

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - 2nd SPECIAL SESSION**

SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Chair Peck, on July 8, 1992, at 9 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)
Sen. H.W. Hammond (R)
Rep. Mike Kadas (D)

Staff Present: Taryn Purdy, Senior Fiscal Analyst (LFA)
Skip Culver, Associate Fiscal Analyst (LFA)
Doug Schmitz, Budget Analyst (OBPP)
Ilo Jones-Delo, Budget Analyst (OBPP)
Sylvia Kinsey, Secretary

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

Announcements/Discussion: CHAIRMAN PECK said the committee would hear from the Vo-Techs and then take executive action on the proposed budget. The leadership has requested the committees to finish by noon so the bill could be printed for full committee action.

Tape 2 7/7-7/8 31.6 side A

HEARING ON VO-TECHS

Dr. Harrison Freebourn, Director, Butte Vocational Technical Center, Butte said their current FY '93 budget is \$1.9 million. 81% of that is personal services which is obligated, with 23 faculty, 4 professionals and 12 classified and 2 part time people. 15% of the budget is operation with 80% obligated and 4% equipment, so at this point about 91% of the budget is obligated. He said if they receive the proposed cuts they will have to eliminate the 2% remaining for the equipment portion of \$40,000 and the rest would come out of operations because there would be a freeze on the operating budget. Applications are coming in heavier than they were last summer. The practical nursing program is filled with over 100 on the waiting list, the business

department is filled with 57 students in excess at this time. In their technical area which consists of drafting, electronics and civil engineering the programs are holding their own. In T & I, machine shop, welding, small industry, bond accounting and small engines, these areas are not holding their own at this time, and hopefully they will pick up. They will have to look at some of them at the first part of the year and see what they will do with them in the future.

Dr. George Bell, Director, Billings Vocational Technical Center, said looking at the proposed budget cuts and our general fund portion and the cuts that were made in session 1 of \$81,545, added to the recommended executive proposals without the latest addition to it, it would be \$118,539, or a total of \$200,094 in reductions for Fy '93, or a 17.91% of general fund. He said if that is fair then they have a real problem. To make the cuts, they are in the same situation as the others. The majority of their budget is tied up in contractual obligations with the majority of that being with the faculty and staff. He posed a hypothetical solution of issuing a cut back in the classified staff and to make it effect July 1, he would have to lay off 46.9%. Because of union agreements and other agreements, their ability to do that would put it well into the year and it would be impossible to operate the center if this was done. He said they can make some cuts in supplies and the students have contributed with increased fees and lab fees in '92 and '93 to the tune of about \$18,000 on the student part. It is the intent of the students that they would get more materials but in fact, they will be receiving less. In the area of plant and maintenance they can delay some things, but it will not help the end run cost. In the area of computers, they have to continue to try to update to utilize the student services area, but it will have to be cut back. He said they can postpone receiving payment on some areas into FY '94, but that again cuts services to students. He pointed out, with the exchange of federal Carl Perkins dollars into the general fund, it did not constitute a funding increase for any of the Vo-Tech centers. The \$150,000 that was allocated and you generously supported was a lump sum for the commissioner's office to help them take care of possible emergencies. That would allow them to prioritize and respond. Initially in '92 and '93 they did not receive any increase. When you look at a 17.91% decrease in one year, by taking the cut in '92 their pay plan was underfunded and they had to absorb that out of their operational budget. They passed the student increases in fees and tuitions to the tune of 29.9% and believed the students were paying more than their fair share at this time, and are now above their peer averages. The Billings Vo-tech center will have difficulty reaching the cuts with whatever is necessary to balance their budget, and will have detrimental effects on the program, the building area, and to the state for a decade.

CHAIRMAN PECK asked what the enrollment was doing and **Dr. Bell** said he has been there two years and each semester has been

increasing in the 9% to 10% range. They would hope that would happen again this semester, but was not sure because of the negative publicity. They have a lot more students that are affected by the ability to pay than the general population of the six units. In the nursing program, they could accept another 100 but they do not have the funding to accommodate those students with the budgets they have now.

CHAIRMAN PECK asked if he didn't have a declining enrollment, at the time he came to the system, and **Dr. Bell** said the fall enrollment prior to his coming to the institution when they switched to semesters, was the greatest decrease in enrollment the institution had in several years. Since that time, in January, prior to his coming, the enrollment started increasing and has done so for the past two years.

CHAIRMAN PECK asked what the FTE is and was told, in the 430 range in the last year. He asked, what the FTE was in Butte this past year and **Brady Vardemann**, commissioner's office, said she would find out.

Mr. Willard Weaver, Director, Great Falls Vocational Technical Center, Director, said he realized the revenues coming into the state are not sufficient to support all the fiscal obligations, but hoped this committee as well as the Legislature, would take a more balanced approach. He said the suggested reduction for their budget is \$143,000 and with the last special session reduction it amounts to about \$190,000, or about 11.5% of their budget for this fiscal year. Over 80% of the budget is obligated to salaries. In response to last special session they did reduce the areas of supplies, equipment, professional travel, subscriptions, books, etc. Any reductions now will have a major impact on their center, and they would have to consider some program moratoriums, take advantage of any vacancies they have presently, and reduce their evening and week end offerings. He said they had some flexibility on evening and week end offerings in that they hire mostly adjunct faculty, but this is also the area that produces the most inexpensive FTE's for us which is approximately 1/7th of their FTE. When you reduce programs and sections they lose programs and students and with the loss of students they lose tuitions. This is a short term solution with long range effects. He said the FTE last year and this year is around 560 and is fairly stable.

CHAIRMAN PECK asked if they approve a new program for you in dental hygiene? **Mr. Weaver** said yes, they approved the program but the funding will have to come by some type of special legislation through the Legislature. The dental community has indicated they will be helping by coming forward with some type of funding bill. At the present time, it is not a part of the Regent's budget they are putting together for the next session.

CHAIRMAN PECK asked if they will then need additional funding to implement that by the '93 Legislature and was told yes. He asked

about the Carroll College having had the program and giving it up as too expensive and **Mr. Weaver** said he was not sure, but probably because of the expense and partly the mission of the Liberal Arts school which did not really fit into the dental hygiene program. He said the first year they were looking at a request of about \$90,000 and the second year about \$160,000 or \$170,000. It is an expensive program, but there are good paying jobs in Montana for students and the aspect of the military turning over to them five of their clinical areas that carries a price tag of between \$130,000 and \$180,000 if they had to duplicate it. They are going to provide supervision, supplies and equipment. If the state wishes to go that route, they will not get it any cheaper.

REP. GRINDE said he was doing some research, and did not want to put them on the spot, but asked what Havre is doing as far as the programs they have started there now. He said this is the air base, and he would like to know how it affects his programs.

Mr. Weaver said as he understands it, the dental hygiene program that is a partnership effort between them and the air base, would have no affect on what Havre is doing. The other programs that Havre is delivering to the Great Falls area, for the most part compliment what Vo-Tech is offering. They are attempting, between both institutions, to not duplicate efforts. He gave the example of both offering a computer course, they are asking both faculties to get together and review their outcome with the students, and if they are similar in nature those credits would be acceptable by Northern as well as Northern's being acceptable by the Vo-Tech.

REP. GRINDE asked if he could provide at his facility the programs that Northern is now administrating in Great Falls? **Mr. Weaver** said they would probably run into space programs. He Classes start from 8 to 3 and for the most part, their computer rooms are filled. Other classes go from 4 to 7 and those are filled. We have classes from 7 to 9:30 in the evening. That is in their computerized or specialized area, but there may be some general class room spaces that are not utilized 100% throughout the day. As far as accommodating Northern's enrollment they would have a difficult time scheduling everything at the Vo-Tech center.

CHAIRMAN PECK asked **REP. GRINDE** if his question referred to facilities only or facilities and program? **REP. GRINDE** said he was more interested in programs, but facility plays a big role in it. He wanted to know if they were capable of doing the programs that Northern was doing. **Mr. Weaver** said one of the things they are attempting to do, to avoid duplication, was to concentrate more on the freshman and sophomore level. Northern would concentrate on the junior, senior level but that is not a part of the Vo-Tech mission. The lower division have courses they are already teaching. They can do them but want to continue to communicate on what their plans are and their capabilities.

REP. KADAS asked if there wasn't a contractual problem with the College of Great Falls in regard to the use of your space for college courses? **Mr. Weaver** said there is a perceived one in some people's minds. When Vo-Tech submit the plans to the Regents or to the Commissioner's office, we make sure that all the private schools receive that information. We also communicate with the College of Great Falls prior to that, to make sure they understand what is being done. So far, any program they have instituted and any class they have had at the Vo-Tech center, they have no objections to.

