

TO: Board of Regents

FROM: Richard A. Crofts
Commissioner

SUBJECT: Budget Priorities for 2003 Biennium

DATE: May 1, 2000

We have updated the list of the Montana University System's budget priorities for the next biennium. The MUS submitted EPP (Executive Planning Process) items in accordance with the EPP directions and deadlines. The following represents this submission in detail.

New Proposals	FY 2002	FY 2003	TOTAL
\$500 Resident Student Increase	12,290,061	24,928,724	37,218,785
State Supported Financial Aid	2,097,900	3,047,400	5,145,300
Information Technology	3,975,000	2,475,000	6,450,000
Supplement Pay plan	3,750,000	7,550,000	11,300,000
COT Technical Programs	800,000		800,000
Differential Tuition	333,000	667,000	1,000,000
Agency Budget Initiatives	1,273,709	1,273,709	2,547,419
Course Fee Replacement	1,000,000	1,000,000	2,000,000
Total New Proposals	\$ 25,519,670	\$ 40,941,833	\$ 66,461,504
Significant Present Law Base	FY 2002	FY 2003	TOTAL
Resident Enrollment Growth	1,799,850	2,560,350	4,360,200
Support Costs Inc/WICHE/WWAMI/MN	307,279	465,939	773,218
Total Present Law Base	\$ 2,107,129	\$ 3,026,289	\$ 5,133,418

Budget Priorities and Significant Present Law Base Adjustments

Increase the state support per resident student by a system-wide average of \$500 each year of the biennium

State support and total current unrestricted support per student in Montana lags far behind other states. In a recent report released by the Legislative Fiscal Division, Montana's funding per student was compared to system funding per student in the seven peer states established by the 1989 Legislative Interim Committee on university funding. The report indicates that state support per student along with total current unrestricted support per student in Montana are lower than the support levels in all seven peer states. On the average, state support per student in Montana is \$2,639 less than in the peer states and total current unrestricted support per student (state support plus tuition) in Montana is \$2,006 less than in the peer states.

MONTANA UNIVERSITY SYSTEM STATE SUPPORT INCREASE PER RESIDENT FTE (\$500 AVG)

	Projected FY 2002	Per FTE	Total FY 2002	Projected FY 2003	Per FTE	Total FY 2003	Biennium Total
MSU							
Bozeman	7,961	509	4,052,149	8,000	1,018	8,144,000	12,196,149
Billings	3,923	423	1,659,429	4,093	846	3,462,678	5,122,107
Northern	1,340	527	706,180	1,343	1,054	1,415,522	2,121,702
Great Falls COT	809	435	351,915	833	870	724,710	1,076,625
Total MSU	14,033		6,769,673	14,269		13,746,910	20,516,583

UM							
Missoula	8,109	463	3,754,467	8,190	926	7,583,940	11,338,407
Tech	1,748	591	1,033,068	1,766	1,182	2,087,412	3,120,480
Western	884	488	431,392	893	976	871,568	1,302,960
Helena COT	771	391	301,461	817	782	638,894	940,355
Total UM	11,512		5,520,388	11,666		11,181,814	16,702,202

Total MUS 25,545 \$ 12,290,061 25,935 \$ 24,928,724 \$ 37,218,785

See Appendix A for specific campus initiatives

Increase state supported student financial aid/student assistance

- Increase Baker Scholarships- \$2.0 million
- Increase work study funds by 10%
- Increase SEOG funds by 15%
- State funding for the second, third, and fourth years of the high school honor scholarship program - \$2.7 million
- Continued support (with increased support costs) of WICHE/WWAMI/MN Dental
- Increased access to WICHE/Minnesota Dentistry by 3 slots each year
- Although funding levels have not been identified at this time, discussions are continuing regarding the state’s needs in speech pathology and dental hygiene

INCREASE STATE SUPPORTED FINANCIAL AID

	FY 2002	FY2003	TOTAL
Baker Scholarship	1,000,000	1,000,000	2,000,000
Work Study	84,000	84,000	168,000
SEOG Grants	68,000	68,000	136,000
High School Honor 2nd - 4th years	900,000	1,800,000	2,700,000
Increase Dental Slots-WICHE/MN	45,900	95,400	141,300
Total New Proposals	2,097,900	3,047,400	5,145,300
Present Law Base			
Increase Rates WICHE/WWAMI/MN	307,279	465,939	773,218
Total State Supported Financial Aid	\$ 2,405,179	\$ 3,513,339	\$ 5,918,518

Provide funding for information technology on all campuses

- Funding for technology infrastructure - \$4.95 million
 - Funding for data warehouse - \$1.5 million
- General Fund - \$6.45 Million

See Appendix C for specific initiatives

Supplement to the statewide pay plan

The MUS faces a number of salary issues that cannot be addressed through the statewide pay plan. Examples include market disparities within a class of employees (faculty at some units, information technology positions, and some administrative positions), merit/competency pay, faculty promotions and inversion, and market adjustments. Additional funding in the pay plan bill would be requested as supplemental funding to begin to address these issues.
General Fund - \$11.3 Million

Academic program development funding for technical programs at the colleges of technology

The colleges of technology do not have existing funds within their budgets for academic program development. Developing new programs and updating existing programs to meet workforce needs is critical to their mission. The development of new programs at the colleges of technology generally requires significant investment in equipment and technology. This

funding would allow them to develop new programs in response to the needs in their communities.

General Fund - \$.8 Million

Resident Enrollment Growth

Current budget practice includes funding for resident enrollment growth as a present law adjustment. Projections for FY02 and FY03 have been developed.

	FTE	Increase %	Increase # Over Base	Increase \$
Base Year (FY00) Resident Enrollment	24,622			
Estimated FY01 Resident Enrollment	24,873	1.0%		
Estimated FY02 Resident Enrollment	25,545	2.7%	923	1,799,850
Estimated FY03 Resident Enrollment	25,935	1.5%	1,313	2,560,350
				\$ 4,360,200

Differential Tuition

During FY00 and FY01, tuition differential at the colleges of technology was implemented by freezing tuition at the colleges of technology and making tuition adjustments at the four-year units to keep total current unrestricted revenue neutral at all units. Continuing the implementation of tuition differential at the colleges of technology will require state funding or additional tuition adjustments at the four-year units.

General Fund required to continue the policy through FY02 and FY03 is \$1.0 million.

