 1, 1988, there is
8 appropriated to the board of regents \$13,634,827 from the
9 current unrestricted fund for operation of eastern Montana
10 college as a branch college of the university of Montana.

11 (3) If the board of regents does not establish a
12 branch college at eastern Montana college by July 1, 1988, a
13 community college may be established.

14 (4) Money from supplemental or emergency funds may not
15 be used to fund eastern Montana college unless it becomes a
16 branch college of the university of Montana or a community
17 college.

18 NEW SECTION. Section 4. Appropriation -- northern
19 Montana college. (1) There is appropriated to the board of
20 regents of higher education \$7,586,260 from the current
21 unrestricted fund for operation of northern Montana college
22 until July 1, 1988, and \$3,378,696 from the general fund for
23 payment of outstanding contractual obligations of northern
24 Montana college after July 1, 1988.

25 (2) If the board of regents establishes a branch

1 college at northern Montana college by July 1, 1988, there
2 is appropriated to the board of regents \$7,411,260 from the
3 current unrestricted fund for operation of northern Montana
4 college as a branch college of Montana state university.

5 (3) If the board of regents does not establish a
6 branch college at northern Montana college by July 1, 1988,
7 a community college may be established.

8 (4) Money from supplemental or emergency funds may not
9 be used to fund northern Montana college unless it becomes a
10 branch college of Montana state university or a community
11 college.

12 NEW SECTION. Section 5. Appropriation -- Montana
13 college of mineral science and technology. (1) There is
14 appropriated to the board of regents of higher education
15 \$8,783,160 from the current unrestricted fund for operation
16 of Montana college of mineral science and technology until
17 July 1, 1988, and \$6,784,712 from the general fund for
18 payment of outstanding contractual obligations of Montana
19 college of mineral science and technology after July 1,
20 1988.

21 (2) If the board of regents establishes a branch
22 college at Montana college of mineral science and
23 technology, there is appropriated to the board of regents
24 \$8,551,398 from the current unrestricted fund for operation
25 of Montana college of mineral science and technology as a

1 branch college of Montana state university.

2 (3) If the board of regents does not establish a
3 branch college at Montana college of mineral science and
4 technology by July 1, 1988, a community college may be
5 established.

6 (4) Money from supplemental or emergency funds may not
7 be used to fund Montana college of mineral science and
8 technology unless it becomes a branch college of Montana
9 state university or a community college.

10 NEW SECTION. Section 6. Appropriation -- western
11 Montana college. (1) There is appropriated to the board of
12 regents of higher education \$3,936,631 from the current
13 unrestricted fund for operation of western Montana college
14 until July 1, 1988, and \$1,666,530 from the general fund for
15 payment of outstanding contractual obligations of western
16 Montana college after July 1, 1988.

17 (2) If the board of regents establishes a branch
18 college at western Montana college by July 1, 1988, there is
19 appropriated to the board of regents \$3,804,631 from the
20 current unrestricted fund for operation of western Montana
21 college as a branch college of the university of Montana.

22 (3) If the board of regents does not establish a
23 branch college at western Montana college by July 1, 1988, a
24 community college may be established.

25 (4) Money from supplemental or emergency funds may not

1 be used to fund western Montana college unless it becomes a
2 branch college of the university of Montana or a community
3 college.

4 Section 7. Section 20-25-201, MCA, is amended to read:

5 "20-25-201. Units constituting university system. The
6 Montana university system is composed of the--following
7 units,--each-designated-by-its-legal-name--

8 ~~(1)--University-of-Montana,--located-at-Missoula;~~

9 ~~(2)--Montana-state-university,--located-at-Bozeman;~~

10 ~~(3)--Montana-college-of-mineral-science-and-technology,~~
11 ~~located-at-Butte;~~

12 ~~(4)--Western-Montana-college,--located-at-Billon;~~

13 ~~(5)--Eastern--Montana-college,--located-at-Billings,--and~~

14 ~~(6)--Northern-Montana-college,--located--at--Havre~~ two
15 universities, the university of Montana and Montana state
16 university."

17 Section 8. Section 20-25-301, MCA, is amended to read:

18 "20-25-301. Regents' powers and duties. The board of
19 regents of higher education shall serve as regents of the
20 Montana university system, shall use and adopt this style in
21 all its dealings therewith, and shall:

22 (1) have general control and supervision of the units
23 of the Montana university system, which shall be considered
24 for all purposes one university;

25 (2) adopt rules, not inconsistent with the

1 constitution and the laws of the state, for its own
2 government which are proper and necessary for the execution
3 of the powers and duties conferred upon it by law;

4 (3) provide, subject to the laws of the state, rules
5 for the government of the system;

6 (4) grant diplomas and degrees to the graduates of the
7 system upon the recommendation of the faculties and have
8 discretion to confer honorary degrees upon persons other
9 than graduates upon the recommendation of the faculty of
10 such institutions;

11 (5) keep a record of its proceedings;

12 (6) have, when not otherwise provided by law, control
13 of all books, records, buildings, grounds, and other
14 property of the system;

15 (7) receive from the board of land commissioners,
16 other boards, persons, or from the government of the United
17 States all funds, incomes, and other property the system may
18 be entitled to and use and appropriate the property for the
19 specific purpose of the grant or donation;

20 (8) have general control of all receipts and
21 disbursements of the system;