REP. KADAS said when talking about a Northern satellite in Great Falls, the original plan was to house it at the Great Falls Vo-Tech and the College of Great Falls because some land was received from them at one time and part of the acquisition was not to compete with their curriculum. He asked if that was accurate. **Mr. Weaver** said as far as the land was concerned 20 acres were purchased. The school district, **LeRoy Schram** and the Commissioner believed there was some difference in the interpretation of what they and the college interprets. He did not believe that the ruling is a problem between the Vo-Tech center and the Great Falls College. **REP. KADAS** said the problem was not between what Vo-Tech and Great Falls College were doing; it is what it was what Northern Montana College is doing there. **Mr. Weaver** said he believed it concerned the four year programs and duplication. He believed this was the issue rather than the actual transfer of title for the property. **Dr. Daehling** said the satellite program in Great Falls, and the connection with the College of Great was before his tenure. He believed the reason NMC rents a facility there is because of the covenant on the land the Vo-Tech school now occupies. He said he had met with **Bill Shields** on a number of occasions to make sure we were cooperating and not duplicating efforts. The facility currently rented, is about 12,000 square feet and is fully utilized. There is not space available in the Vo-Tech school unless the additional space was completed at that facility. We do offer courses on the Great Falls campus that is in agreement between **Bill Shields** and himself. Those classes are at a graduate level in areas in which the College of Great Falls does not offer a program. We have not addressed specifically the coverage of that particular covenant, but believe it is the intent of the Commissioner's office to look into it. Thus far we have not had to direct it directly. **CHAIRMAN PECK** summed up the answer as yes, there is a limitation to the deed that keeps you from offering all the courses that Northern could provide in the Vo-Tech center. **Commissioner Hutchinson** said it was clearly stated, the issue is whether you can offer courses at the Vo-Tech center that can be used for a Bachelor's degree. As **Dr. Daehling** pointed out, the relations are amicable but we don't have a legal resolution.

CHAIR PECK asked if they were planning to resolve this question legally, and **Commissioner Hutchinson** said while they have had a lot of conversations about it, it is one of the things on the back burner right now. We do need to get legal resolution on it,

but it will probably heat up again. There is some incentive to look at some of the Vo-Tech courses that might be able to stand for general education credits in the future, and if that happens, then **Mr. Weaver's** "shop" will be offering courses which could lead toward baccalaureate degree eventually and felt they would be back in the soupcon.

REP. GRINDE asked if the Vo-Techs overlap in any curriculum the College of Great Falls. **Dr. Daehling** said it would be very minimal, there are some general education courses that are offered by the Vo-Techs that would duplicate some of that work. They offer English Composition and believed that associate of applied science degree and approved by the Board of Regents has a minimum of 12 credits of general education and they worked with the Great Falls Vo-Techs to make sure that those offerings meet the same standards we have in our general education and they encourage their students to take them from Vo-Tech.

CHAIRMAN PECK said you don't grant an associate degree that is the same degree that is granted at the Vo-Tech center, and was told that they have permission to offer the Associate of Applied Science Degree, we do not offer that degree. They offer an Associate of Science Degree, and the difference is the amount of general education in those two degrees. **CHAIRMAN PECK** said he understood there is some overlap in the course work in many different areas. He asked **Mr. Daehling** if they offered an associate degree? **Mr. Daehling** said they offer an Associate in Science and Computer Information Systems and they offer an Associate in Applied Science in computers. The curriculum differs in the second year.

Brady Vardemann, Deputy Commissioner, said the degrees are titled differently. In the strict sense if you are speaking of 2 year Associate degrees on a national level, there are three of those, one is the AA (Associated Arts), AS (Associate of Science) and the AAS (Associate of Applied Science). Vo-Tech, in keeping with it's mission, only offers the AAS degree. By simple definition, the AA and the AAS constitute the first two years of a baccalaureate degree. They were admitted at the same time this country invented the Junior College. The intent in that model was to place students from rural areas etc. They could get two degrees two degrees in English, Fine Arts, Biology, Mathematics and then move those as they could into the baccalaureate level. When more place readiness became increasingly afforded for this country and the attendant educational proponent of the AAS degree came to be, that is when the rather strict vocational technical degree came into being. She believed that Northern offers both an associate degree and a baccalaureate degree in automotive technology. For example: three of the Vo-Techs offer AAS degrees in Automotive Technology. She said **President Daehling** was correct, there are some variations in those, just as there are variations in English degrees from institution to institution. She answered **CHAIRMAN PECK** by saying the criteria that the Board of Regents adopted for the AAS degrees conforms with the national

model that there shall be a minimum of 12 hours of general and related instruction within any AAS degree, and that component is in place in all the degrees that have been approved by the Board. AAS degrees are designed specifically for folks in an area to be able to enter the work place with certain competency, and are needed in each community in varying degrees.

REP. GRINDE commented that as we as Legislators are told to cut out an institution, he defends the University System, but it makes it very difficult to explain if we don't understand it. It is a different title within these programs, but it seems to be the same redundancy and duplication. He asked what he was supposed to say when Vo-Tech, Northern and a private college in Great Falls all offered the same course. **Mr. Hutchinson** gave a couple of statistics. When you look at the associate degree in the University System and the Vocational Technical System, whether it is an AA, and AS or an AAS, just at the associate level, only about 35% of those degrees are duplicated. 65% are not duplicated and unique to a given center and you can always point Automotive Technology, Nursing, Business Technology and programs like that are duplicated. You don't have duplication in a lot of the other areas, and those duplications, for the most part are fully subscribed (have adequate number of students in them) and they do not feel that is a bad duplication. In the case of the Vo-Tech centers those are intensely community oriented, and are primarily designed to train people to work in that immediate community. He said about 30% are duplicated at the Bachelor's degree. He said when students can't get related courses he simply will not go to school.

REP. GRINDE said wouldn't it be more fiscally prudent to allow the Vo-Tech that is there to administer all the programs that Northern is doing instead of two facilities interacting.

Commissioner Hutchinson said they would like to have it so Northern could offer a lot of it's courses there. The scope of the Northern program may be beyond the capacity of the Great Falls Vocational Center to provide the kind of facility and space needed. He agreed that it would be wonderful if things could be "sort of collapsed" into one facility. He felt the cooperative relationships that have developed between the two programs are a good model and there are probably other duplicated or similar programs where they could be combined.

Dr. Weaver said that as far as credits were concerned, they have articulation agreements with the College of Great Falls. Our students can take a course at the Vo-Tech center and if they transfer to the College of Great Falls they will accept their credits.

Dr. Alex Capdeville, Director, Helena Vo-Tech Center said because the proposal for adjustments made to Helena is \$168,939 that creates some major problems for them. He said they have a "pretty much" status quo budget as his colleagues have stated,

for the past five years. Their enrollment has increased this past year and they have 530 or 540 FTE which has also increased from last year. He said they have applications for fall at 28% higher than they had a year ago. He said they felt it was a realistic predictor because their applications in financial aid are up about 26% from a year ago. The applications they will have to take care of on a short term basis is to eliminate purchasing any equipment this next year. The majority of their programs are equipment intensified such as the very expensive aeronautics program. He said they plan on making some major revisions in their aeronautics program. He said that type of thing will have to be put on hold and could put the program in jeopardy. They will have to reduce their recruitment efforts and virtually eliminate their work study program. They will have to significantly reduce their evening program as well as their extended day program and those programs serve a significant number of people in state government who come to Vo-Tech for upgrading. They offer courses in SBAS and the majority of those people who come to take those courses are employed right here in the Capitol. He said it will eliminate staff development and the rest will have to come out of operation, deferred maintenance, and cut back on supplies. The long term effect is that they will have to eliminate some programs and cut back on enrollment. He said they have already talked about cut-backs in their nursing program for this fall. They have between 70 and 80 applications for the fall nursing program and initially will cap that at 40 and may have to lower it. He said one of the long term effects this cut-back will cause, is their ability to serve industry. They have been negotiating for two years with Ford Motor Company for a program and had initially planned to put it into effect this fall. Because of the special session in January we put it on hold until 1993 hoping we could come to the Legislature and get some money to implement that program. It is a full time program set up with Ford Motor Company statewide, The donations of equipment and vehicles are around \$.75 million each year. It would be a costly program for Vo-Tech since they have to provide the staff and they just don't have the money. He said the sad part is, that is what Vo-Tech is all about--we need to respond to industry rather than be cutting it back.

Dr. Dennis Lerum, Director, Missoula Vocational Technical Center, Reviewed the budget expenditure history from '91 through '93. He said his figures will be inclusive of pay plan, all tuition changes and all other sundry changes that may have been made in terms of revenue. From Fy '91 to FY '92 the center realized a \$37,000 increase in budget over expenditures in '91. In '92 from that budget we were to accommodate a stable enrollment, \$25,000 costs in audit costs we did not have in '92, \$120,000 in pay increases, \$60,000 in pay equity and \$5,000 in payroll processing costs. This \$210,000 in additional expenditures were accommodated by eliminating all capital equipment for '92, reviewing our support staff situation and leaving it alone at the bare bones, cutting three faculty FTE and reducing operating expenses to a kind of heat-lights budget. The enrollment for '92

had to be limited. From '92 to '93 the Missoula Center's budget, including the pay plan is \$14,000 less. To accommodate that, they have planned to reduce two additional FTE, they have reduced operating expenses further and continued the elimination of capital equipment acquisition. Applications are up for '93 and it is hoped we will be able to maintain the same enrollment we had in '92. It is felt any further reduction of the Center's budget will get to the heart of the matter in terms of programs. He gave a scenario example of what could happen to the Center.