Agency Budget Initiatives

The attached agencies (AES, CES, FSTS, FCES, and BoM) are outside of the lump sum appropriation. They were instructed to provide requests approximating a 5% increase in their general fund.

See Appendix B for agency initiatives

Course Fee Replacement

The task force on fees has recommended that many course fees be eliminated and the lost revenue backfilled with current unrestricted funds. These costs are legitimate instructional expenditures and should be funded through a combination of general fund and tuition. Currently course fees are accounted for in the designated fund and a budget request is required because of the change in funding source to current unrestricted.

General Fund required to replace the lost revenue would be \$1.5-\$2.0 million.

Commissioner of Higher Education Federal Fund Initiatives

	FY 2002	FY2003	TOTAL
Gear Up	2,494,168	2,553,538	5,047,706
GSL:			-
Accounting Change	12,171,259	13,113,409	25,284,668
Increased Operating	489,016	490,369	979,385
Total CHE	15,154,443	16,157,316	31,311,759

APPENDIX A

Montana State University - Bozeman

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Library Services

For the past fifteen years, the MSU Library has struggled in the face of escalating prices for essential journals and a relatively static budget. This has resulted in a methodically relentless paring of titles from the Library's subscription list. Since 1985 more than 1,200 titles have been

cancelled, including ninety-seven titles for the 1999 subscription year. The level of funding for our Library is consistently cited as a source of concern in accreditation reviews. In accordance with the American Library Association standard, the Board of Regents has set a minimum goal of library funding at 6 percent of the total annual operating budget. For the past ten years, the average annual rate of inflation on the cost of library acquisitions has been 8.4 percent. This requested level of funding merely represents an inflation-based adjustment for the past two years, and the coming biennium.

Undergraduate Research Program

In 1995 the University made a long-term commitment to expand the opportunities for undergraduates to become involved with research and other creative endeavors. There is no doubt whatsoever that participating in research or another creative activity is one of the most valuable educational experiences for undergraduates. Since that time, the University has created several new opportunities for undergraduate students to collaborate with faculty, to integrate concepts and ideas from across different fields of study, and to engage in “capstone” educational experiences such as senior theses or projects. Such experiences add substantial value to the students’ education and the preparation for their chosen careers. This proposed program would provide the funding for undergraduate student research stipends. For those upper-division undergraduate students who have shown great promise in their chosen field of scholarly pursuit, this would offer them the exciting opportunity to be recognized as a paid participant in a long term research program, that would be designed in collaboration with a member of the faculty, who would serve as the principle investigator.

Information Technology Services

In this “age of information” the mastery of computer technology is an essential element in the foundation for individual intellectual growth, the activities of daily life, the conduct of regional and international commerce, the educational success of every student in the University, and the professional success of every graduate. The University has an obligation to maintain a sophisticated administrative information system in order to fully serve its students, support its faculty and staff, and provide the level of accountability expected by citizens and legislators. More importantly though, it is imperative for the University to provide all of its students with access to, and training with, the advanced technologies and equipment that are relied upon in their chosen field of endeavor. The “computer room” of ten years ago, which was there for the most technically-inclined few, has become an integral part of the University’s daily instructional and business activities.

During the past ten years the University has created dozens of student laboratories with hundreds of computer workstations, has implemented a fully electronic library cataloging system, has connected each student to the Internet’s world of information, and has done all that it can to enliven each student’s field of study with the excitement and power of advanced information technologies and equipment. To support this, the University has had to add highly trained specialists to its staff – in fields such as network traffic management and systems security.

When adjusted for inflation, the level of funding for computing services has declined by over 15 percent during the past decade. In order for the University to properly prepare its students for the world in which they will live and work, the State must increase its level of funding for computing technologies at the University.

Departmental Operations

In order to maintain a balanced budget throughout the past decade the University has not given departments any real inflationary increase in their operations budgets for several years. This is despite the fact that real costs for supplies (especially acute for laboratory and studio-based instruction), services, and training have steadily increased each year. The withering effects of this inflation are felt throughout the campus - in instruction, support, and student service

departments. The simple lack of a basic level of operational funding will sometimes makes it nearly impossible for a professor to find an operable overhead projector, or prevents an instructor from making each student a copy of a special reading assignment, or makes it impossible for a supervisor to provide employee(s) with an essential level of continuing professional development. Challenges like these hamper our efforts to improve undergraduate education, create unnecessary frustrations, and make it even more difficult to attract and retain quality personnel. This requested level of funding would essentially restore the level of “purchasing power” that departmental budgets have lost to the decay of inflation over the past decade.

Departmental Capital

This is another category of departmental budgets that has suffered from the decay of inflation. For many years now, faculty and staff have made up for the lack of resources with increased energy and ingenuity – and that has sustained our level of high quality instruction and service for some time. But, there is only so much one can do without access to state-of-the-art equipment. This is especially true in the classroom and laboratory, where the University must be able to prepare its students to master the latest technology, and meet the expectations of future employers.

Physical Plant Custodial

Both the 1999 Legislature and the Board of Regents have expressed concern that the level of funding in the Physical Plant Program is less than what they believe it should be. One independent confirmation of this is provided by data from the NACUBO Benchmarking Program, a nationwide statistical comparison of funding and staffing levels at comparable institutions of higher education. For 1996, the latest year in which MSU participated in this national survey, the average amount of space assigned to each campus custodian at comparable universities was 27,130 square feet. But for MSU, the assignment was 33,110 square feet (which has increased since then). This difference in the MSU assignment, which is nearly 25 percent greater, results in less frequent cleanings, greater deterioration of surfaces, and a general decline in customer (faculty and student) satisfaction and morale. This request merely provides the funding necessary to achieve the national average of custodial care.

Physical Plant Building Maintenance

In a recent study, the Legislative Fiscal Division’s Higher Education Analyst reported that the average level of funding, per student FTE, for regional peer institutions is nearly 25 percent greater than for MSU. In real dollars, that is nearly \$1,700 per student FTE. One area of the University’s finances which reflects this severe funding deficit is the building maintenance budget. The results of the NACUBO Benchmarking Program revealed that the average level of building maintenance funding for peer institutions was \$1.04 per square foot of academic space in 1996. For MSU, it was \$0.62 per square foot. The difference is an incredible 68 percent. This request merely provides the funding necessary to approximate the national average for building maintenance funding.

