

# University of Montana Legislative Report



**December 1984**

DATE: December, 1984  
TO: Legislators and Friends of the University of Montana  
FROM: Neil S. Bucklew, President  
RE: Legislative Report

This Legislative Report has been prepared with two purposes in mind: (1) to indicate the progress the University of Montana has made with the funding received from the 1983 Legislature and (2) to explain the requests the University will be making to the 1985 Legislature.

I hope that this report will be helpful to you in preparing for the coming legislative session.



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# **Section I — Stewardship Report — 1983-85 Biennium**

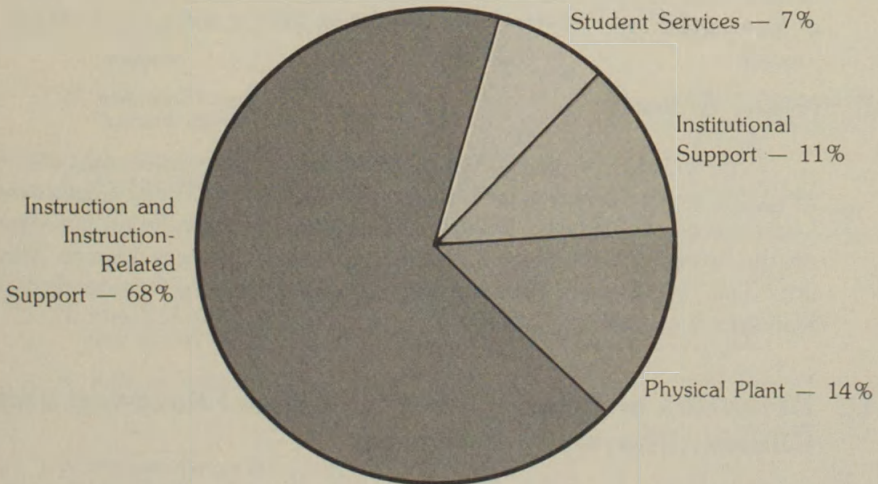
This section reports on how the University of Montana utilized the funds appropriated for the 1983-85 Biennium.



# UNIVERSITY OF MONTANA LEGISLATIVE REPORT

## I. Stewardship Report — 1983-85 Biennium

The 1983 Legislature appropriated \$33,960,538 to the University of Montana for the fiscal year 1984 and \$34,980,952 for the fiscal year 1985. Much of the funding for the University was based on a formula developed by the Legislative Finance Committee. The formula provides funding for faculty salaries, instructional support and student, academic and institutional support areas. The formula used projected student enrollment figures multiplied by "peer" institution average costs for each of these areas. Appropriations for research, public service and physical plant were based on past levels of expenditure and performance. The physical plant program also received special increases for maintenance and operation of new space. The University allocated the resources provided by the Legislature for fiscal year 1985 as follows:



The University of Montana received funding for one program modification for the 1983-85 biennium for the operation and maintenance of two new buildings: Clinical Psychology and Performing Arts/Radio-TV. While we received funding for only one of our program modification requests, we continue to make progress in several areas of importance to education at the University of Montana. This progress was made possible through an ongoing process combining both planning and reallocation of resources. Some of the more significant efforts undertaken are detailed below:

## **A. General Education Program**

After three years of intensive design work, the General Education Program was implemented during the Fall quarter of 1984. This three-tiered program is now required of all baccalaureate students, beginning with the entering freshman class of 1984. It includes courses in basic competencies, six broad perspectives and senior-level capstone experiences. To implement the program, reallocations of instructional and support budgets were necessary. An annual review of these resource decisions will be made.

## **B. Telecommunications**

Through the University's planning process, the formation of a Telecommunication's Center was recommended and implemented in July of 1984. At that time, the administration of KUFM public radio and all television public service production activities were transferred to the new Center. With the completion of the Performing Arts/Radio-TV building, the University envisions new opportunities for serving distant audiences and seeks to provide educational outreach activities to the entire state. The production of audio and video programs for delivery to off-campus locations, as well as for campus use, will provide new options for the people of Montana.