22 (9) appoint a president and faculty for each of the
23 institutions of the system, appoint any other necessary
24 officers, agents, and employees, and fix their compensation;

25 (10) confer upon the executive board of each of the

1 units of the system such authority as may be deemed
2 expedient relating to immediate control and management,
3 other than authority relating to financial matters or the
4 selection of the teachers, employees, and faculty;

5 (11) confer, at the regents' discretion, upon the
6 president and faculty of each of the units of the system for
7 the best interest of the unit such authority relating to the
8 immediate control and management, other than financial, and
9 the selection of teachers and employees;

10 (12) prevent unnecessary duplication of courses at the
11 units of the system;

12 (13) appoint a certified professional geologist or
13 registered mining engineer as the director of the Montana
14 state bureau of mines and geology, who shall be designated
15 the state geologist, and appoint any other necessary
16 assistants and employees and fix their compensation. The
17 regents shall prepare a report to each regular session of
18 the legislature showing the progress and condition of the
19 bureau, including any other necessary or required
20 information.

21 (14) supervise and control the agricultural experiment
22 station, along with any executive or subordinate board or
23 authority which may be appointed by the governor with the
24 advice and consent of the regents;

25 (15) adopt a seal bearing on its face the words

1 "Montana university system", which must be affixed to all
2 diplomas and all other papers, instruments, or documents
3 which may require it;

4 (16) operate and manage branch colleges."

5 NEW SECTION. Section 9. Codification instruction.
6 Section 2 is intended to be codified as an integral part of
7 Title 20, chapter 25, part 2, and the provisions of Title
8 20, chapter 25, part 2, apply to section 2.

9 NEW SECTION. Section 10. Coordination instruction.
10 Any appropriation for the university system in House Bill
11 No. 100 is reduced by the amount appropriated in this act.

12 NEW SECTION. Section 11. Effective date. This act is
13 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB659, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for the closure of Western Montana College, Eastern Montana College, Northern Montana College, and Montana College of Mineral Science and Technology by July 1, 1988, unless the Board of Regents of Higher Education establishes branch campuses; providing specific general fund and/or current unrestricted fund appropriations for each campus in FY89 for closure and branch campus options.

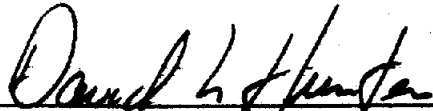
CLOSURE ASSUMPTIONS:

1. Each college would operate normally in FY88.
2. Each college would close in FY89.
3. Current unrestricted and general fund appropriations are specified by the proposed legislation.
4. Impact on MSU and UM are not estimated.
5. Assume continuation of FY88 current unrestricted fund appropriation specified in the proposed legislation for comparative purposes in FY89.
6. Assume general fund constitutes 60% of current unrestricted fund appropriations.
7. General fund appropriation for closure option is for one-time costs of termination payouts and defeasing bonds.

FISCAL IMPACT/CLOSURE OPTION:

No impact in FY88.

	FY89		
	Current Law	Proposed Law	Difference
<u>Expenditures:</u>	<u>CUF</u>	<u>GF</u>	
EMC	\$13,779,827	\$11,830,094	\$(1,949,733)
NMC	7,586,260	3,378,696	(4,207,564)
Tech	8,783,160	6,784,712	(1,998,448)
WMC	3,936,631	1,666,530	(2,270,101)
TOTAL	\$34,085,878	\$23,660,032	\$(10,425,846)
<u>Funding:</u>			
General Fund	\$20,451,527	\$23,660,032	\$ 3,208,505
CUF minus GF	13,634,351	0	(13,634,351)
TOTAL	\$34,085,878	\$23,660,032	\$(10,425,846)

 DATE 2/16/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

 DATE 2/19/87
 PAUL RAPP-SVRCEK, PRIMARY SPONSOR

Fiscal Note for HB659, as introduced.

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BRANCH CAMPUS ASSUMPTIONS:

1. Each college would operate normally in FY88.
2. Each college would become a branch of a university unit in FY89.
3. Assume general fund constitutes 60% of current unrestricted fund appropriations.
4. Assume continuation of FY88 current unrestricted appropriation specified in the proposed legislation for comparative purposes in FY89.

FISCAL IMPACT/BRANCH CAMPUS OPTION:

No impact in FY88.

Expenditures:

	<u>Current Law</u>	<u>FY89</u> <u>Proposed Law</u>	<u>Difference</u>
	<u>CUF</u>	<u>CUF</u>	
EMC	\$13,779,827	\$13,634,827	\$(145,000)
NMC	7,586,260	7,411,260	(175,000)
Tech	8,783,160	8,551,398	(231,762)
WMC	3,936,631	3,804,631	(132,000)
TOTAL	<u>\$34,085,878</u>	<u>\$33,402,116</u>	<u>\$(683,762)</u>
<u>Funding:</u>			
General Fund	\$20,451,527	\$20,041,270	\$(410,257)
CUF minus GF	13,634,351	13,360,846	(273,505)
TOTAL	<u>\$34,085,878</u>	<u>\$33,402,116</u>	<u>\$(683,762)</u>

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Closing all four colleges would have severe local impact on Butte, Dillon, Havre, and, to a lesser extent, on Billings.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Costs of the Montana University System would probably decrease.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

None.

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