Physical Plant Capital

The University is as large as a medium-sized Montana community, and much of its academic space is as sophisticated as that in a medical complex. The Physical Plant Department must maintain all of the complex underground infrastructure, sustain the operation of sophisticated HVAC systems in hundreds of specialized classrooms and laboratories, remove heavy snows from streets and sidewalks, care for hundreds of acres of landscaping, and remove the trash accumulated in thousands of rooms each day. To do so effectively requires a significant investment in specialized equipment; and, the current level of funding for this purpose is woefully inadequate.

APPENDIX A

Montana State University - Billings

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Library

In accordance with the American Library Association standard, the Board of Regents has set a minimum goal for library funding as 6% of the total annual operating budget. The FY2001 planned expenditures are significantly less than that goal. Accreditation bodies consistently cite the University for insufficient funding of the library. The increased funding allocated to the library would be used to correct the shortfall of library materials due to historical underfunding and to extend hours of operation to provide appropriate student access.

IT Support and Infrastructure

Information technology infrastructure and support have become critical to almost all campus operations. Shortfalls exist in equipment and technical support. Additional funding would be used to increase spending for equipment, networking and technical support to provide efficiencies and access to information. Also appropriate personnel would be hired to assist with technology needs in the classroom.

Academic Support Operating Budgets

In order to balance the budget, academic department operating budgets have been reduced to a level that is inadequate to support operational needs. Allocation of funds in this area would be used to provide instructional supplies and materials and to provide much needed support for growth in graduate programs.

Operation and Maintenance of Plant

The 1999 Legislature strongly recommended each campus spend 13% of its total operating budget on the operation and maintenance of plant. In the FY2001 budget, MSU-Billings plans to spend 11.72% of its budget in this area. Increased funding would be used to provide a more adequate level of building maintenance and begin to address deferred maintenance issues.

Professional Development

In the current budget very little is allocated to employee development. An investment in this area is needed in order to retain and develop excellent faculty and staff.

Research

Faculty are required to contribute to the University in three areas; instruction, service and research. Campus support for research and scholarship activities is inadequate for university level faculty. Funding in this area would be used to provide opportunities for faculty research and provide matching funds for research grants.

Reinstatement of Faculty Lines

Since FY 1997, 16 faculty lines have been left vacant in order to balance the budget. The result has been an increase in class size, restricted student access to some courses due to fewer section offerings and an increase in use of part-time instructors. Additional funding would be used to reinstate faculty lines in high demand areas to improve access and the quality of instruction.

APPENDIX A

Montana State University - Northern

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Physical Plant Operations & Maintenance

The large size and aging facilities at MSUN have made it difficult to properly maintain the campus and maintain instructional quality with the existing budget. Additional funding from the Legislature would allow us to implement a maintenance program that could begin to address the deferred maintenance focusing on health and safety issues. The funding would also be used to reinstate the facilities Director position that was eliminated during budget reductions in fiscal year 1999. In addition, the funding would be used for one additional custodial position. Custodial personnel are currently responsible for more than double the square footage when compared to industry standards.

Departmental Operating Budgets

In fiscal year 2000 we received over \$400,000 in requests from faculty for equipment and other operational needs for the classroom. MSUN was only able to fund \$71,000 for equipment needs and was unable to fund the operating requests because of our budget constraints. Additional funding would improve the quality of instructional equipment, supplies and materials.

Professional Development

In order to balance budgets in recent years professional development dollars have virtually been eliminated from operating budgets. Funding professional development will provide resources necessary for faculty and staff to remain current in their chosen fields. It also helps the university attract and retain quality personnel.

IT Support and Infrastructure

Our current communication (voice and data) system is in a state of functional disarray. Many of the components of the system are over ten years old and at the end of their life cycle. Funding would be allocated to pull redundant fiber loops, rewire the infrastructure so that it meets current electric and communication standards, and implement redundancy for external connections. Once critical infrastructure needs are addressed dollars would be directed to a desktop replacement program. The existing IT department is understaffed and unable to address user needs. Two positions would be funded with these additional dollars. This would allow the IT department to provide desktop support and training to all campus employees.

Libraries

Accreditation bodies consistently criticize our current level of library funding. We are also looking to expand the level of library services for our Great Falls campus but do not have the resources for such services. Additional funding would allow us to increase the amount of print periodicals, provide us with the ability to improve services in Great Falls and allow us to establish an electronic classroom for instruction in library use.

Student Services

Recent budget cuts have reduced the number of services we are able to provide students that ensure a successful university experience. Additional funding would allow us to restore a counseling position, restore the disability coordinator position, expand advising services, and improve services for our growing number of off-campus students.

Research

Many grant opportunities are not available to the university as we are unable to provide matching dollars. Lack of research dollars also makes it difficult for the University to serve its region. Funding in this area will also help recruit quality faculty which improves the education experience for students.

APPENDIX A

Montana State University – Great Falls

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Library

With the addition of Associate of Science degree, the College needs to improve its reference and collections. A larger collection first and foremost; this would involve backfilling in some areas, buying more materials, and because of the implications of the Higher Ed Center and courses being taught at MSU-GF that fall outside the COT's traditional scope, we shall need to build collections to support those areas. Somewhere along the line the facility needs to be enlarged to provide space for a growing collection, a variety of user spaces, and options for technology configurations.

IT Support and Infrastructure

There is an increase population of students, faculty, and staff being served by our IT department. The IT department covers the functions of: routine maintenance, installation of software, support student, faculty and staff, network services, as well as building, configuring, and repairing computer workstations. The need is great for an additional staff to increase the hours of the help desk, to provide email service to our students, add a CD tower, add another server, to increase WAN bandwidth to better serve our students.

Academic Support Budgets

Because of the need to serve the diverse students from the three units, the library needs to expand its hours. Additional maintenance personnel and library staff are required for additional service to students. The purchase of state-of-the-art equipment to provide our students the education, they deserve, using the equipment currently used in the workplace. Additional faculty will be needed to meet the demand of these courses.

New Program Development

The need is great for the Montana citizen to be trained for the high tech fields the Governor and Legislature want to attract to Montana. This will require development and start-up costs which this request can only hardly begin to address.

Operations and Maintenance

With the strong recommendation of the Legislature to bring our O&M budgets to thirteen (13) percent of our total budgets this request will begin that process to be accomplished over a five-year period of time. This increase would help address the deferred maintenance issues and to continue the high level of maintenance for this facility.