## **C. Night School**

In the fall of 1983, the University initiated a comprehensive night school program designed primarily for individuals in the Western Montana area who hold daytime jobs, but who desire to complete requirements for an Associate of Arts degree or work toward Bachelor of Arts or Sciences degrees. This important program was instituted with a combination of private funds and reallocation of internal resources.

## **D. Retention of Special Fees for Legal Education and Clinical Pharmacy Programs**

The 1983 Legislature authorized the University of Montana to retain special fees paid by students for programs requiring intensive clinical and professional training experiences. These fees have been directed toward the enhancement of the Law and Pharmacy Programs.

## **E. Economic Forecasting System — Bureau of Business and Economic Research**

The 1983 Legislature authorized the Montana Department of Commerce to contract with the Bureau of Business and Economic Research



for the development and implementation of an Economic Forecasting System. The new system — “Economics Montana” — is now in place, providing timely information to Montana businesses and industries, state and local government agencies, and economic development organizations.

## F. Research and Economic Development Activities

The University of Montana has played a major role in the new partnership among the private sector, state government and the University System directed toward the development of critical research capabilities which will place Montana in a favorable economic development position.

## G. Long-Range Building Projects

The following projects were funded by the Legislature as part of the long-range building and maintenance plan of the University of Montana:

### Projects Funded by the 1981 Legislature

Project	Amount	Status
1. Performing Arts/Radio-TV Building	\$7,500,000 (state appropriation) \$1,100,000 (private contributions)	Completion scheduled for January, 1985

### Projects Funded by the 1983 Legislature

Project	Amount	Status
1. Renovate Space for Computer Science	\$499,000	Under Construction Expected completion 7/3/85
2. Purchase Riverfront Land	\$500,000	Land Purchase Completed, Relocation of High Voltage Electrical Line Under Review
3. Plan Business Administration Building	\$ 50,000 (private contributions)	Preliminary Plan Complete
4. Relocate Business Machines Laboratory	\$ 20,000	Substantially Complete, Final Completion 2/1/85
5. Replace Primary Electrical Distribution System	\$237,100 (state appropriation) \$246,880 (auxiliary funds)	Under Construction Expected Completion 2/6/85
6. Miscellaneous Major Maintenance Projects	\$170,000	Under Construction Expected Completion 11/13/85
7. Major Roof Repair Projects	\$241,000	Completed
8. Major Maintenance on Steam Distribution System	\$107,000	Under Construction Expected Completion 10/1/85



## Section II—Program Modifications— 1985-87 Biennium

### Summary

#### A. University of Montana Requests

1. New Space	\$ 29,730
2. MBA in Billings (joint proposal with EMC and MSU)	482,013
3. Legal Education Development	274,000
4. Yellow Bay Biological Station	225,200
5. Replacement of Mainframe Computer	1,000,000

#### B. Montana Forest and Conservation Experiment Station

\$431,610

#### C. Montana University System Requests

1. Full Formula Funding	\$6,300,648
2. 100% Indirect Cost Recovery	3,200,000
3. Writing Across the Curriculum	315,859
4. Hazardous Materials Program	300,200



## II. Program Modifications 1985-87 Biennium

### A. University of Montana Requests

The following University of Montana requests were approved by the Board of Regents and will be submitted for legislative consideration:

#### 1. New Space

The new Center for the Performing Arts and Radio/Television will be completed and ready for occupancy by the beginning of the Winter Quarter 1985. The 1983 Legislature provided base funding for eleven months of this facility. We are requesting a base increase for the remaining month of operation.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Personal Services	\$ 4,684	\$ 4,684	\$ 9,368
Operations	8,795	8,795	17,590
Capital	1,386	1,386	2,772
	\$14,865	\$14,865	\$29,730

#### 2. Master of Business Administration Program in Billings

The Role and Scope document adopted by the Board of Regents charges the University of Montana to "move to develop an MBA or combined MBA/MPA program in Billings, coordinating with and using resources from Eastern Montana College and Montana State University as appropriate. The degree would be conferred only by the University of Montana."