SEN. HAMMOND asked if they had exercised any activities in recruiting and was told very little. They published a catalog, participate with Career Days and do some limited advertising. Recruiting is counter productive since they can only take so many students.

CHAIRMAN PECK asked if the Vo-Techs are now pretty much on a common salary schedule and **Dr. Lerum** said yes, that was the \$60,000 pay increase issue. Now there is a common salary schedule using experience and education so faculty is treated fairly.

SEN. BLAYLOCK said when you start to limit this enrollment, how do you do it? On a first come, first serve basis? **Dr. Lerum** said yes, you would have to recognize some programs within that though. **CHAIRMAN PECK** gave the example of accepting only 30 nurses, they would go up to that number and then start rejecting nurses. **Dr. Lerum** said the other way of doing this would be to offer admission exams so there was some criteria for entering Vo-Tech. He said they are not using an exam at the present time.

CHAIRMAN PECK congratulated **Brady Vardemann** on receiving her degree. She gave the information on the Butte Vo-Tech to **CHAIRMAN PECK** that was requested earlier. She said **Dr. Freebourn** told her the last semester's enrollment was 330 FTE and has been increasing over the past several semesters.

EXECUTIVE ACTION

CHAIR PECK said it takes a positive motion to put the executive recommendation into the bill since you are not working from the Governor's recommendation, you are working from the House Bill 2.

Montana School for the Deaf and Blind:

EXHIBIT 1 indicates the recommendation level of reduction is \$57,353 in the executive recommendation.

MOTION: **SEN HAMMOND** moved to adopt the general fund reductions in the Executive budget proposal.

Discussion: **SEN HAMMOND** said there wasn't anyone who would applaud when they knew they had to accept further cuts, and would

make this motion in an effort to support the proposal and answer the problem were called in to solve.

Vote: Motion PASSED 4-2 with REP. GRINDE and SEN. JERGESON voting no.

Office of Public Instruction:

EXHIBIT 2, CHAIRMAN PECK said this was a general budget reduction of \$48,308 and a transportation reduction of \$700,000. He said the latter is a special education program, and thought they had agreed the figure might be \$800,000.

Doug Schmitz, OBPP, said it is approximately \$803,000 and was introduced in HB 22. CHAIRMAN PECK said that is the 100% currently provided by the state for special education transportation and would be reduced to that amount making it 50-50. He asked for separate motions on these recommendations.

Motion/Vote: REP. KADAS moved to accept the general budget reduction of \$48,308 be applied to OPI.

Vote: Motion PASSED UNANIMOUSLY.

Transportation:

REP. KADAS said this particular cut will be contingent upon the passage of the statutory change in HB 22. Mr. Schmitz said based on further information the 50% amount would be \$1,606,919, and half of that amount is \$803,000. That figure is a '92 actual cost. Next year that cost will vary depending on the number of eligible students riding on the various busses within the special education program and are qualified for that transportation. The proposal is simply to reduce the payments to 50% state and 50% county obligation irregardless of how many students are riding the buses

Motion/Vote: SEN. HAMMOND moved to accept the proposal to cut special ed transportation by 50%, contingent on the passing of the bill and the amount to be determined by the staff at the appropriate step.

Vote: Motion PASSED UNANIMOUSLY.

Montana University System:

EXHIBIT 3 and EXHIBIT 4 were given to the subcommittee members and Ms. Purdy explained EXHIBIT 4 and said it was in response to REP. KADAS and SEN. JERGESON's request for figures on what specific percentage cuts would equate to in the University System using an adjusted base. The first page shows how that adjusted base was determined. She said the allocation for the six units might change specific figures slightly when they receive their operating budgets. The first adjustment takes out the Vo-Tech

bond payments in the office of the Commissioner of Education. The second was to take out all student assistant general fund appropriations out of Commissioner of Higher Education. The third adjustment recognizes the reductions made in the last special session. She said the reason the bottom line differs between the actual number that the Legislature took out, was because a portion of the Commissioner of Higher Education's reductions was taken in student assistance payments. That amount was already taken out, and you show the entire amount in the Jan. special session which is counting it twice. Any reduction made in student assistance in the Commissioner of Higher Education office as a result of the January special session was removed from that column because it is already in the student assistance column.

She said the final adjusted total was carried forward onto the next page to make the allocation of reductions and directed the committee to the total higher education line to get the actual lump sum appropriation. The appropriate allocation would then be made by the Commissioner of Higher Education. The specific allocations to this specific units are shown to you for reference to give you an idea of the type of reductions you would be looking at within the individual units. She said it ranges from \$1.175 million at a 1% reduction to \$11.75 million at a 10% reduction and for reference she had attached to the bottom the current executive 8% cuts of \$6.766 equates to a further reduction against that basic 5.8%. She said if you use the adjusted executive budget of 8% it would equate to a 4.2% reduction.

She said the third page shows several of the percentages but there are fewer numbers. It is the same information as on the previous page. She said the shaded areas are the total cut, if the committee decides to go with a lump sum reduction it would be made to the University System. She directed them to the shaded area which would show overall total funding reductions. The January 1992 special session addition is the additional tuition revenue of 5.178%.

REP. KADAS asked where the total reduction for the six units would be found on the last sheet. **Ms. Purdy** said they are aggregated, but again, the figures you see on the side are subject to allocation of the tuition revenue and therefore the actual percentage reduction would probably differ from those figures.

SEN. BIANCHI asked in the last group of figures, is total funding the tuition back in? **Ms. Purdy** said yes, the tuition increase they received because of the budget amendment has been put back in to give a total picture from the original 1991 Legislature.

CHAIRMAN PECK said the total post secondary funds available at this time is the \$117,538 on the first page. He asked is what they would have at this time if there were no changes? **Ms. Purdy**

told him that was correct. **SEN. BIANCHI** referred to the top half of the last sheet and asked if there is a further reduction of 3% of the \$117 million base, would the cut to higher education be 9.6% of the general fund. **Ms. Purdy** said yes, if you consider '90 was the original appropriation base of the 1991 Legislature.

REP. PECK said that is not including the other revenue fund sources. **Ms. Purdy** said it does reduce the base by the amount of student assistance in the general fund.

SEN. JERGESON said he thought the reduction in the general fund was the appropriate and overriding number to be considered. He pointed out when the General Government subcommittee makes a cut such as the small cut in January in the Highway Department, they calculated a percentage based on that small amount of general fund. They did not come up with a calculation in the number figure based on total funds in the Highway Dept. He pointed out a similar incidence in Fish, Wild Life & Parks, and felt the same thing should apply here. The number that is really appropriate in the whole process is the general fund for higher education in Montana. That has been consistently the way the other agencies have been handling it in their budgets.

CHAIRMAN PECK pointed out his disagreement with **SEN. JERGESON** on this issue and said in his view **SEN. JERGESON** mixes appropriations and revenue which are two separate issues. When you work on the budget you do the expenditure proposal then work out the revenue side. You might argue that tuition is too high but if the money isn't there you can't spend it. The amount of money that is there is available to the education sector. He did not agree to pull the tuition and only consider the general fund dollars because they are not the only source of revenue to fund that proposed appropriation.

SEN. HAMMOND pointed out that the two agencies **SEN. JERGESON** used are almost entirely dependent on other funds.

SEN. JERGESON said there are agencies throughout state government that has a mixture of general fund and other funds and he had just used those two as an example. He said almost all of our legislative audits done on state agencies tell them to use their non-general fund money first, that is in the state law. A lot of agencies have a mixture of revenue sources to fund them. subcommittees are considering their budgets are doing so on percentage reductions, or calculating their reductions based on the general fund and are not looking at the other funds that help to finance these agencies.

REP. KADAS asked if they would consider using the \$117 million as a base.

CHAIRMAN PECK asked if there was any objection to using the \$117 million as a base? There was no objection and the secretary was asked to note they agreed the base would be \$117,538,714.

Motion: SEN. JERGESON moved to adopt a 3% reduction in the Montana University System.

Discussion: SEN. JERGESON said that would be a net reduction of \$3.5 million general fund and a 9.6% reduction in total general fund percentage of total general.

REP. GRINDE said the 3% he is suggesting would be below the Governor's 6%. Ms. Purdy said the \$6.7 million currently in the executive budget as their across-the-board reduction which equates to a 5.8% reduction. If you were to adjust the executive budget by \$500,000 and the additional pay plan of \$143,000, it would equate in the executive book of an across-the-board reduction of \$4.9 million which is a 4/2% reduction in the executive budget.

REP. KADAS said the \$6.7 million was the figure that was in the original budget book. The \$4.9 million is in the amended budget book. Ms. Purdy said in the original executive book it was \$7 million, the adjusted book came down to \$6.7 million and the \$4.9 million would be the amount if the adjustments made in the executive book were applied to the across-the-board reductions rather than to the increased tuition issue. The \$4.9 million does not appear in any of the executive budget books.

REP. KADAS asked is the latest position of the executive \$6.7 million using the across-the-board method? He was told yes.