Professional Development

Professional development has been limited, with this increased funding the College could send faculty to more conferences important to the accreditation of their programs. In addition, faculty and staff could be trained on the latest technology and computer programs required in their fields.

Improve Faculty Student Ratio

MSU-GF would like to improve the faculty/student ratio to continue to provide advanced technical courses both on campus and offer additional distance learning classes.

APPENDIX A

The University of Montana - Missoula

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Academic Program Enhancement

The academic programs of the University have several critical needs which must be addressed in the coming biennium. One of the most critical is a reduction in the student-faculty ratio which will enhance the academic experiences of students at the University. The University historically had a 17:1 student-faculty ratio. In recent years the ratio has been as high as 23:1, and is currently 20.2:1. A high ratio represents an increase in class size which limits the amount of attention that faculty are able to give individual students. This situation will undermine the quality of instruction at the University. The University seeks to reduce this student-faculty ratio to historic levels. The first goal is to reduce it to 18.5:1 within the biennium. This will require the hiring of additional faculty to service the current student enrollments. An additional concern is the number of part-time or temporary faculty currently being employed by the University. Replacing these faculty with more experienced full-time permanent faculty will also enhance student learning at the University.

Enhance Graduate & Undergraduate Support

In order to maintain the overall health of the institution, the University must continue to aggressively recruit and retain quality students. In particular, academically successful students in today's market are in a position to demand scholarship offers. An example of this, at the graduate level is the direct link between the quality of graduate degree programs and their ability to recruit and sustain high quality graduate students. In comparison with undergraduates, graduate students rarely have financial support from parents and family and rely heavily on loans, institutional financial aid, and part-time job employment for assistance. Monetary indebtedness for graduate students is rising at an alarming rate and may be partially responsible for the national decline in graduate student applications and graduation rates. Financial burdens are a particular hardship for underrepresented minorities, who otherwise might be successful graduates. Thus, to participate in the competitive pool for graduate student recruits, it is necessary to provide graduate assistantships of sufficient market value.

Preservation of Physical Assets

The University will establish a deferred maintenance program for the preservation of the State's investment in physical assets. Inadequate state support in the recent past has greatly impacted the operational budget. The percentage of support devoted to Operation & Maintenance has steadily decreased to a current level of 9.67% of total expenditures. The increase in support per student will allow the University to make incremental improvements to the deferred maintenance and operational support areas. Commitments to Operation and Maintenance will move the expenditures in the program to an average of 10.12% over the biennium and closer to the legislative goal of 13%.

Technology Investment

The University must make significant investments of several types in order to maintain and enhance the ability of students, faculty, and staff to access critical information resources. Significant investment is required to maintain the University's connection to very high speed external academic networks (e.g., Internet-2), based on cost increases for the network itself and the personnel required to maintain the network; meet licensing and development costs associated with maintaining and enhancing the University's core enterprise information systems, such as the Oracle database and Banner software suite; and invest in a systematic equipment rollover plan for administrative and clerical staff which will provide and replace desktop computers on a regular basis.

Enhance Library Services

While the University has not yet received the formal recommendations of the Northwest Association of Schools and Colleges accreditation visit, informal communication indicates the University needs to address critical issues in the Mansfield Library and the Instructional Media Services. Increased funding for the Library's operations is needed to underwrite increasing costs associated with rising demand by users for services associated with Circulation, Interlibrary Loans, Document Delivery, and Collections management. Additional operational funds are required to support replacement and maintenance of heavily used equipment that enables the multi-campus and statewide users to access media, microforms, and maps, as well as increasing research materials, publications, and special collections. To underscore the rising demand for services, the Library is open seven days per week and maintains online statewide access to collections on a twenty-four hour basis. Library records indicate more than 245,909 items were circulated in 1999, as compared to 142,686 items in 1995. This is a 72% service demand increase over this 5-year period. During 1999 more than 530,000 people were recorded passing through Library turnstiles, as compared to 486,840 people in 1995. This is an 8.8% service demand increase in customers served on site over this 5-year period.

Enhance Operations Budgets

The operating budgets of all programs have experienced significant pressure over the past two biennia. This is due to increases in enrollment, new Federal mandates, increased attention to student assessment, and technology. Increases in enrollment and Federal mandates have significantly increased processing and material costs. Advancements in technology have allowed the University to provide students and other constituents with easy access to information. However, costs related to technology and system enhancements have outpaced the level of support available. A portion of the requested support would be allocated to departments to assist them in addressing these increased costs.

APPENDIX A

Montana Tech of The University of Montana

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Restore and enhance departmental operating budgets to make them greater than the 1998 level

In 1998, due to a shortfall in the budget, we cut departmental operating budgets by approximately \$250,000. This has had a substantial impact on the ability of the departments to operate at an adequate level. For example, we have not been able to replace outdated equipment.

Faculty and Staff Development

In the information age, faculty and staff development is absolutely crucial. We have critical needs for faculty development in the areas of the proper use of multi-media in the classroom, development of distributive learning courses, management skills as department heads, and techniques for incorporating investigative learning into undergraduate education in math, science and engineering. Staff can only get the maximum from new information technologies when they have been properly instructed in their use. An example of this is Banner training that will continue for as long as we use the software.

Salary Equity for Faculty and Staff

Based on data from OCHE, Montana Tech faculty salaries are about 13% behind our peer comparison group. This exaggerates the compression that has occurred as new faculty have been hired. Data from CUPA indicates that staff salaries and compression are similar to those

for faculty. Based on salary models, some of the increase will be used to achieve better equity among faculty and staff salaries.

Continue to develop the technologies that are predicted to be the technologies of the twenty-first century

We have started development of a Software Engineering Program and a CISCO Networking Academy. Both these programs need additional resources to reach their potential as major influences in economic development in Montana.

Library and Electronic Media

Although Montana Tech currently spends about the same percentage of our budget on library resources as our peer institutions, we need additional printed materials and databases. Library resources must include electronic media not supported by student fees and other sources.

Restore the Student/Faculty Ratio

In the past three years faculty vacancies have not been filled except to meet specific accreditation requirements. Critical positions in programs such as Nursing, Biology and Professional and Technical Communications must be filled in order to achieve an acceptable student/faculty ratio.

Restore Critical Staff Positions

Over the past few years, a large number of staff positions have been cut or held vacant in order to balance the budget. Many of these are critical to furnishing student services and faculty support and must be filled.