For the past several years, there have been strong indicators that many individuals in the Billings area have needed such a program but, because of their employment status, could only participate in the program if it were offered in the Billings area. Recent surveys and interviews with prospective students in the Billings area have confirmed that the need for an MBA exists. However, the program cannot be started without additional funding.

Graduate programs are normally low student-faculty ratio programs, particularly in the start-up years. Accreditation requirements also mandate low student-faculty ratios. Timing considerations further complicate the issue. If the Billings MBA were started in the Fall of 1985, it would be 1987 before adequate funds to operate the program could be generated. Consequently, program modification funds to cover start-up costs are necessary throughout the next biennium.

The Billings MBA is an excellent example of University System cooperation to deliver needed programs while avoiding duplication. The faculties of the University of Montana, Montana State University and Eastern Montana College will provide the instruction. Funds to enhance the library at Eastern Montana College are also being requested.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Personal Services	\$171,907	\$171,907	\$343,814
Operations	32,634	34,665	67,299
Capital	<u>61,700</u>	<u>9,200</u>	<u>70,900</u>
	\$266,241	\$215,772	\$482,013

### 3. Legal Education Development

The School of Law has recently initiated an innovative revision of its curriculum, adopting a comprehensive model of legal education that moves beyond traditional legal theory and rules of law, toward a systematic investigation of the role of law and the lawyer in society. The curriculum includes an intensive clinical experience that enhances students' abilities to practice law. The program provides, as well, structured development of students' personal attributes and interpersonal skills. The program has received national recognition.

This extensive program development project was undertaken with the help of a \$240,000 federal grant and participation of more than 500 Montana lawyers and judges. Although the school has made major strides in implementing its new curriculum, it has reached the limits of change because of staffing constraints of the past. Legal education has historically been staffed as an undergraduate program, which has confined it to a purely academic experience rather than a graduate program for a professional person trained to help solve human problems.

The 1983 Legislature authorized the Law School to keep some of the special fees paid by law students to help the School move toward a graduate level of staffing. No new state appropriations were added at that time. This modification request will finally take this innovative legal education program to a level of staffing comparable with other graduate programs and provide the clinical instruction so vital to the legal education experience.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Personal Services	\$67,150	\$197,150	\$264,300
Operations	850	4,850	5,700
Capital	<u>4,000</u>	<u>-0-</u>	<u>4,000</u>
	\$72,000	\$202,000	\$274,000

### 4. Yellow Bay Biological Station—Expansion of Research and Service

The maintenance of water quality of our freshwater lakes and streams is a key element in the economic development of Montana and in the well-being of its citizens. Tourism and its related activities rely in large part on the quality of our lakes and streams. Since the turn of this century the University of Montana has operated the Biological Station at Yellow Bay on Flathead Lake dedicated to freshwater research.

The purpose of this program modification is to provide funds for expanding this facility's research and service operations so that it may become the finest freshwater research facility in the region. The necessary funds to accomplish this objective would in part be met by this program modification

by supplying one-third of the director's salary, a portion of an administrative assistant's salary and the addition of an accountant and secretary. Operation expenses needed for the increase in the Laboratory's work are primarily centered in supplies and communications. Three specialized instruments are also needed to bring the Laboratory to a state-of-the-art capability. It is anticipated that the combination of funds requested in this program modification will allow the Yellow Bay Biological Laboratory to enhance its capability to solve many of the chemical and biological problems that endanger our water resources.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Personal Services	\$ 81,600	\$ 81,600	\$163,200
Operations	16,000	16,000	32,000
Capital	15,000	15,000	30,000
	\$112,600	\$112,600	\$225,200

## 5. Replacement of Central Mainframe Computer

The University proposes to acquire a mainframe computer system, and some associated hardware and software, to replace its present DECsystem-20s and to provide needed additional capacity.

