

BIENNIAL BUDGET REQUEST

1973-75



UNIVERSITY of MONTANA, MISSOULA



University of Montana

Missoula, Montana 59801

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December 19, 1972

To Friends of the University of Montana:

This material attempts to present in capsule form some of the factors and considerations which apply to the University's appropriation request to the Montana Legislative Assembly which convenes the first of January, 1973. The institutional request presented weeks ago to the state Budget Bureau was comprised of 115 pages of detail.

Actually, the request shown on page one involves four different appropriation propositions. It would take pages of written material to explain the reasons for this rather unique situation. Simply stated, the last column on page one shows the recommendation of the Regents of the Montana University System. Though it is greater in amount than the Executive recommendation, it will not finance a viable, quality university program! It is only a "stay alive" proposal. My view is that such staying alive will mean that the institution is in a coma and on the critical list.

Robert T. Pantzer
President

SECTION I

BUDGET INFORMATION

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UNIVERSITY OF MONTANA

1973-75 BIENNIAL BUDGET REQUEST
(Reported in Thousands of Dollars)

	1971-73 ACTUAL UM BUDGET		1973-75 UM BUDGET REQUEST BASED ON TRADITIONAL GUIDELINES		1973-75 UM BUDGET REQUEST BASED ON COMPROMISED SYSTEM INCREASE OF \$12.2 MILLION		1973-75 EXECUTIVE BUDGET RECOMMENDATION FOR UM		1973-75 UM BUDGET REQUEST APPROVED & ENDORSED BY REGENTS ON 12-12-72	
	1971-72	1972-73	1973-74	1974-75	1973-74	1974-75	1973-74	1974-75	1973-74	1974-75
SUMMARY BY PROGRAM:										
Instruction	\$ 7,729	\$ 8,357	\$10,710	\$10,910	\$ 9,015	\$ 9,666	\$ 8,366	\$ 8,536	\$ 8,802	\$ 8,912
Organized Research	371	358	464	487	391	432	363	381	382	398
Public Service	57	91	102	103	86	92	79	81	84	85
Academic Support	1,332	1,567	1,959	2,160	1,649	1,914	1,530	1,690	1,610	1,765
Student Service	403	452	586	622	493	551	458	487	481	508
Institutional Service	2,826	2,942	3,860	4,235	3,249	3,752	3,016	3,314	3,172	3,459
Total Program Costs	<u>\$12,718</u>	<u>\$13,767</u>	<u>\$17,681</u>	<u>\$18,517</u>	<u>\$14,883</u>	<u>\$16,407</u>	<u>\$13,812</u>	<u>\$14,489</u>	<u>\$14,531</u>	<u>\$15,127</u>
SUMMARY BY OBJECT:										
Personal Services	\$10,576	\$11,515	\$14,602	\$14,813	\$12,291	\$13,126	\$11,407	\$11,592	\$12,000	\$12,102
Operation	1,556	1,806	2,309	2,778	1,944	2,461	1,804	2,173	1,898	2,269
Capital	586	446	770	926	648	820	601	724	633	756
Total Object Costs	<u>\$12,718</u>	<u>\$13,767</u>	<u>\$17,681</u>	<u>\$18,517</u>	<u>\$14,883</u>	<u>\$16,407</u>	<u>\$13,812</u>	<u>\$14,489</u>	<u>\$14,531</u>	<u>\$15,127</u>
SUMMARY OF FUNDING:										
State General Fund	\$ 7,112	\$ 7,072	\$11,351	\$12,076	\$ 8,553	\$ 9,966	\$ 7,482	\$ 8,048	\$ 8,201	\$ 8,686
Millage Fund	2,154	2,025	2,214	2,310	2,214	2,310	2,214	2,310	2,214	2,310
Student Fees	3,110	3,922	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560
Other Income	342	748	556	571	556	571	556	571	556	571
Total Funding	<u>\$12,718</u>	<u>\$13,767</u>	<u>\$17,681</u>	<u>\$18,517</u>	<u>\$14,883</u>	<u>\$16,407</u>	<u>\$13,812</u>	<u>\$14,489</u>	<u>\$14,531</u>	<u>\$15,127</u>
Dollar Increase over Prior Year			\$ 3,914	\$ 836	\$ 1,116	\$ 1,524	\$ 45	\$ 677	\$ 764	\$ 596
Percent of Increase over Prior Year			28.43%	4.73%	8.11%	10.24%	.33%	4.90%	5.55%	4.10%

hold the line budget by Presidents; UM req. 1,608, K

UNIVERSITY OF MONTANA

PROGRAM DESCRIPTIONS

INSTRUCTION PROGRAM:

The Instruction program includes all expenditures that are directly related to credit hour production in the academic departments and schools such as faculty salaries, departmental staff salaries, benefits, supplies, equipment, travel, etc. Also included in this program category are those expenditures that are directly charged to the academic departments and schools such as computer costs, visual aids, and mailing costs.

ORGANIZED RESEARCH:

The Organized Research program includes all expenditures that are associated with the staffing and operation of the various research bureaus and centers which have been specifically organized to conduct research. Included are the Bureau of Business and Economic Research, Forestry Research, and Research Administration.

PUBLIC SERVICE:

The Public Service program includes all expenditures that are associated with continuing education and extension program activities.

ACADEMIC SUPPORT:

The Academic Support program includes expenditures for those activities and services that directly assist the academic departments and schools. Included are libraries, instructional materials services, and academic administration (Deans, department chairmen, and other academic administrators).

STUDENT SERVICE:

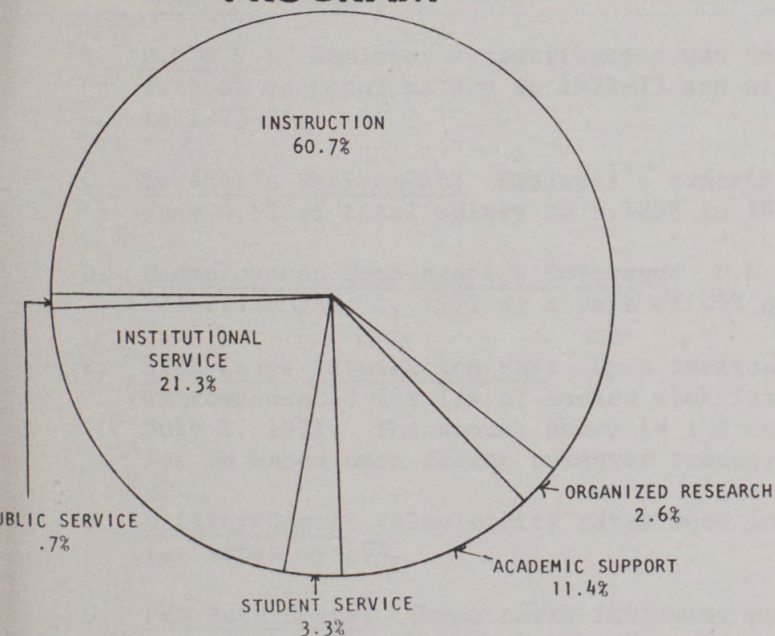
The Student Service program includes expenditures for the Student Financial Aids Office, the Student Personnel Office, the Placement Center, and other student-oriented services.

INSTITUTIONAL SERVICE:

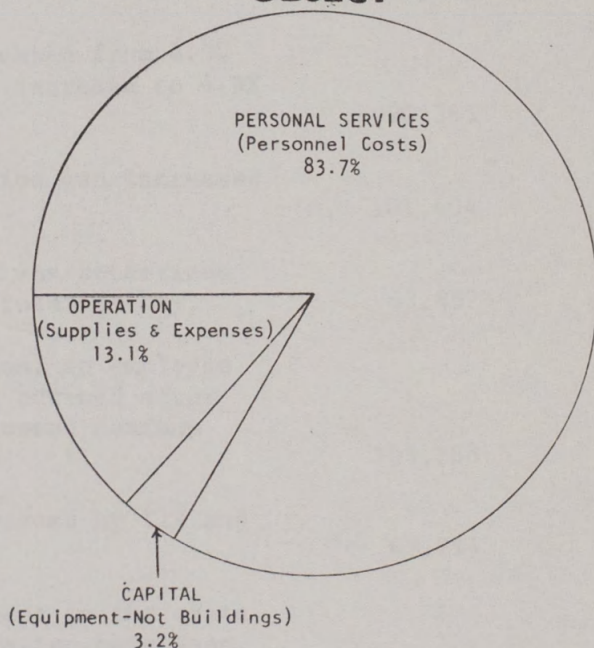
The Institutional Service program includes expenditures for the support of those activities carried on within the President's Office, the Business Office, the Registrar's Office, the Admissions Office, the Personnel Office, and the Physical Plant operation.