Termination Pay and Recruitment

We are experiencing a substantial number of retirements of faculty that have served the system for many years. These will increase over the 2002-2003 budget periods. Each faculty retirement costs about \$40,000. The cost of recruiting a new faculty member is between \$5,000 - \$10,000 and the market-driven starting salaries of new faculty are close to those of current faculty.

Retention of Students

Retention through completion of either a two-year or a four-year degree is paramount for our students. While it is true that what one learns is most important, completion of a degree greatly enhances one's opportunities in a career. "Robbing Peter to Pay Paul" has pieced our retention program together. Since we can no longer rob Peter, this program must have additional new funding. Our retention program will continue to be a synergistic Academic/Student Life partnership.

Maintenance and Small Renovations

For many years we had a fund that was designated for maintenance and small renovations in departmental offices and laboratories. These funds have not been available in the last several years and this is to the detriment of the institution. The fund will be reestablished and co-managed with a faculty/staff committee to help improve facilities and employee moral.

Learning and Teaching Enhancement

Most of the items listed above deal with learning and teaching enhancement; however, specific funds will be designated for improvement in the methods used to facilitate learning both at the undergraduate and graduate levels.

Energy Costs

We anticipate substantial increases in energy cost over the 2002-2003 budget periods. We believe the cost of all utilities will exceed the amounts currently provided in the Executive Budget including any present law base adjustments.

Enhance Research Funding

Over the past 11 years, Montana Tech has increased research expenditures by 500%. Much of this has come from grants and contracts and we need to increase support for graduate student research and graduate student stipends. Indeed, much of the cost of operating the Graduate School has come from Indirect Costs on grants and contracts.

Scholarships and Fellowships

Modest increases in resident scholarships and fellowships for undergraduate students are desirable.

APPENDIX A

Western Montana College of The University of Montana

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Enhancing Libraries

As recommended by the Association of College and Research Libraries (ACRL), the MUS system has established a goal to fund libraries at 6% of each campus's total annual current operating budget. Additionally, the increasing costs for information resources in libraries has far outstripped funding, requiring the deletion of many periodicals annually to stay within the campus budget. Western Montana College of The University of Montana is also below the recommended staff requirement using both the number of staff/FTE benchmark and the number of staff/volume benchmark established by the ACRL. The recent Northwest Accreditation visit recommended Western "ensure availability of core collections for each instructional program . . . and provide for onsite research assistance by credentialed (MLS) librarians". The infusion of funds provided by bringing Montana closer to peers in state support for higher education would address libraries and make these critical benchmarks achievable goals. At Western, funds would be used to enhance the acquisitions budget, replace important deleted serials, and increase staff support in the library.

Enhancing Academic Programs

A top priority for Western is attracting, developing and retaining quality faculty and providing sufficient operating and development funds for academic programs. This budget initiative addresses the following three goals for Western. Some of the College's programs have become too dependent on adjunct/temporary faculty. While the majority of courses in most programs are taught primarily by regular, tenure-track faculty, one goal is to at least meet the 70% Carnegie benchmark in all of Western's programs for course instruction by such core faculty. Current faculty development funds are inadequate to meet the needs of our faculty to continue their scholarship and other forms of professional development. This was noted in our recent accreditation visit. A second goal would be to increase the amount of funds allocated to faculty development. Current operating funds for academic programs are insufficient to supply basic materials and supplies. A third goal would be to increase spending in that area.

Enhancing Undergraduate Support

Improving the quality of undergraduate education is Western's primary focus for the next biennium. The Chancellor has identified increasing access to classes; improvements in advising; improvements in retention, graduation, and placement rates; recruiting; access to technology; access to independent undergraduate research; better communication between students and staff; and workload issues as the key elements of this goal. This goal includes improving Western's retention rate 10% over the biennium. Increasing state support per FTE would allow Western to work toward these goals by: development of an improved Student Support Center, which could include advising, counseling, placement, and research/internship opportunities; continued development of the REACH program, which identifies students in need of assistance, and the Learning Center; development of a "one-stop" student center including Admissions, Registrar's Office, Financial Aid and the Business Office; development and implementation of a professional marketing plan; implementation of WEB technologies for student access and success; and the addressing of workload problems, particularly in offices with direct student involvement.

Enhancing Facilities

The Montana State Legislature established a benchmark to spend 13% of the annual operating budget of each campus on operations and maintenance of the physical plant. Due to lack of funding for higher education, Western Montana College of The University of Montana has been required to support instructional and student service budgets first. Consequently, the budget for the plant has remained approximately flat at \$750,000 for the last ten years. With ten years of salary increases and utility inflation, the operation and maintenance budget is now severely eroded. In addition the plant is understaffed relying on student workers for custodial and grounds activity. There are no funds for deferred maintenance. In fiscal year 1999 Western achieved the 13% benchmark due to additional millage funds allocated by the Office of the Commissioner of Higher Education. Under current circumstances there is little Western can do to sustain the 13% benchmark or to meet the expected utility inflation without impacting academic programs. This initiative would provide significant support to Western's facilities to meet the benchmark and to address staffing, operations, and, especially, deferred maintenance issues.

APPENDIX A Helena College of Technology

FY02/03 Biennium Request for \$500/FTE Funding Enhancement

Expanding Academic Programs

The primary use of additional state support would be to increase academic department operational budgets with an emphasis on academic equipment purchases. By committing additional resources for the procurement of academic equipment, the college would continue to ensure students have access to current technology.

The hiring of an additional faculty member in the college's general education department is also a high priority. This would allow the college to continue to expand general education offerings, an area of great growth potential.

Improving Academic Support

Faculty is in need of up to two positions to provide technical and administrative assistance. This support will be utilized by the faculty for the development of web-based courses.

Enhancing Libraries

Another high priority would be to increase staffing and acquisitions expenditures for library services. These increases would allow additional hours of operation, enhance the resources available for student use, and continue the college's commitment to attaining the recommended 6% general fund expenditure level.

Maintaining Facilities

Additional state support would provide critically needed increases in operational budgets for operation and maintenance of the physical plant. Currently the college is allocating 12.17% of its general fund budget for the operation and maintenance of the physical plant, a level considered substandard by the last Legislature. Allocating additional resources would allow the college to continue providing the resources required to adequately maintain the facilities.