SEN. BIANCHI asked Ms. Purdy if she was saying the \$4.9 million would be a straight across the board 8% cut from the general fund monies? She said that was correct, using the base the executive used. SEN. BIANCHI asked what base did the executive use, the \$117 million? Ms. Purdy said no, the executive base was the original HB 2 and 509 as it came out of the '91 session plus vacancy savings, minus the Vo-Tech bond payments and the students assistance for a final figure of \$127 million.

CHAIRMAN PECK said he would resist the motion and gave some reasons. He said somewhere down the road this branch of government had to come together with the executive branch. He did not believe this would be acceptable to the Governor. He said we have the votes, but we do not have the final say. He said that was the reason he would vote against the motion.

REP. KADAS said he was going to vote against the motion for some of the same reasons. He did not see a way out of this session without higher education participating in a higher level than what is proposed in the motion. He also agreed that if we were going to get out of this session without doing too much damage, they need to come to some agreement with the administration, but said he would not go as far as the administration wants to go. He said he would support a 4% reduction which would be a \$4.7 million cut which will be relatively close to the administrative's proposal.

SEN. BIANCHI said he would support **SEN. JERGESON'S** motion. His rationale is that we are asking state government, other than Education, to take an 8% cut. By using the 3% reduction this will give general fund a 9.6% reduction which is higher than General Government is. He said, if we are willing to cut general government to a higher degree than the executive, he would support cutting the University to the same percentage. He said we are currently cutting the University System 1.6% more than we are the rest of state government and he did not think that was a fair approach.

REP. GRINDE said to be fair we are taking percentage cuts. In the last general session there were a lot of administrative cuts made. The fact is over the biennium, Higher Education had an increase in funding where some of the departments did not. He did not feel a comparison should be made across-the-board as to whether everyone does or does not get an 8% cut.

SEN. JERGESON said he agreed that there will have to be a great deal of hard bargaining between the Legislature and the Administration. He suggested, in negotiations you do not mention major concessions and expect some movement from it. He believed his motion was a valid motion and a place where negotiations can begin.

Vote: FAILED 2-4 with **SEN. BIANCHI** and **SEN. JERGESON** voting yes, Rep. Grinde, Hammond, Peck and Kadas voting no.

MOTION: **REP. GRINDE** moved to take the 5.8% that would be in line with the executive branch proposals.

Discussion: **REP. PECK** said that would be in the amount of \$6,766,516.

REP. GRINDE said he knew the cuts hurt, but the fact is, it will get worse in the next session. He believed it was time to face up to what is happening. He said we know the major portion of the money is in education and social services. If we are going to solve this problem and future problems, Higher Education, K through 12 and Human Services are going to have to play a role in this.

REP. KADAS said he appreciated **REP. GRINDE'S** and the administrations acknowledgement that if significant cuts are to be made in the budget, they will have to be made in education. There is no way to cut the budget unless we cut education and it is a fact that we have denied in the past. He believed the Governor's level is too high, particularly in education because when we cut education to the point where we are damaging some of the most important institutions in our society, the long-run costs are more than the short-run benefits because we have to do our best to preserve the integrity of those institutions.

Vote: Motion (restated by **CHAIRMAN**) to adopt the governor's

cuts which are 5.8% based on the newly established base which is \$6,766,516. Motion **FAILED** 2-4 with **REP. GRINDE** and **REP. HAMMOND** voting no.

Motion: **REP. KADAS** moved 4% reduction which would be \$4,701,549.

Discussion: **REP. KADAS** said this is higher than he would like to go, but if the whole package is going to be put together it will have to be in this neighborhood. He said he was also making this motion in an attempt to show some good faith to the Governor. **REP. GRINDE** expressed concern over the cuts needed and did not feel this motion would be enough. **SEN. HAMMOND** discussed the guaranteed tax base and said it nearly raped the Eastern and North Central parts of Montana taxpayers and this committee passed the bill. As a result he would have to oppose the motion and felt the committee was not going far enough. **SEN. JERGESON** urged that votes be made on the motion with respect to their own perspective of what that particular budget allocation means and not as to whether we had agreed or disagreed with someone. He said he would vote for the motion, even though he felt it was too high. **CHAIRMAN PECK** said he had spent a life time in education but has been thrust into a position in the Legislature that put him on the spot many times having to vote against education issues. he would much rather vote for because he felt the state of Montana needed to be considered first with the sub-units in a lessor position. He said he would support the motion and felt it would be very difficult for the educators to function at the level you are functioning when the cuts come down, but they have to come, we don't have the revenue and did not feel we could get it.

Vote: Motion **PASSED** 4-2, **REP. GRINDE**, **SEN. HAMMOND** voting no. (Roll call vote No. 1)

CHAIRMAN PECK said he had a letter from **SENATOR GAGE** and **SENATOR FARRELL** requesting a comprehensive list of all executive session motions and actions and asked that the secretary supply this along with the votes.

MSDB: **REP. GRINDE** said this motion has established the reductions in this budget at \$4.7 million. He said he would like to increase that reduction by \$57,353 and would like some way we could, within the motion, reduce the reduction we just made to the school for the deaf and blind. He said he felt the \$57,000 could be absorbed a lot easier in the University System than those deaf and blind kids can absorb it. He asked if it were possible to do that.

CHAIRMAN PECK said the motion to reduce the deaf and blind was made and carried. You would have to move to reconsider the action on the previous motion.

Substitute Motion: **REP. COBB** moved to reconsider action on the MSDB.

Discussion: REP. KADAS said regarding the general gist of what REP. GRINDE is trying to do here, in the past it has generally been the attitude that the larger institutions because they have larger budgets, are able to absorb a higher percentage of cuts. He felt this had been done for ten years now and is the reason higher education has gotten into such a difficult position. If you keep taking money from these institutions, something has to give and he felt it had been given. He said he would resist the motion and felt it necessary to take these budgets one at a time and try to listen to the proponents and opponents and make the best judgement we can, and this had been done.

CHAIRMAN PECK said he shared the objective of the motion because it may end up costing the state of Montana more money if those children have to be taken in by the local school district. He said he would resist the motion on the principle that the executive has enunciated a percentage of reduction he wants to achieve.

REP. GRINDE closed by saying he had abused the opportunity the education had offered and did not take the advantage the way he should have. There are kids out there that have not had this advantage and \$57,000 to them is a lot more important than it is to the University System.

Vote: Motion FAILED 3-3.

CHAIRMAN PECK said there was some discussion of the secondary Vocational education money in the OPI money. It was not listed for a cut but it was 49% of the \$1.6 million in that account.

REP. GRINDE said he would like information he asked Mr. Groepper for, and was upset that he had not received it.

REP. KADAS said our caucus has been meeting and there is a group that looked at the higher ed budget and they wanted us to include some language. He said he would move the language in the bill.

"Statement of Intent:

The Legislature recommends the reductions in Higher Education System units budgets to be reductions in expenses and specifically requests that the Board of Regents not increase tuition charges to compensate for budget cuts.

The Legislature recommends that reductions be made in duplicated programs, in and out of state travel, delays in new programs and non-self-supporting athletics programs."

Motion: REP. KADAS moved the above language.

Discussion: REP. KADAS said this language is an attempt to try to give the Regents some direction, but acknowledges they have the final responsibility for administering the system.

CHAIRMAN PECK said this is basically saying, with the reductions in expenses we are requesting the Board of Regents not to

increase tuition to recover the reductions that are being made. We do not have the authority to prohibit tuition increases, but the statement is saying it is the sense of the Legislature that you do not do that. It further states we recommend that reductions be made in duplicated programs, travel both in and out of state, delay any new programs and non-self-supporting athletic programs.

SEN. BIANCHI said he probably did not disagree with the motion as it reads but did disagree with us trying to micro-manage the university system. **REP. GRINDE** even talked about giving them a lump sum appropriation. To reduce them to the level we have and then come in and tell them how they can and cannot run the University System or where to cut and where not to cut, he thought was the wrong direction to go.

REP. KADAS said he understood the concern but felt this is in general the direction the Regents are going, and by putting some language in we are trying to back them up a little in the actions they are going to take quite a bit of heat for. He said he saw this language as more helpful and not as taking away any of their flexibility.

Vote: Motion **PASSED** 4-2 with **SEN. BIANCHI** and **SEN. HAMMOND** voting no.

Ms. Purdy asked what the committee's intent was of the 4% appropriation reduction. Do you want a lump-sum reduction or specific allocations in the bill. **REP. KADAS** said his thought was to allocate them within the bill.

Ms. Purdy said then your intent is to allocate them as they are given in the sheet here? **REP. KADAS** answered yes. **CHAIRMAN PECK** said that would be incorporated into the motion.

SEN. BIANCHI said there is a bill being carried by someone for the Governor to relax some of the restrictions we put on agencies and the University System such as personal service transfers to operations etc. He asked if the University System was included in the bill or if a motion was needed in this committee to give them the same flexibility. **CHAIRMAN PECK** said he did not know if the University System was included in that bill to allow for greater flexibility.

Commissioner Hutchinson said they are looking at the bill to check it now. **CHAIRMAN PECK** said **SEN. JERGESON** pointed out that generally this kind of legislation that affects the big bill is incorporated into the big bill later on in Conference Committee or the last action in the Senate. He did not think there was a need to be concerned as to whether it is in there or not. He suggested **SEN. BIANCHI** pursue this and make sure it was in the bill before it gets to the Senate Finance and Claims.