University of Montana 1972-73 Actual Operating Budget

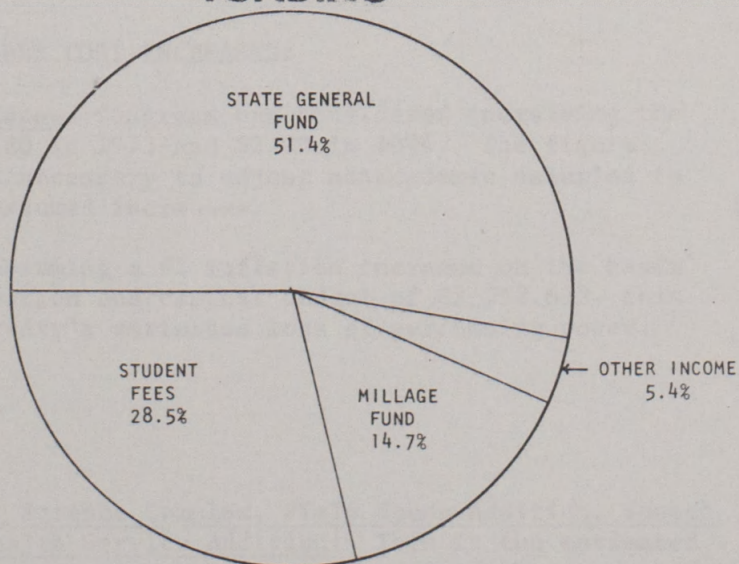
**EXPENDITURES
by
PROGRAM**



**EXPENDITURES
by
OBJECT**



FUNDING



UNIVERSITY OF MONTANA

NEW AND FIXED COST INCREASES
1973-75 BIENNIUM

INCREASED COSTS FOR
1973-75 BIENNIUM
BASED ON CURRENT
LEVEL OF OPERATION

I. KNOWN UNCONTROLLABLE COST INCREASES:

A. <u>Social Security</u> : Employer's contribution will increase from 5.2% on \$9,000 in 1972 to 5.85% of \$10,800 in 1973 to 5.85% of \$12,000 in 1974.	\$206,972
B. <u>P.E.R.S.</u> : Employer's contribution was increased from 4.3% to 4.6% on total salary in 1971-73 and will increase to 4.9% in 1973-75.	30,365
C. <u>Teacher's Retirement</u> : Employer's contribution was increased from 4.5% of total salary to 5.125% in 1971.	101,404
D. <u>Unemployment Compensation Coverage</u> : U.C.C. was authorized effective Jan. 1, 1972 at a rate of .3% of total salary.	63,857
E. <u>Sick Leave Termination Pay</u> : Upon termination, an employee is compensated for 1/4 of unused sick leave accrued after July 1, 1971. The amount shown is the estimated maximum for UM based upon recent turnover trends.	105,168
F. <u>Utility Costs</u> : Electricity rates were increased by 11% and gas rates by 19%.	63,714
G. <u>Pro Rata Costs</u> : These costs involving payment to the state for services of the central state administration have been added with no legislative budget provision.	<u>60,000</u>
	\$ 631,480

II ANTICIPATED UNCONTROLLABLE COST INCREASES:

H. <u>Minimum Wage Increases</u> : Congress has considered increasing the minimum wage to \$1.80 in 1973 and \$2.00 in 1974. The figure shown is the amount necessary to adjust nonacademic salaries to comply with these assumed increases.	\$381,432
I. <u>Purchasing Loss</u> : Assuming a 5% inflation increase on the basis of the 1972-73 operation and capital budget of \$2,252,632, this would be the University's estimated loss of purchasing power.	<u>230,895</u>
	\$ 612,327

III. NEW SPACE COSTS:

J. <u>New Library, Lodge, Science Complex, Field House Addition, Speech Path. portion of Health Service Addition</u> : This is the estimated operating cost of new space which is not funded in the current biennium budget.	<u>\$314,025</u>
	\$ 314,025