APPENDIX B

Agency Budget Requests FY02/03 – Montana University System

MONTANA FOREST AND CONSERVATION EXPERIMENT STATION (MFCES)

The Commissioner of Higher Education directed the MUS Agencies to limit their requests to a 5% increase over their FY2001 general fund base. Because MFCES is requesting initiatives that total over 22%, they will be required to prioritize and trim their requests.

Management of Forest Stands in a Landscape Management Context

(1 Scientist FTE, .5 Graduate Research Assistant FTE; total \$110,000 per year, including salary, benefits, and operations)

Research within the MFCES has been instrumental in developing management techniques to restore Ponderosa pine and Western larch forests at lower elevations. These and other forests were severely high-graded during the early decades of the 20th Century and the result was replacement by multi-storied shade tolerant species. The result of this work has been to begin the reestablishment of multi-aged forests that are more productive and of higher value for wood, wildlife and aesthetics. Forests are now being managed where prior management practices generated considerable controversy.

The proposal is to accelerate this work on uneven-aged management, to extend it to other species and other elevations, and to bring its results to private landowners in Montana. Such an expansion will mean that we can bring more acres of forest under management that is acceptable socially and that will produce greater financial and biodiversity returns over the long run. Doing specific research on the needs of private landowners is particularly important since their lands have become a major focus for timber supply, wildlife habitat and aesthetic opportunity.

Extending these research and outreach activities to private lands in Montana recognizes the increasing importance of private forests. This has been recognized nationally with the Non-Federal Forest Summit held in 1999 and the development of the Coalition for Sustaining America's Non-Federal Forests, a group that is formulating a national agenda for research, education and outreach. With an accelerated research and outreach program in Montana the MFCES would be in a position to capitalize on the work of the Coalition, both regarding additional funding and building a science base for new management knowledge and techniques.

The overall goal of this initiative is to bring more forest stands under management and into production for the variety of goods and services demanded by the people of Montana.

Development of a Forest Land Operations Cooperative

(1 Scientist FTE; .5 Graduate Assistant FTE; total \$110,000 per year for salary, benefits, and operations)

Forest land operations have been severely challenged in the past several years due to increasing complexities of management and to environmental degradation attributed to operational practices. As older forests have been converted to younger and smaller diameter trees, as disturbances have exposed new forest management challenges, and as urbanization has extended into forests, management operations have become more difficult and complex.

To deal with the challenges of managing vastly different forests than we have had for the past century and to deal with the myriad of urban and environmental forestry issues, the formation of a Forest Land Operations Cooperative hosted and led by the MFCES is envisioned. This cooperative would draw its members from forest industry, landowner organizations, and state agencies engaged in forest land management. Its work would involve operational aspects of planning and managing forest lands for wood, wildlife, and service outputs such as water and recreation.

Establishment of such a cooperative would stimulate the interchange of operational management ideas among the cooperative's partners, provide a clear avenue for landowners and managers to specify the needed elements of research and outreach activities, and leverage state and private resources (both land and financial) in dealing with major forest land management issues. The overall outcome would be development of a research program specifically focused on operational activities in forest management resulting in enhanced land stewardship across the multiple ownership of Montana's forests.

APPENDIX B

MONTANA BUREAU OF MINES AND GEOLOGY (MBMG)

The Commissioner of Higher Education directed the MUS Agencies to limit their requests to a 5% increase over their FY2001 general fund base. Because MBMG is requesting initiatives that total over 15%, they will be required to prioritize their requests.

Coal and coal-bed methane, responsible development.

(1 FTE; total \$73,000 per year, including salary, benefits, and operations).

Although ranked only 6th among the states in coal production (1998 data), Montana ranks first in coal resources and reserves. During the 1997-98 fiscal year, Montana collected approximately \$50 million in coal severance taxes, net and gross proceeds taxes, and RIT taxes.

Coal-bed methane is a relatively new element in the energy picture, but when added into U.S. natural gas reserves, increase that figure by about 25%. Recovery of methane from coal began in the 1980's in Alabama as a safety measure to de-gas underground mines, but operators quickly found large profits and federal tax incentives for producing the methane. Thus far, among the western states, production is established and expanding in New Mexico, Colorado, Utah, Wyoming, and Montana, but production in Montana lags behind the others. Projecting data for Wyoming coal-bed methane wells and using a figure of 5000 producing wells in Montana (a conservative figure according to many), royalty and severance revenues to the State could be in the range of \$40 million per year or more.

Many aspects of coal-bed methane occurrence and production are poorly understood, including the mode of occurrence of the gas in coal. Production is accomplished by pumping ground water from the coal beds to decrease the hydrostatic pressure. With sufficiently decreased pressures, methane desorbs from the coal and is discharged through the well. The technology has evolved through trial-and-error applications of mining, hydrogeology, and petroleum engineering developed for local conditions, but in many cases these have poor application to other areas. Because of dewatering around coal mines, coal-bed methane operators have established initial production around the mines. This may create problems to be resolved regarding recovery of the water table when mining ceases and release of mine reclamation bonds.

Water co-production with the methane usually exceeds tens of thousands of gallons per day from each well, and multiplied by the thousands of wells in each “play” translates to millions of gallons of water each day. Most of the coal beds in Montana are regional aquifers and are the only sources of fresh water to the agricultural community. The impacts of water discharge on potable ground water and surface streams to which it will be discharged are still being evaluated.

The diverse issues revolving around coal resources and coal-bed methane production require a broad range of scientific and engineering data in order to determine how to attain the most efficient extraction of the total energy resources available in coal beds, without damaging the water resources that are critical to the region. MBMG has built and maintains databases pertaining to coal and associated gas and water, and has actively assisted agencies and companies in the course of responsible development. To deal with the anticipated rapid expansion of the coal-bed methane developments however, the MBMG is seriously understaffed and under-equipped.

Modern earthquake detection and response

(1 FTE; total \$65,000/year, including salary, benefits, operations).

Montana is ranked as the third or fourth most seismically active state, and until the 1959 Hebgen Lake earthquake, a large damaging earthquake occurred about every 10 years. The Hebgen Lake quake is the largest ever recorded in the northern Rocky Mountains. Over the past 20 years, using an extremely modest budget and minimal federal support, the MBMG’s lone seismic expert has established a 32-station seismograph network that is used to catalog and report Montana seismicity. All but one station utilizes analog instrumentation based on technology that was developed 40 years ago. Some of the field equipment at Montana seismograph stations is more than 25 years old. We desperately need to upgrade these antiquated analog sensors and their telemetry links with digital technology. Without digital seismic data, we cannot take advantage of modern data analysis techniques that are crucial to seismic hazard research and emergency response agencies.