REP. GRINDE said he thought No. 2 and No. 3 on the budget

worksheet still needed action. He said with the raise in tuition and the increase in enrollments there is going to be some ongoing monies the University will be picking up because of this and felt this should be addressed. He said he would like to get some form of printout that would address the projections of additional tuition and fees for all the units, and would like to have this unit by unit, based on the anticipated enrollment increases.

CHAIRMAN PECK asked **Ms. Purdy** if the committee had dealt in any way with No. 2 and No. 3 on the worksheet and was told no. He said the second question is a projection of tuition which he needed further information on. **REP. GRINDE** said because he keeps hearing about the increased enrollment and because tuition has been raised and the way the formula is written, won't there be new revenue for the University created through that.

CHAIRMAN PECK said there will probably be new tuition revenue created if the enrollment rises and they amend the budget which has been done that way for years, but didn't know how that could be projected with any accuracy.

REP. KADAS said in FY '92, using the University of Montana as an example, they were budgeted at 8200 FTE. 9200 or 9400 FTE showed up so they got some additional money in the form of tuition for the additional 1200 FTE. They asked for a budget amendment so they could spend that money to essentially cover the cost of the additional 1200 students. If we take that money away from them they would have the additional 1200 students and no money at all. If we let them have it, they have the additional 1200 students and essentially would get about 20% of the additional funds. He said he would resist any motion to adopt No. 3 on the worksheet because you would be penalizing an institution with an increase in enrollment.

REP. GRINDE asked if the numbers **REP. KADAS** was quoting were before the tuition increases became effective? **REP. KADAS** said the new tuition is back filling general fund cuts. We took out \$8 million and they raised tuition by \$5 million. **REP. GRINDE** asked if that money is for the projected students or the increase in students, both together? **REP. KADAS** said that is on the budgeted number of students. We cannot say how many students there will be in FY93. There is a reasonable likelihood there will be more students than they are currently budgeted for. Since those students will pay a increase in tuition there will be some revenue available for the unit.

CHAIRMAN PECK said we have had a standing agreement with the University System as to how we establish FTE for the biennium. If we were to do this, we would be trying to break the agreement unilaterally that we have had with them about how we establish that student FTE. He felt that would be going pretty far in terms of fairness.

Motion: **REP. GRINDE** moved we adopt No 2, Replacement with excess

tuition of \$1,598,176.

Discussion:

REP. KADAS said this issue revolves around the half steps and in his first look would have tended to agree with the motion. He looked at it closer and it is clear to him that the Legislature did intend that part of the regular pay plan would be funded by a tuition increase. We set up a ratio of general fund increase versus tuition increase that was to pay for that whole pay plan and were then able to keep the general fund dollars in the pay plan down. He did not think it was appropriate to take away the tuition part.

CHAIRMAN PECK said in fairness, that was an unanticipated action they took and it secured some additional tuition. He said he had mixed feelings about the motion. The FTE agreement was in regard to item 3 on the worksheet and he did not think it covered item 2.

SEN. BIANCHI said he would agree with **REP. KADAS** and oppose the motion. He said in HB 509 we directed them to increase tuition to cover the pay plan. That is what they did and apparently they did it through half steps and doing some changing on how tuition is charged. They thought they were totally within their authority and doing what the Legislature recommended. He did not feel it would be fair to go back on our word on what we directed them to do.

There was some discussion as to where the "deal was cut" and the committee felt it had been discussed but the action had occurred after the issue left subcommittee.

Vote: Motion **FAILED** 3-3, (Roll Call Vote, No. 2)

Motion: **REP. GRINDE** moved to adopt item 3, Replacement with anticipated tuition of \$1,998,539.

Discussion: **CHAIRMAN PECK** said he had strong feelings about this motion since he felt it was a long-standing agreement that we entered into in this committee knowingly, as to how we would determine student FTE for budget purposes, and on that basis would oppose the motion.

Vote: Motion **FAILED** 1-5, (Roll Call Vote No. 3)

Ms. Purdy said one last point she needed clarification on was, when that reduction is applied to each of the units, does the committee wish to have that language inserted that would give each of the units the authority to allocate that on the programs?

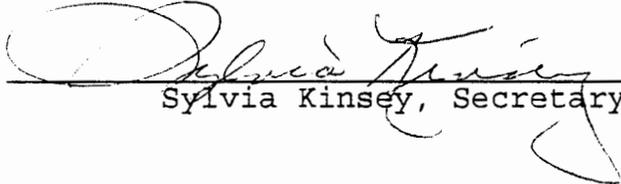
CHAIRMAN PECK suggested **Ms. Purdy** and **REP. KADAS** get together and he can bring in a motion into the full committee which will clear this up. The intent is to give them a lump sum per unit.

ADJOURNMENT

Adjournment: 11:25 a.m.



REP. RAY PECK, Chair



Sylvia Kinsey, Secretary

RP/sk

HOUSE OF REPRESENTATIVES

EDUCATION SUBCOMMITTEE

ROLL CALL

DATE

July 8-92

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

HOUSE OF REPRESENTATIVES

EDUCATION SUBCOMMITTEE

ROLL CALL VOTE

DATE July 8-92 BILL NO. 2 NUMBER 1

MOTION: Rep K to cos G 4% less say

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

4 2

HOUSE OF REPRESENTATIVES

EDUCATION SUBCOMMITTEE

ROLL CALL VOTE

DATE July 8-92 BILL NO. 2 NUMBER 2

MOTION: Adopt # 2 w/

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

3-3
Juelid

HOUSE OF REPRESENTATIVES

EDUCATION SUBCOMMITTEE

ROLL CALL VOTE

DATE July 8-92 BILL NO. 2 NUMBER 3

MOTION:

adopt 1# 3 - 14

NAME	AYE	NO
REP. LARRY GRINDE	X	
SEN. DON BIANCHI		X
REP. MIKE KADAS		X
SEN. H.W. "SWEDE" HAMMOND		X
SEN. GREG JERGESON, VICE CHAIRMAN		X
REP. RAY, PECK, CHAIRMAN		X
TOTAL	1	5

fair

EXHIBIT 1 Ed Cypriano 7/8/92

Office of Legislative Fiscal Analyst
Budget Worksheet

EXHIBIT 1
DATE 7/8/92

MT DEAF & BLIND SCHOOL		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description	Pg	General Fund	Fiscal 1993 Other Funds	Total Funds	General Fund	Fiscal 1993 Other Funds	Total Funds	General Fund	Fiscal 1993 Other Funds	Total Funds
1 GENERAL BUDGET REDUCTION	00	(\$57,353)	\$0	(\$57,353)	\$0	\$0	\$0	57,353	No Change	57,353
Totals		(\$57,353)	\$0	(\$57,353)	\$0	\$0	\$0	\$57,353	\$0	\$57,353

House Bill 2

ebp

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File 1

By Review Services

Office of Legislative Fiscal Analyst
Budget Worksheet

EXHIBIT 2
DATE 7/8/92
HB _____

OFFICE OF PUBLIC INSTRUCTION		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description	Pg	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 GENERAL BUDGET REDUCTIONS	06	(\$48,308)		(\$48,308)				48,308	No Change	48,308
2 TRANSPORTATION	09	(700,000)		(700,000)				700,000	No Change	700,000
Totals		(\$748,308)	\$0	(\$748,308)	\$0	\$0	\$0	\$748,308	\$0	\$748,308

Added \$0
Added 0

9/1/92

Office of Legislative Fiscal Analyst
Budget Worksheet

EXHIBIT 3
DATE 7/8/92

HB

Description	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reductions (8%)	All	(\$6,766,516)		(\$6,766,516)				6,766,516	No Change	6,766,516
- 2 Replacement with Excess Tuition	All	(1,598,176)	1,598,176					1,598,176	(1,598,176)	No Change
3 Replacement with Anticipated Tuition	All	(1,998,539)	1,998,539					1,998,539	(1,998,539)	No Change
Totals		(\$10,363,231)	\$3,596,715	(\$6,766,516)	\$0	\$0	\$0	\$10,363,231	(\$3,596,715)	\$6,766,516

ebp

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*Exhibit 3 Com - Capt MS
Ed. Sent
7/8/92*

purpose of refunding, including but without limitation the cost of advertising and printing refunding bonds, legal and financial advice and assistance in connection therewith, and the reasonable and customary charges of escrow agents and paying agents. Revenues and other funds on hand, including reserves pledged for the payment and security of outstanding revenue bonds, may be deposited in an escrow fund created for the retirement of those bonds and may be invested and disbursed as provided in subsection (7)(c) hereof to the extent consistent with the resolutions or indentures authorizing such outstanding bonds.

(8) sell bonds and sell or exchange refunding bonds issued hereunder in the manner and upon the terms as to maturities, interest rates, and redemption privileges and for the price that the regents determine with the approval of the department of administration.

History: En. 75-8504 by Sec. 33, Ch. 2, L. 1971; amd. Sec. 32, Ch. 266, L. 1977; R.C.M. 1947, 75-8504.