In May, 1983, Digital Equipment Corporation (DEC) announced the discontinuance of its DECsystem-20s for about five years from the date of their announcement. This support period is sufficient to allow an orderly transition to new equipment only if the replacement process is begun quickly. Because the campus depends heavily upon the DECsystem-20s for computing and text processing support, it is crucial that new equipment be acquired as quickly as possible.

The capacity of the present computing facility to handle new applications is severely limited. An eight-year-old DECsystem-2060 mainframe computer and two small DECsystem-2020 computers presently provide about 85 percent of campus computing capacity. Those systems cannot be expanded beyond their present limits, and they have no remaining capacity with which to address new demands, except during the period between about 1:00 a.m. and 8:00 a.m. Demand for computing resources continues to increase at a rate of about 25 percent annually, however, and use of the central computers for text processing activities has increased at an even greater rate. The recent purchase of a VAX-11/185 super-minicomputer has helped to provide additional capacity for instructional needs, but most computer activities cannot be transferred readily from the DECsystem-20s to that system. In view of DEC's discontinuance of the DECsystem-20s, no major upgrade announcements for those computers are expected, nor would a major expansion of discontinued, aging equipment be a wise decision.

Since DEC's announcement, the University has studied potential replacements. Alternatives under consideration include DEC's recently announced VAX-8600, a newly developed computer soon to be manufactured under license from Stanford University (which reportedly is totally compatible with the DECsystem-20s), and several established computers from other

manufacturers. The cost of each of these alternatives, including mainframe, ancillary hardware, and required software, is approximately equal.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Capital	\$1,000,000	-0-	\$1,000,000

## **B. Montana Forest and Conservation Experiment Station—Mission Oriented Research Program**

The Mission Oriented Research Program at the Montana Forest and Conservation Experiment Station that was initiated by the 1981 Legislature is now fully operational. A building to serve as the nerve center at Lubrecht Experimental Forest is built and is in use.

This request modifies the base program provided by the 1981 Legislature and continued by the 1983 Legislature. It has been developed based on the recommendations of the Forestry Subcommittee of the Science and Technology Council that was established in the 1983 session.

This program modification increases the scientific and technical staffing of the Station to meet in a conservative way the needs established by the Forestry Subcommittee. Specifically, 2.5 FTE scientists and 5.0 technicians are requested. The first year includes the purchase of harvesting and processing equipment. The need to transfer information is acknowledged and planned for. There are no added administrative costs.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Personal Services	\$170,635	\$189,779	\$360,414
Operations	12,348	13,848	26,196
Capital	<u>36,000</u>	<u>9,000</u>	<u>45,000</u>
	\$218,983	\$212,627	\$431,610

## **C. Montana University System Requests**

### **1. Full Formula Funding**

Since 1981, the Montana Legislature has used a complex formula based upon a series of peer institution comparisons to fund the major components of the budget for each unit of the Montana University System. Several points are to be noted about the current formula and the critical necessity for full-funding of the formula by the Legislature during this session.

The present formula is hypersensitive in that it reacts immediately to short-term fluctuations in student enrollment. Each academic program has been assigned a productivity factor at the lower division, upper division and graduate level. If student enrollments shift internally toward high productivity programs, data may show fewer fundable students even though the total student population may have increased. In a period of enrollment stability or slight decline, reduced funding of base instructional and support areas of the budget can have a deleterious effect on the continued quality of programs offered by the institution.



To complicate the issue further, the past two Legislatures have chosen not to fund the formula at 100% of the average of our peer institutions, but have reduced funding for instruction and support by 3 to 5% for each year of the biennium. This erosion of the resource base for programs of the institutions has had a serious impact on the quality and consistency of those programs.