A moderate earthquake on August 20, 1999 dramatically highlighted the inadequacies of the Montana seismograph network. Although it caused minimal damage, this magnitude 5.3 earthquake was felt throughout western Montana and adjacent parts of Idaho and Wyoming and generated hundreds of calls to the Bureau's Earthquake Studies Office. The quake drove every single Montana seismograph off-scale, making an accurate magnitude determination impossible. Although we did report an epicenter location within minutes of the earthquake, the magnitude could only be provided much later from digital seismographs operated outside Montana. Rapid and accurate information on both location and magnitude immediately following an earthquake is critical for appropriate emergency response and credible public information.

With assistance from the U.S. Geological Survey, the Montana Bureau of Mines and Geology has recently installed a new data acquisition system that integrates analog and digital data, and performs near real-time analyses and reporting. One field site was recently upgraded with digital instrumentation; others must be upgraded also. We expect to acquire federal funds to purchase equipment, but we desperately need an additional person to help install and maintain the electronic equipment that will support this network.

Oil and gas information; economic development.

(1 FTE; total \$70,000 per year, including salary, benefits, operations).

The oil and gas industry contributed about \$45 million to Montana in the 1997 fiscal year in state and local taxes, exclusive of royalties on production from State lands. In 1998, that figure decreased to only \$35 million, presumably due to a combination of lower oil prices and production (source: Montana Department of Revenue). Although Montana is regarded as highly prospective territory by the mid-size and smaller independents in the oil and gas industry, production has declined from about 30 million barrels in 1980 to only 16 million barrels last year.

In recent discussions with representatives of Montana’s oil and gas industry, the MBMG has consistently been asked to compile and map regional data that would define geologic strata in the

subsurface, properties of subsurface rocks, and even something so simple as a map of oil and gas fields classified by producing horizon. These are basic data that are needed by the industry to determine where to explore for new production.

Most of these data are available from records filed with the Montana Board of Oil and Gas Conservation. Compilation and production of subsurface data as maps and databases would encourage and enable Montana's operators to develop prospects and explore in areas of the State where current knowledge of the subsurface is lacking. If any are successful, or even find promising conditions, others are sure to follow.

Currently, nearly all work done by MBMG to support the oil and gas industry is done with money from Federal contracts and grants. These projects are generally fairly narrow in scope to comply with the limitations imposed by the funding source. The investment of State dollars to maintain a small, but steady, program to compile and map regional data held in State records could be justified through increased exploration expenditures by industry. The taxes generated by discovery of a single oil or gas field could repay these costs many times.

**Geohazards and State-service support: an ever-growing concern.
(1 FTE; total \$64,000 per year includes salaries, benefits, and operations).**

Land-use changes, primarily brought about by population growth in parts of Montana and the nation, have greatly increased the demand on and for natural resources. Within Montana, issues such as landslide potential, slope-stability problems, salinity development, ground-water quality and quantity concerns, subdivision sprawl, and concerns about large-scale resource development have greatly increased.

To address these increasing concerns, MBMG needs additional support to produce more detailed geologic, geohazard, and ground-water maps and reports, as well as accurate and accessible databases relating to the State's geologic resources and problems---water, minerals, mineral fuels and geohazards.

APPENDIX B
MSU EXTENSION SERVICE

FY 2002 Request		FY 2003 Request	
Salary and Benefits	\$92,904	Salary and Benefits	\$92,904
Operations	8,823	Operations	8,823
Total FY 2002 Request	\$101,727	Total FY 2003 Request	\$101,727

Request continued funding for Tech Transfer (Marketing) position. This individual will plan, develop, and implement an educational program applied to marketing principles for livestock and small grain products. Work cooperatively with producer groups including the Montana Beef Network, extension specialists, research faculty and county extension faculty to enhance marketing strategies and understand market fundamentals.

TOTAL REQUEST FOR 2003 BIENNIUM: \$203,454 - ADD 1.22 FTE

JUSTIFICATION

Over the past three years, Montana feeder cattle producers have increasingly been able to access the Canadian feeder cattle market with minimal regulatory costs. This policy change has resulted in more than 100,000 head of feeder cattle exports to Canada. Because the U.S. imports live

cattle from Canada, cattle trucks often return to Canada empty. This represents a tremendous opportunity to add value to Montana feeder cattle. That is, reports of back haul opportunities indicate that it costs only \$1/cwt to ship feeder cattle to Alberta compared to \$4/cwt to ship feeder cattle to the Midwest. This \$3/cwt difference amounted to increased feeder cattle revenues of \$1.1 million in 1999. Marketing and trade education efforts by extension and research personnel have contributed to these gains. Continued efforts will be required to expand Montana's comparative advantage.

In 1999, Montana produced over 170 million bushels of wheat. With low market prices at harvest, about 85 percent of this wheat was stored on farms after the farm managers had taken loan deficiency payments from the USDA. Only a small percentage of this wheat was priced at the time of storage because farm managers thought there would be positive price premiums from storage. With volatile post-harvest wheat markets, many producers have seen prices for their wheat decline by as much as \$0.15 per bushel. With appropriate marketing practices in place most of the \$22.75 million loss in revenue would not have occurred.

Contributions by extension marketing to the Montana MarketManager and the Montana Beef Network programs will add value to Montana agriculture by increasing market outlook information and improving marketing education.

OUTCOME INDICATORS

Increase feeder cattle revenues in excess of the \$1.8 million realized in 1999; implement the wheat marketing practices that could have saved \$22.75 million in lost revenue in 1999; assisting producers to realize more profit from their operations.

MARKETING/ECONOMIC DEVELOPMENT SPECIALIST

REQUEST DESCRIPTION

Request additional funding for a marketing/economic development specialist position at the Southern Agricultural Research Center in Huntley. This position can help producers adopt marketing practices that will increase net profits.

FY 2002 Request		FY 2003 Request	
Salary and Benefits	\$75,924	Salary and Benefits	\$75,924
Operations	8,824	Operations	8,824
Total FY 2002 Request	\$84,748	Total FY 2003 Request	\$84,748

TOTAL REQUEST FOR THE 2003 BIENNIUM: \$169,496 – ADD 1.22 FTE

SUPPORT JUSTIFICATION

The long-term well-being of farm and ranch families in Montana is dependent on many factors including their ability to cope with fluctuating agricultural prices, increased competition, variable production costs and increasing governmental regulation.