Cross-References

Bond issues, Title 17, ch. 5.

20-25-403. State not obligated. No obligation created under this chapter shall ever become a charge against the state of Montana, and all such obligations, including principal and interest, shall be payable solely from the sources authorized in this chapter.

History: En. 75-8505 by Sec. 34, Ch. 2, L. 1971; R.C.M. 1947, 75-8505.

20-25-404. Revenue-producing facilities considered as one. In creating and discharging obligations under this chapter, all of the revenue-producing facilities at each unit of the Montana university system may be considered as one, but income received at one unit shall not be used to discharge obligations created for facilities at another unit.

History: En. 75-8506 by Sec. 35, Ch. 2, L. 1971; R.C.M. 1947, 75-8506.

Cross-References

Authorization for construction of revenue-producing facilities, 18-2-102.

20-25-405. Restriction on use of state funds. No state funds except those specified in 20-25-402 shall be obligated or used for the purposes of parts 3 and 4 of this chapter unless specifically directed by the legislature.

History: En. 75-8507 by Sec. 36, Ch. 2, L. 1971; R.C.M. 1947, 75-8507.

20-25-406. Previous contracts unimpaired. This chapter shall not impair any contract, indenture, or agreement executed under previous laws.

History: En. 75-8508 by Sec. 37, Ch. 2, L. 1971; R.C.M. 1947, 75-8508.

Cross-References

Impairment of contracts prohibited, Art. II, sec. 31, Mont. Const.

20-25-407. Prior obligations not affected. No provision of this chapter shall affect or impair:

- (1) any contract or undertaking or the financing or agreement to finance any contract or undertaking entered into under the provisions of the laws repealed hereby prior to January 18, 1971; and

(2) the issue of bonds to finance activities authorized by the laws repealed hereby prior to January 18, 1971.

History: En. 75-8509 by Sec. 38, Ch. 2, L. 1971; R.C.M. 1947, 75-8509.

Cross-References

Impairment of contracts prohibited, Art. II, sec. 31, Mont. Const.

20-25-408 through 20-25-420 reserved. HB

20-25-421. Charges for tuition — waivers. The regents may: (1) prescribe tuition rates, matriculation charges, and incidental fees for students in institutions under their jurisdiction;

(2) waive nonresident tuition for selected and approved nonresident students, not to exceed at any unit 2% of the full-time equivalent enrollment at that unit during the preceding year; except that when necessary tuition may be waived in excess of 2% of unit enrollment for nonresident students who enroll under provisions of any WICHE-sponsored state reciprocal agreements which provide for the payment, where required, of the student support fee by the reciprocal state;

(3) waive resident tuition for students at least 62 years of age;

(4) waive tuition and fees for:

(a) persons of one-fourth Indian blood or more who have been bona fide residents of Montana for at least 1 year prior to enrollment in the Montana university system;

(b) persons designated by the department of family services pursuant to 52-5-112;

(c) residents of Montana who served with the armed forces of the United States in any of its wars and who were honorably discharged from military service;

(d) children of residents of Montana who served with the armed forces of the United States in any of its wars and who were killed in action or died as a result of injury, disease, or other disability incurred while in the service of the armed forces of the United States; or

(e) the spouses or children of residents of Montana who have been declared to be prisoners of war or missing in action;

(5) waive tuition charges for qualified survivors of Montana firefighters or peace officers killed in the course and scope of employment. For purposes of this subsection, a qualified survivor is a person who meets the entrance requirements at the state university or college of his choice and is the surviving spouse or child of any of the following who were killed in the course and scope of employment:

- (a) a paid or volunteer member of a municipal or rural fire department;
- (b) a law enforcement officer as defined in 7-32-201; or
- (c) a full-time highway patrol officer.

History: En. 75-8601 by Sec. 42, Ch. 2, L. 1971; amd. Sec. 1, Ch. 231, L. 1971; amd. Sec. 1, Ch. 286, L. 1971; amd. Sec. 1, Ch. 432, L. 1971; amd. Sec. 1, Ch. 472, L. 1973; amd. Sec. 1, Ch. 171, L. 1974; R.C.M. 1947, 75-8601; amd. Sec. 1, Ch. 170, L. 1989.

Cross-References

Rules for determining residence, 1-1-215, 20-25-503, 20-25-504.

Free tuition to residents of Mountain View School or Pine Hills School, 52-6-112.

EXHIBIT 3
DATE 7/18/92

EXHIBIT 4
 DATE 2/8/92
 HB _____

TABLE 1
 Adjusted Total - MUS
 General Fund
 Fiscal 1993

----- Adjustments -----

Unit	Original House Bills 2/509 Fiscal 1993*	Vo-Tech Bonds	Student Assistance	January 1992		Adjusted Total
				Special Session Reductions	Total	
MSU	\$38,248,719			(\$2,870,909)		\$35,377,810
UM	30,484,552			(2,672,011)		27,812,541
EMC	11,321,506			(855,491)		10,466,015
NMC	6,508,829			(387,812)		6,121,017
WMCUM	3,751,111			(250,655)		3,500,456
MCMST	7,857,034			(510,299)		7,346,735
Total	\$98,171,751	\$0	\$0	(\$7,547,177)		\$90,624,574
Billings VT	1,307,221			(81,545)		1,225,676
Butte VT	1,560,396			(87,478)		1,472,918
Great Falls VT	1,729,744			(110,576)		1,619,168
Helena VT	2,091,836			(115,834)		1,976,002
Missoula VT	2,129,415			(114,410)		2,015,005
Total	\$8,818,612	\$0	\$0	(\$509,843)		\$8,308,769
CHE**	7,118,977	(698,153)	(5,059,325)	(12,687)		1,348,812
Community Colleges	4,215,246			(152,634)		4,062,612
AES	8,074,323			(214,819)		7,859,504
Ext. Service	3,110,753			(82,408)		3,028,345
FCES	754,542			(36,536)		718,006
Mines	1,370,080			(20,172)		1,349,908
FSTS	244,626			(6,442)		238,184
Total Other	\$24,888,547	(\$698,153)	(\$5,059,325)	(\$525,698)		\$18,605,371
Total Higher Ed	\$131,878,910	(\$698,153)	(\$5,059,325)	(\$8,582,718)		\$117,538,714

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*Pay plan is allocated to each unit from the total six unit allocation by the Office of Budget and Program Planning based upon fiscal 1992 allocation.

TABLE 2 Allocations of Percentage Reductions Montana University System Fiscal 1993

Unit	Adjusted Total	1% Reduction	2% Reduction	3% Reduction	4% Reduction	5% Reduction	6% Reduction	7% Reduction	8% Reduction	9% Reduction	10% Reduction
MSU	\$35,377,810	(\$353,778)	(\$707,556)	(\$1,061,334)	(\$1,415,112)	(\$1,768,891)	(\$2,122,669)	(\$2,476,447)	(\$2,830,225)	(\$3,184,003)	(\$3,537,781)
UM	27,812,541	(278,125)	(556,251)	(834,376)	(1,112,502)	(1,390,627)	(1,668,752)	(1,946,878)	(2,225,003)	(2,503,129)	(2,781,254)
EMC	10,466,015	(104,660)	(209,320)	(313,980)	(418,641)	(523,301)	(627,961)	(732,621)	(837,281)	(941,941)	(1,046,602)
NMC	6,121,017	(61,210)	(122,420)	(183,631)	(244,841)	(306,051)	(367,261)	(428,471)	(489,681)	(550,891)	(612,102)
WMCUM	3,500,456	(35,005)	(70,009)	(105,014)	(140,018)	(175,023)	(210,027)	(245,032)	(280,036)	(315,041)	(350,046)
MCMST	7,346,735	(73,467)	(146,935)	(220,402)	(293,869)	(367,337)	(440,804)	(514,271)	(587,739)	(661,206)	(734,674)
Total	\$90,624,574	(\$906,246)	(\$1,812,491)	(\$2,718,737)	(\$3,624,983)	(\$4,531,229)	(\$5,437,474)	(\$6,343,720)	(\$7,249,966)	(\$8,156,212)	(\$9,062,457)
Billings VT	1,225,676	(12,257)	(24,514)	(36,770)	(49,027)	(61,284)	(73,541)	(85,797)	(98,054)	(110,311)	(122,568)
Butte VT	1,472,918	(14,729)	(29,458)	(44,188)	(58,917)	(73,646)	(88,375)	(103,104)	(117,833)	(132,563)	(147,292)
Great Falls VT	1,619,168	(16,192)	(32,383)	(48,575)	(64,767)	(80,958)	(97,150)	(113,342)	(129,533)	(145,725)	(161,917)
Helena VT	1,976,002	(19,760)	(39,520)	(59,280)	(79,040)	(98,800)	(118,560)	(138,320)	(158,080)	(177,840)	(197,600)
Missoula VT	2,015,005	(20,150)	(40,300)	(60,450)	(80,600)	(100,750)	(120,900)	(141,050)	(161,200)	(181,350)	(201,501)
Total	\$8,308,769	(\$83,088)	(\$166,175)	(\$249,263)	(\$332,351)	(\$415,438)	(\$498,526)	(\$581,614)	(\$664,702)	(\$747,789)	(\$830,877)
CHE**	1,348,812	(13,488)	(26,976)	(40,464)	(53,952)	(67,441)	(80,929)	(94,417)	(107,905)	(121,393)	(134,881)
Community Colleges	4,062,612	(40,626)	(81,252)	(121,878)	(162,504)	(203,131)	(243,757)	(284,383)	(325,009)	(365,635)	(406,261)
AES	7,859,504	(78,595)	(157,190)	(235,785)	(314,380)	(392,975)	(471,570)	(550,165)	(628,760)	(707,355)	(785,950)
Ext. Service	3,028,345	(30,283)	(60,567)	(90,850)	(121,134)	(151,417)	(181,701)	(211,984)	(242,268)	(272,551)	(302,835)
FCES	718,006	(7,180)	(14,360)	(21,540)	(28,720)	(35,900)	(43,080)	(50,260)	(57,440)	(64,621)	(71,801)
Mines	1,349,908	(13,499)	(26,998)	(40,497)	(53,996)	(67,495)	(80,994)	(94,494)	(107,993)	(121,492)	(134,991)
FSTS	238,184	(2,382)	(4,764)	(7,146)	(9,527)	(11,909)	(14,291)	(16,673)	(19,055)	(21,437)	(23,818)
Total Other	\$18,605,371	(\$186,054)	(\$372,107)	(\$558,161)	(\$744,215)	(\$930,269)	(\$1,116,322)	(\$1,302,376)	(\$1,488,430)	(\$1,674,483)	(\$1,860,537)
Total Higher Ed	\$117,538,714	(\$1,175,387)	(\$2,350,774)	(\$3,526,161)	(\$4,701,549)	(\$5,876,936)	(\$7,052,323)	(\$8,227,710)	(\$9,403,097)	(\$10,578,484)	(\$11,753,871)