It is crucial that the formula be funded during this session at **100% of the average of our peer institutions**. Being able to maintain a resource base at the average level of our peers will allow us to make good on our promise to produce better than average results through our ongoing efforts. The Regents have made this request their highest priority.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Full Formula Funding	\$3,146,346	\$3,154,302	\$6,300,648

## 2. **Modify Indirect Cost Formula Recovery to the Institution from 15% to 100%**

The formula budget study, **Final Report—College and University Funding Study**, which was completed in March, 1982, by the Legislative Finance Committee, contained the following recommendation regarding indirect cost reimbursements:

“A portion of indirect cost reimbursements should not be applied toward funding formula generated budgets. The Committee recommends 15 percent be disregarded until the question can be studied further and a clear rationale for disregard determined.”

The Legislature adopted the funding study and 85% of the current estimates of indirect costs are offset against general fund resources in the enrollment-driven formula budget. The remaining 15% of indirect cost resources is retained by the institution.

Support for research expenditures through indirect cost returns bears no relation to student enrollment and should not be constrained by an enrollment-driven formula. Recovery of 100% of indirect costs would bring us closer to the norm for many of our peer institutions.

In a time when Montana is critically assessing its research and development potential to become competitive economically with other states, the low level of indirect cost recovery is a distinct disability. Support for 100% indirect cost recovery by the institution would, on the other hand, provide those crucial resources which would allow research efforts to flourish within the University System.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
100% Recovery of indirect cost formula	\$1,600,000	\$1,600,000	\$3,200,000

### 3. **Writing-Across-the-Curriculum Project**

While preparing for careers, all students need to understand and practice the ways of thinking and writing that professionals use in various fields. English faculties cannot possibly master all of the styles and formats required by other specialties. It must be the responsibility of every department to make sure that its graduates know how to communicate with other professionals and with the general public.

Before the campuses of the University System can make changes in curriculum and methods of instruction for a broader emphasis on writing as a tool for thinking and communicating, the faculty members need additional training.

All six units of the system will cooperate in providing workshops and seminars to train approximately 365 faculty members from all academic disciplines to teach writing as an integral part of their course instruction.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Personal Services and Operations	\$157,398	\$158,461	\$315,859

### 4. **Hazardous Materials Program**

Each of the units of the system must deal with the maintenance and disposal of chemical and biological agents that are considered toxic substances or hazardous wastes. These materials are subject to considerable regulation under the Federal Resource Conservation and Recovery Act and state occupational health and safety laws. The system presently has a hazardous waste task force that is attempting to coordinate activities in the area of hazardous materials and to facilitate communication between the units and with other governmental agencies. The regulatory scheme imposes significant costs in order to achieve compliance.

<b>Cost Detail</b>	<b>1985-86</b>	<b>1986-87</b>	<b>Total</b>
Personal Services	\$ 77,450	\$77,450	\$154,900
Operations	28,800	21,100	49,900
Capital	95,400	-0-	95,400
	<u>\$201,650</u>	<u>\$98,550</u>	<u>\$300,200</u>

## **Section III — Long-Range Building Program Requests — 1985-87 Biennium**

### **A. University of Montana Requests**

1. Business Administration Building	\$11,960,000
2. Electrical Distribution System, Phase II	550,000
3. Health and Safety Projects	398,400
4. Major Maintenance Projects	205,000
5. Journalism Renovation	98,000
6. Planning	200,000

### **B. Montana University System Requests**

1. Asbestos Abatement	\$ 500,000
2. Handicapped Access	500,000



### III. Long-Range Building Program Requests — 1985-87 Biennium

#### A. University of Montana Requests

1. **Business Administration  
Building**

\$11,960,000

The Board of Regents' Role and Scope Statement designates the University of Montana as the institution with primary responsibility for graduate instruction in Business. It states, further, that the School of Business should offer a full undergraduate program with a range of options. If the University is to provide these programs, it must have modern facilities with adequate space for faculty, staff and students. Planning authorization for a new facility was granted by the 1983 Legislature.

Present facilities are inadequate. Ten of thirty-four faculty and six of eight teaching assistants now have offices in old former single-family housing units near the Business Administration Building. There is a need for 25% more classroom space. Finally, the space occupied by the Bureau of Business and Economic Research is also inadequate. The present Business Administration Building is solid and serviceable, but does not meet the needs of a modern School of Business. Upon construction of the new facility, the current building will be used by other programs that are presently housed in other crowded spaces on the campus.