TOTAL NEW AND FIXED COST INCREASES FOR 1973-75 BIENNIUM \$1,557,832

SECTION II

STUDENT FEE INFORMATION

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UNIVERSITY OF MONTANA
 SCHEDULE OF STUDENT FEE SUPPORT OVER
 PAST DECADE

	<u>UM OPERATING BUDGET</u>	<u>STUDENT FEE INCOME</u>	<u>PERCENT OF BUDGET SUPPORT PROVIDED BY STUDENT FEE INCOME</u>
1963-64	\$ 5,324,964	\$ 975,437	18.32%
1964-65	<u>5,871,765</u>	<u>1,080,506</u>	<u>18.40</u>
1963-65 Biennium	<u>\$11,196,729</u>	<u>\$2,055,943</u>	<u>18.36%</u>
1965-66	\$ 6,365,243	\$1,584,130	24.89%
1966-67	<u>7,349,183</u>	<u>1,643,703</u>	<u>22.37</u>
1965-67 Biennium	<u>\$13,714,426</u>	<u>\$3,227,833</u>	<u>23.54%</u>
1967-68	\$ 8,628,400	\$1,804,063	20.91%
1968-69	<u>10,051,162</u>	<u>2,043,379</u>	<u>20.33</u>
1967-69 Biennium	<u>\$18,679,562</u>	<u>\$3,847,442</u>	<u>20.60%</u>
1969-70	\$11,374,302	\$2,507,475	22.05%
1970-71	<u>12,197,480</u>	<u>2,734,370</u>	<u>22.42</u>
1969-71 Biennium	<u>\$23,571,782</u>	<u>\$5,241,845</u>	<u>22.24%</u>
1971-72	\$12,718,311	\$3,110,000	24.45%
1972-73 (est.)	<u>13,767,133</u>	<u>3,921,515</u>	<u>28.48</u>
1971-73 Biennium	<u>\$26,485,444</u>	<u>\$7,031,515</u>	<u>26.55%</u>

COMPARATIVE SCHEDULE OF STUDENT FEE CHARGES

AT ROCKY MOUNTAIN STATE UNIVERSITIES

1971-72

(The following are the annual charges paid by a typical full-time student)

FEE PAID BY RESIDENT STUDENTS

<u>INSTITUTION</u>	<u>RANK</u>	<u>ANNUAL RESIDENT FEE</u>
Colorado State University	1	\$ 567.00
University of Utah	2	480.00
University of Montana	3	471.00
University of Nevada	4	468.00
New Mexico State University	5	466.00
University of Colorado	6	441.00
Utah State University	7	438.00
University of New Mexico	8	430.50
University of Wyoming	9	384.50
University of Arizona	10	375.00
University of Idaho	11	346.00

FEE PAID BY NON-RESIDENT STUDENTS

<u>INSTITUTION</u>	<u>RANK</u>	<u>ANNUAL NON-RESIDENT FEE</u>
Colorado State University	1	\$1,797.00
University of Colorado	2	1,523.00
University of Nevada	3	1,468.00
University of Montana	4	1,318.50
New Mexico State University	5	1,296.00
University of Arizona	6	1,265.00
University of New Mexico	7	1,260.00
University of Utah	8	1,155.00
University of Idaho	9	1,146.00
University of Wyoming	10	1,050.50
Utah State University	11	948.00