Current Executive 8% Proposed Cut \$4,945,402 \$6,766,516

Using the Adjusted Base, the Executive Proposal Equates to: 4.2% 5.8%

TABLE 2a
 Allocations of Percentage Reductions
 Montana University System
 Fiscal 1993

EXHIBIT 7
 DATE 7/1/92
 HB _____

Unit	Adjusted Total	1% Reduction	3% Reduction	5% Reduction	8% Reduction	10% Reduction
MSU	\$35,377,810	(\$353,778)	(\$1,061,334)	(\$1,768,891)	(\$2,830,225)	(\$3,537,781)
UM	27,812,541	(278,125)	(834,376)	(1,390,627)	(2,225,003)	(2,781,254)
EMC	10,466,015	(104,660)	(313,980)	(523,301)	(837,281)	(1,046,602)
NMC	6,121,017	(61,210)	(183,631)	(306,051)	(489,681)	(612,102)
WMCUM	3,500,456	(35,005)	(105,014)	(175,023)	(280,036)	(350,046)
MCMST	<u>7,346,735</u>	<u>(73,467)</u>	<u>(220,402)</u>	<u>(367,337)</u>	<u>(587,739)</u>	<u>(734,674)</u>
Total	\$90,624,574	(\$906,246)	(\$2,718,737)	(\$4,531,229)	(\$7,249,966)	(\$9,062,457)
Billings VT	1,225,676	(12,257)	(36,770)	(61,284)	(98,054)	(122,568)
Butte VT	1,472,918	(14,729)	(44,188)	(73,646)	(117,833)	(147,292)
Great Falls VT	1,619,168	(16,192)	(48,575)	(80,958)	(129,533)	(161,917)
Helena VT	1,976,002	(19,760)	(59,280)	(98,800)	(158,080)	(197,600)
Missoula VT	<u>2,015,005</u>	<u>(20,150)</u>	<u>(60,450)</u>	<u>(100,750)</u>	<u>(161,200)</u>	<u>(201,501)</u>
Total	\$8,308,769	(\$83,088)	(\$249,263)	(\$415,438)	(\$664,702)	(\$830,877)
CHE**	1,348,812	(13,488)	(40,464)	(67,441)	(107,905)	(134,881)
Community Colleges	4,062,612	(40,626)	(121,878)	(203,131)	(325,009)	(406,261)
AES	7,859,504	(78,595)	(235,785)	(392,975)	(628,760)	(785,950)
Ext. Service	3,028,345	(30,283)	(90,850)	(151,417)	(242,268)	(302,835)
FCES	718,006	(7,180)	(21,540)	(35,900)	(57,440)	(71,801)
Mines	1,349,908	(13,499)	(40,497)	(67,495)	(107,993)	(134,991)
FSTS	<u>238,184</u>	<u>(2,382)</u>	<u>(7,146)</u>	<u>(11,909)</u>	<u>(19,055)</u>	<u>(23,818)</u>
Total Other	\$18,605,371	(\$186,054)	(\$558,161)	(\$930,269)	(\$1,488,430)	(\$1,860,537)
Total Higher Ed	<u>\$117,538,714</u>	<u>(\$1,175,387)</u>	<u>(\$3,526,161)</u>	<u>(\$5,876,936)</u>	<u>(\$9,403,097)</u>	<u>(\$11,753,871)</u>

Total Funding and Impact of Reductions
Fiscal 1993

EXHIBIT 5
DATE 7/8/92
HB

----- General Fund Only -----											
Unit	1991 Legislature Total Fiscal 1993	Adjustments	Adjusted Total	January 1992 Special Session Reductions	CHE Allocation 8% Reduction	CHE Distributed Percent of Excess Tuition	CHE Distributed Percent of Enrollment Inc.	Adjusted Total	Additional Reduction	Total Reduction	Percent Reduction
MSU	\$38,248,719		\$38,248,719	(\$2,870,909)	(\$2,042,706)	(\$513,439)	(\$332,825)	\$32,488,840	(\$2,888,970)	(\$5,759,879)	-15.1%
UM	30,484,552		30,484,552	(2,672,011)	(1,610,482)	(489,143)	(1,903,467)	23,809,449	(4,003,092)	(6,675,103)	-21.9%
EMC	11,321,506		11,321,506	(855,491)	(603,217)	(157,801)	152,555	9,857,552	(608,463)	(1,463,954)	-12.9%
NMC	6,508,829		6,508,829	(387,812)	(351,002)	(67,417)	(124,491)	5,578,107	(542,910)	(930,722)	-14.3%
WMCUM	3,751,111		3,751,111	(250,655)	(200,044)	(42,884)	(31,150)	3,226,378	(274,078)	(524,733)	-14.0%
MCMST	7,857,034		7,857,034	(510,299)	(420,756)	(81,147)	(29,414)	6,815,418	(531,317)	(1,041,616)	-13.3%
Total	\$98,171,751	\$0	\$98,171,751	(\$7,547,177)	(\$5,228,207)	(\$1,351,831)	(\$2,268,792)	\$81,775,744	(\$8,848,830)	(\$16,396,007)	-16.7%
CHE**	7,118,977		1,361,907	(153,920)	(74,284)		5,489	6,896,262	(68,795)	(222,715)	-3.1%
Community Colleges	4,215,246		4,215,246	(152,634)	(233,878)		17,280	3,846,014	(216,598)	(369,232)	-8.8%
Vo-Techs	8,818,612		8,818,612	(509,843)	(478,322)	(246,344)	157,882	7,741,785	(566,984)	(1,070,827)	-12.2%
AES	8,074,323		8,074,323	(214,819)	(448,158)		67,363	7,478,709	(380,795)	(595,614)	-7.4%
Ext. Service	3,110,753		3,110,753	(82,408)	(171,920)		12,704	2,868,129	(159,216)	(241,624)	-7.8%
FCES	754,542		754,542	(36,536)	(42,084)		3,110	679,032	(38,974)	(75,510)	-10.0%
Mines	1,370,080		1,370,080	(20,172)	(76,223)		5,632	1,279,317	(70,591)	(90,763)	-6.6%
FSTS	244,626		244,626	(6,442)	(13,440)		993	225,737	(12,447)	(18,889)	-7.7%
Total Other	\$33,707,159	(\$5,757,070)	\$27,950,089	(\$1,176,774)	(\$1,538,309)	(\$246,344)	\$270,253	\$31,015,985	(\$1,514,400)	(\$2,691,174)	-8.0%
Total Higher Ed	\$131,878,910	(\$5,757,070)	\$126,121,840	(\$8,723,951)	(\$6,766,516)	(\$1,598,175)	(\$1,998,539)	\$112,791,729	(\$10,363,230)	(\$19,087,181)	-14.5%

**Includes vo-tech bond payments and student assistance. Adjustments take both out.

----- Total Funding -----											
Unit	1991 Legislature Total Fiscal 1993	January 1992 Special Session Reductions	January 1992 Special Session Additions*	Additional Pay Plan Budget Amend.	8% Reduction as a Percent of ORIGINAL GF	CHE Distributed Percent of Excess Tuition	CHE Distributed Percent of Enrollment Inc.	Adjusted Total	Percent Reduction		
CHE	\$30,996,185	(\$153,920)	\$0		(\$74,284)			\$30,767,981	-0.7%		
Community Colleges	4,215,246	(152,634)	0		(233,878)			3,828,734	-9.2%		
Six University Units	144,830,566	(7,547,177)	6,438,731	2,060	(5,228,207)	0	0	138,495,973	-4.4%		
Vo-Techs	11,716,542	(509,843)	273,029	122,336	(478,322)	0	0	11,123,742	-5.1%		
AES	10,575,674	(214,819)		34,247	(448,158)			9,946,944	-5.9%		
Ext. Service	5,098,157	(82,408)			(171,920)			4,843,829	-5.0%		
FCES	754,542	(36,536)			(42,084)			675,922	-10.4%		
Mines	1,416,491	(20,172)			(76,223)			1,320,096	-6.8%		
FSTS	244,626	(6,442)			(13,440)			224,744	-8.1%		
Total Higher Ed	\$209,848,029	(\$8,723,951)	\$6,711,760	\$158,643	(\$6,766,516)	\$0	\$0	\$201,227,965	-4.1%		

*As originally allocated by CHE during special session. Includes additional mill levy of \$1,533,000.