2. **Electrical Distribution System — Phase II\***

\$550,000

Drapes Engineering of Great Falls, Montana, in a recent report on the University's 3300V Primary Electrical Distribution System, noted that part of the high voltage distribution system was 40 to 50 years old, obsolete, fragile and subject to a major failure. This could disrupt the education of more than 9,000 students.

After studying this report, the University requested that the 1983 Legislature provide funds to rebuild this system. The Legislature provided funds to begin the replacement process. This request is to provide funds to complete the replacement process.

\*(An additional \$550,000 of Campus Auxiliary money will be used to fund this project. Total project cost \$1,100,000.)

**3. Health and Safety Projects** \$398,400

The health and safety of students, faculty and staff must be protected. This project is needed to assure that people are not exposed to hazardous conditions.

This will involve providing hoods, ventilators, exhaust systems and filtration as required in the following locations:

- a) Old Fine Arts Building — provide ventilation for crafts, painting and print-making areas. \$187,000
  - b) Art Annex — filtration for ceramic glaze area, kiln room and studio area. 180,000
  - c) Science Complex — Filter hoods, exhausts, etc. 31,400
- \$398,400

**4. Major Maintenance** \$205,000

This project is needed to assure that facilities are maintained in proper working condition. It provides for roof replacement and library building system improvements.

- a) Roofs on some buildings have deteriorated to the point where they can no longer be effectively repaired. These funds would fully or partially replace the following roofs:
    - 1) Animal Laboratory \$ 78,000
    - 2) Zoology Annex — partial replacement 18,000
    - 3) Fine Arts Building — partial replacement 18,000
    - 4) Journalism Building 12,000
    - 5) New aluminum coating for all asphalt roofs 34,000

\$153,000
  - b) Library — Replace badly frayed carpet that is potentially hazardous. \$52,000
- 5. Journalism Renovation** \$98,000

The third floor of the Journalism Building is being vacated by the Radio-TV Department and by KUFM Radio. The space must be remodelled for classrooms, office and work areas if it is to be utilized efficiently.

This involves remodeling two areas:

- a) Radio-TV control room \$34,000
  - b) Television Studio 64,000
- \$98,000

## 6. **Planning**

\$200,000

Careful planning is necessary to assure that future projects are cost effective and result in an optimal use of state funds. Planning funds are requested for three current buildings — University (Main) Hall, the Mathematics Building and the Health and Physical Education Building (Old Men's Gym). In addition, funds are requested for a proposed Life Sciences Building. In the case of University Hall, special planning efforts must be undertaken to balance historical preservation concerns with future facility needs.

The funds will be used as follows:

a) University Hall	\$100,000
b) Mathematics, Health and Physical Education and Life Sciences Buildings	<u>100,000</u>
	<u>\$200,000</u>

Total Long-Range Building Request for  
the University of Montana

\$13,411,400

## **B. Montana University System Requests**

### 1. **Asbestos Abatement**

\$500,000\*

Asbestos Abatement — Phase I: This involves removing, encapsulating or enclosing asbestos on University System campus buildings. In addition, where indicated, the asbestos will be replaced with alternative insulation. This project excludes buildings operated as self-supporting facilities.

\*The University of Montana portion of these funds will be determined by the Board of Regents.

### 2. **Handicapped Access**

\$500,000\*

The Federal Government requires that handicapped persons have access to all programs on campus, and that the campus be able to be easily traversed by handicapped persons. At the present time three buildings are not accessible to the handicapped: McGill Hall, the Business Administration Building and the Forestry Building. In addition, many of the campus sidewalks are cracked and uneven to the extent that it is difficult for a handicapped person to move about campus.

This project will help to provide handicapped persons with educational opportunities by assuring access to University facilities.

\*The University of Montana portion of these funds will be determined by the Board of Regents.