THE GROWTH OF STATE SUPPORT FOR COLLEGES AND UNIVERSITIES

1970-71 to 1972-73

STATE	RANK	2-YEAR PERCENT CHANGE IN STATE APPROPRIATIONS		STATE	RANK	2-YEAR PERCENT CHANGE IN STATE APPROPRIATIONS	
		1970-71 to 1972-73				1970-71 to 1972-73	
New Jersey	1	53.00%		New Mexico	26	22.50%	
Alabama	2	42.25%		Michigan	27	21.50%	
Wisconsin	3	42.00%		Minnesota	28	21.25%	
Virginia	4	36.50%		Indiana	29	21.00%	
South Carolina	5	35.50%		Maine	30	21.00%	
Arizona	6	35.25%		Louisiana	31	20.50%	
Texas	7	35.00%		Georgia	32	19.50%	
Mississippi	8	34.50%		North Dakota	33	18.25%	
Massachusetts	9	33.00%		New Hampshire	34	17.75%	
West Virginia	10	32.75%		Oklahoma	35	17.50%	
Maryland	11	31.50%		Nebraska	36	17.25%	
Nevada	12	29.75%		Connecticut	37	16.75%	
Tennessee	13	29.75%		Hawaii	38	16.75%	
Alaska	14	29.25%		Idaho	39	16.75%	
Kentucky	15	28.25%		Iowa	40	16.00%	
Delaware	16	28.00%		Kansas	41	13.50%	
Rhode Island	17	27.50%		Vermont	42	13.50%	
North Carolina	18	27.00%		Oregon	43	10.75%	
Utah	19	26.00%		New York	44	10.25%	
Pennsylvania	20	25.50%		Illinois	45	8.50%	
Florida	21	25.25%		South Dakota	46	7.25%	
Ohio	22	24.75%		Montana	47	5.50%	
Wyoming	23	24.75%		Colorado	48	4.25%	
California	24	23.50%		Arkansas	49	2.50%	
Missouri	25	22.75%		Washington	50	- .25%	

Source: The Chronicle of Higher Education, Nov. 13, 1972

SECTION III

SALARY INFORMATION

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COMPARATIVE SCHEDULE OF SALARIES

PAID AT ROCKY MOUNTAIN STATE UNIVERSITIES

1971-72 ACADEMIC SALARIES (ACADEMIC YEAR)

(Includes Professors, Associate Professors, Assistant Professors, Instructors and Lecturers)

<u>INSTITUTION</u>	<u>RANK</u>	<u>MEDIAN FACULTY SALARY* (nearest \$100)</u>
University of Arizona	1	\$15,000
University of Colorado	2	14,900
University of Utah	3	14,000
University of New Mexico	4	13,500
University of Wyoming	5	13,400
University of Nevada	6	13,400
Colorado State University	7	13,300
New Mexico State University	8	13,200
Utah State University	9	12,900
University of Idaho	10	12,400
University of Montana	11	12,200

1971-72 ADMINISTRATIVE SALARIES (FISCAL YEAR)

(Includes Acad. VP, Admin. VP, Research VP, Bus. Manager, Controller, Dir. of Admissions, Registrar, Dir. of Phys. Plant, Dir. of Fin. Aids and Alumni Director)

<u>INSTITUTION</u>	<u>RANK</u>	<u>AVERAGE ADMINISTRATIVE SALARY** (nearest \$100)</u>
University of Arizona	1	\$23,100
Utah State University	2	23,000
University of Nevada	3	21,500
University of Utah	4	21,400
University of Colorado	5	21,300
Colorado State University	6	21,000
University of New Mexico	7	21,000
University of Wyoming	8	20,200
University of Idaho	9	20,100
New Mexico State University	10	19,300
University of Montana	11	18,300

* From AAUP salary study

** From University of Idaho salary study

COMPARATIVE SCHEDULE OF NON-ACADEMIC SALARIES

(reported in monthly earnings)

JOB CLASSIFICATION	REGIONAL SALARY RANGE		MIDPOINT OF REGIONAL SALARY RANGE	U of M MIDPOINT SALARY 1972-73	U of M MIDPOINT AS A % OF REGIONAL MIDPOINT	AVERAGE % BELOW REGIONAL MIDPOINT
	minimum	maximum				
Clerk	\$344	\$434	\$389	\$314	81%	19%
Typist	356	451	403	314	78%	22%
Steno	385	487	436	330	76%	24%
Accounting Clerk	430	544	487	314	65%	35%
Keypunch Operator	406	513	459	364	79%	21%
Computer Operator	532	673	602	511	85%	15%
Accountant A	645	812	728	684	94%	6%
Employment Interviewer	609	771	690	421	61%	<u>39%</u>
					Average percent below	23%

COMMENTS:

- (1) Low salary levels increase costs due to recruitment and training problems aggravated by turnover. Presently only 25% of our support staff have been with us more than three years.
- (2) Approximately 17% of our support staff positions begin at a rate below the anticipated \$1.80 per hour minimum wage. Should congress raise the minimum wage to \$2.00 per hour 35% of our support staff positions will be below that level.

SOURCE: "Pay Rates in the Public Service," April, 1972.

States Included: North Dakota, Colorado, Nevada, Utah, Idaho, Montana, Washington, and Oregon.