Table 1, Alternate
 Total Funding and Impact of Reductions
 Fiscal 1993

----- General Fund Only -----

Unit	1991 Legislature		Adjustments	Adjusted Total	January 1992 Special Session Reductions	8% Reduction as a Percent of ORIGINAL GF	CHE Distribution		CHE Distribution		Adjusted Total	Additional Reduction	Total Reduction	Percent Reduction
	Total	Fiscal 1993					Excess Tuition	Percent of Enrollment Inc.	Excess Tuition	Percent of Enrollment Inc.				
MSU	\$38,248,719			\$38,248,719	(\$2,870,909)	(\$1,499,782)	(\$513,439)	(\$894,000)		\$32,470,589	(\$2,907,221)	(\$5,778,130)	-15.1%	
UM	30,484,552			30,484,552	(2,672,011)	(1,195,339)	(489,143)	(2,435,674)		23,692,385	(4,120,156)	(6,792,167)	-22.3%	
EMC	11,321,506			11,321,506	(855,491)	(443,931)	(157,801)			9,864,283	(601,732)	(1,457,223)	-12.9%	
NMC	6,508,829			6,508,829	(387,812)	(255,220)	(67,417)	(218,579)		5,579,801	(541,216)	(929,028)	-14.3%	
WMCUM	3,751,111			3,751,111	(250,655)	(147,086)	(42,884)	(96,400)		3,214,086	(286,370)	(537,025)	-14.3%	
MCMST	7,857,034			7,857,034	(510,299)	(308,085)	(81,147)	(175,000)		6,782,503	(564,232)	(1,074,531)	-13.7%	
Total	\$98,171,751	\$0		\$98,171,751	(\$7,547,177)	(\$3,849,443)	(\$1,351,831)	(\$3,819,653)		\$81,603,647	(\$9,020,927)	(\$16,568,104)	-16.9%	
CHE**	7,118,977		(5,757,070)	1,361,907	(153,920)	(53,402)				6,911,655	(53,402)	(207,322)	-2.9%	
Community Colleges	4,215,246			4,215,246	(152,634)	(165,285)				3,897,327	(165,285)	(317,919)	-7.5%	
Vo - Techs	8,818,612			8,818,612	(509,843)	(345,789)	(246,344)			7,716,636	(592,133)	(1,101,976)	-12.5%	
AES	8,074,323			8,074,323	(214,819)	(316,605)				7,542,899	(316,605)	(531,424)	-6.6%	
Ext. Service	3,110,753			3,110,753	(82,408)	(121,977)				2,906,368	(121,977)	(204,385)	-6.6%	
FCES	754,542			754,542	(36,536)	(29,587)				688,419	(29,587)	(66,123)	-8.8%	
Mines	1,370,080			1,370,080	(20,172)	(53,723)				1,296,185	(53,723)	(73,895)	-5.4%	
FSTS	244,626			244,626	(6,442)	(9,592)				228,592	(9,592)	(16,034)	-6.6%	
Total Other	\$33,707,159		(\$5,757,070)	\$27,950,089	(\$1,176,774)	(\$1,095,959)	(\$246,344)	\$0		\$31,188,082	(\$1,342,303)	(\$2,519,077)	-7.5%	
Total Higher Ed	\$131,878,910		(\$5,757,070)	\$126,121,840	(\$8,723,951)	(\$4,945,402)	(\$1,598,175)	(\$3,819,653)		\$112,791,729	(\$10,363,230)	(\$19,087,181)	-14.5%	

**Includes vo-tech bond payments and student assistance. Adjustments take both out

----- Total Funding -----

Unit	1991 Legislature		January 1992 Special Session Reductions	January 1992 Special Session Additions*	Additional Pay Plan Budget Amend.	8% Reduction as a Percent of ORIGINAL GF	CHE Distribution		CHE Distribution		Adjusted Total	Percent Reduction
	Total	Fiscal 1993					Excess Tuition	Percent of Enrollment Inc.	Excess Tuition	Percent of Enrollment Inc.		
CHE	\$30,996,185		(\$153,920)	\$0		(\$53,402)				\$30,788,863		-0.7%
Community Colleges	4,215,246		(152,634)	0		(165,285)				3,897,327		-7.5%
Six University Units	144,830,566		(7,547,177)	6,438,731	2,060	(3,849,443)	0	0		139,874,737		-3.4%
Vo - Techs	11,716,542		(509,843)	273,029	122,336	(345,789)	0	0		11,256,275		-3.9%
AES	10,575,674		(214,819)	34,247	34,247	(316,605)				10,078,497		-4.7%
Ext. Service	5,098,157		(82,408)			(121,977)				4,893,772		-4.0%
FCES	754,542		(36,536)			(29,587)				688,419		-8.8%
Mines	1,416,491		(20,172)			(53,723)				1,342,596		-5.2%
FSTS	244,626		(6,442)			(9,592)				228,592		-6.6%
Total Higher Ed	\$209,848,029		(\$8,723,951)	\$6,711,760	\$158,643	(\$4,945,402)	\$0	\$0		\$203,049,079		-3.2%

*As originally allocated by CHE during special session. Includes additional mill levy of \$1,533,000.

Joint Education Subcommittee

EXHIBIT 5

DATE 4/2/92

HB _____

Executive Action

July 8, 1992

ISSUE 1: DOES THE COMMITTEE WISH TO MAKE ACROSS THE BOARD REDUCTIONS.

If yes:

ISSUE 1a: AGAINST WHICH BASE WILL THE REDUCTIONS BE MADE.

Option A: Use the adjusted executive base:

- Original House Bills 2 & 509
- + Vacancy savings
- Vo-Tech bond payments
- Student assistance

Option B: Use the adjusted base:

- Special session adjusted House Bills 2 & 509
- Vo-Tech bond payments
- Student assistance

ISSUE 1b: WHAT MAGNITUDE OF REDUCTIONS WILL BE MADE.

Option A: Use the executive total of \$6,766,516.

Option B: Use the adjusted executive total of \$4,945,402.

Option C: Apply a chosen percentage.

ISSUE 2: DOES THE COMMITTEE WISH TO REPLACE GENERAL FUND WITH TUITION AND FEE INCOME ANTICIPATED DUE TO CHANGES IN TUITION POLICY (HALF-STEP ELIMINATION AND NARROWING OF FLAT-SPOT).

Option A: Replace \$1,598,175 of general fund with tuition and fee revenue.

Option B: Do not replace general fund.

ISSUE 3: DOES THE COMMITTEE WISH TO REPLACE GENERAL FUND WITH TUITION AND FEE INCOME ANTICIPATED DUE TO AN INCREASE IN ENROLLMENT.

Option A: Replace \$3,819,653 of general fund with tuition and fee revenue.

Option B: Do not replace general fund.

To: SUB-COMMITTEE CHAIRMEN

JULY 8, 1992

EXHIBIT 1
DATE 7/8/92
4B _____

FROM: SENATOR DEL CAGE & SENATOR BILL FARRELL

SINCE THE REQUEST TO HAVE THE JOINT APPROPRIATIONS & FINANCE & CLAIMS COMMITTEES HEAR BUDGETS WAS DENIED THE ONLY OPPORTUNITY ANY LEGISLATOR HAS TO KNOW WHAT ACTION IS TAKEN IN EXECUTIVE SESSION IS TO GET A LIST OF ALL MOTIONS MADE. WE WERE TOLD YESTERDAY IN THE SENATE THAT CHAIRMEN WOULD PROBABLY HONOR OUR REQUESTS.

I AM THEREFORE REQUESTING A LIST OF ALL EXECUTIVE SESSION MOTIONS, BOTH THE MOTIONS THAT PASS & THOSE THAT FAIL SO I CAN SHARE THIS INFORMATION WITH ALL SENATE MEMBERS WHO DO NOT SERVE ON YOUR SUB-COMMITTEE.

I WOULD APPRECIATE GETTING THESE AT LEAST ONE DAY BEFORE SENATE FLOOR DEBATE ON THE APPROPRIATION BILL OR SOONER IF POSSIBLE.

Attn: Sen. Senator
Dist #5
Sen. Bill Farrell
Sen. Dist #31