A marketing/economic development specialist would use marketing research developed at the agricultural research centers to train agents and to help producers adopt marketing practices that will increase net profits.

OUTCOME INDICATORS

Projected Outcomes Over Three Years:

- 1) Producers will adopt marketing practices identified and supported by research that will increase net profits through capturing a larger share of the consumer dollar and peak markets.
- 2) New crops with related markets will be identified and recommended to producers.
- 3) Extension agents will gain expertise and educational capacity in marketing and economic development programs and be able to transmit this knowledge to an expanded group of agricultural producers.
- 4) The goals of Vision 2005 relative to agricultural marketing, economic development, and technology transfer will be more fully realized.

SMALL GRAINS SPECIALIST

REQUEST DESCRIPTION

Request additional funding for a small grains specialist position at the Northern Agricultural Research Center in Havre. This position can help producers gain profits through increased production and decreased costs.

FY 2002 Request		FY 2003 Request	
Salary and Benefits	\$75,924	Salary and Benefits	\$75,924
Operations	12,000	Operations	12,000
Total FY 2002 Request	\$87,924	Total FY 2003 Request	\$87,924

TOTAL REQUEST FOR THE 2003 BIENNIUM: \$175,848 - ADD 1.22 FTE

SUPPORT JUSTIFICATION

The long-term well-being of farm and ranch families in Montana is dependent on many factors including their ability to cope with fluctuating agricultural prices, increased competition, variable production costs and increasing governmental regulation.

A small grains specialist would use current research developed at the agricultural research center to train extension agents and to help small grains producers gain profits through increased production and decreased costs.

OUTCOME INDICATORS

Projected Outcomes over Three Years:

- 1) Producers will adopt practices identified and supported by research that will increase net profits through a combination of increased production and decreased costs.
- 2) Extension agents will gain expertise and educational capacity in small grains production systems and will extend knowledge to more grain growers.
- 3) Small grains research and technology developed at the Northern Agricultural Research Center will reach a larger audience of grain growers and extension agents in Montana.
- 4) The goals of Vision 2005 relative to small grains production, agricultural economic development and technology transfer will be more fully realized.

APPENDIX B
FIRE SERVICES TRAINING SCHOOL

COMMUNITY FIRE & EMERGENCY TRAINERS

Request Description

The Fire Services Training School was created by the 1977 Legislature and charged statutorily with providing training for the state's fire services. The School's Advisory Council has developed a plan to reach 80 percent of Montana's fire fighters with meaningful training by the year 2004. The first year of the plan was funded by the 1999 Legislature. The second and third years' funding are requested here. The final year's request will await the 2003 Legislature.

If funded, the plan for the 2003 biennium will establish two additional trainers in outlying regions of the state. The first going to the northeast region and the second split between the southeast and northwest. The proposal includes FTE and all the operations and equipment needed to make these trainers operational.

Support Justification

Montana's communities are served by about 10,000 fire fighters, 96 percent of which volunteer their services. With current staffing, the FSTS is capable of only reaching 26% of these fire fighters. Many hours of a FSTS staff member's time is spent driving between training sites. Added staff will allow shorter travel distances and thus, more time spent on training.

Fire fighters, particularly volunteer fire fighters, are finding themselves challenged by regulation, time constraints, and financial constraints.

OSHA now mandates training for fire fighters. Large fines have been imposed on fire department who fail to comply. I-105 has limited the local fire service's ability to raise funds to meet increasing costs, some imposed by FSTS! Time required to travel to training sites takes time away from families, putting pressure on FSTS to "deliver in our town." Montana taxpayers spend millions on "project fires" each year. Better trained local fire fighters could reduce the probability that fires would reach the point of becoming "project fires," thereby saving the state money.

Insurance premiums are significantly impacted by well trained fire services. In Plentywood alone, the fire district was able to save its citizens approximately \$200,000 annually in insurance premiums. The local fire chief credits FSTS training for the savings. This saving can be duplicated in direct proportion to the number of FSTS staff in the field.

Outcome Indicators

Currently, 27 percent of fire service organizations are being effectively served by FSTS. Funding this plan would result in 65 percent being effectively served. Currently, FSTS averages a cost of \$236 per fire fighter served. This plan's implementation would reduce that average cost to \$83 per fire fighter in FY 2003. The number of fire fighters assigned each trainer would be reduced from 4616 to 1988. The average number of counties assigned each trainer would be reduced from 19 to 11. The cost saving in insurance premiums for Montanans will be in the millions annually!

Total Budget:	
FY 2002	\$102,009
FTE: 1.47 (1.22 Faculty/.25 Classified)	
Personal Services:	\$52,479

	Operations:	\$12,937
	Equipment:	\$36,593
<hr/>		
FY 2003	\$65,416	
FTE 1.47 (1.22 Faculty/.25 Classified)		
	Personal Services:	\$52,479
	Operations:	\$12,937

APPENDIX B

MONTANA AGRICULTURAL EXPERIMENT STATION

Funding Base for the Montana Agricultural Experiment Station

The Montana Agricultural Experiment Station (MAES) has experienced a significant reduction in purchasing power over the past 15 years. Between 1985 and 1999, MAES funding has declined 17% or 1.9 million dollars when compared with the accelerated costs of doing business. Montana ranks 32nd (2.3 billion dollars) in farm gate cash receipts, while MAES research support (8.8 million dollars in FY2000) ranks 43rd in state support per thousand dollars of farm gate receipts. Support for agricultural research has, therefore, declined and enhancement of programs that would add value to Montana agricultural products has been limited.

The MAES requests a \$680,000 biennial increase in base budget to maintain long-term viability and sustainability of on and off-campus research programs, particularly to support research effort in the area of value-added commodities and products. This increase will provide the addition of 2.0 FTE faculty and 2.0 FTE staff to conduct the research necessary to enhance the development of value-added commodities and products. It will also provide the operations budget to help restore reductions due to loss of purchasing power and to support the additional FTE requested. Economic development in Montana will depend on the sustainability and profitability of our agriculture industry.

The funding requested will bring the MAES closer to its national ranking in terms of farm gate cash receipts and state funding, and will also provide the addition of faculty, staff and operations to conduct the research needed to enhance the development of value-added commodities and products. These activities will promote long-term economic growth in the state.

Proposed First Level Budget

	2002	2003
Total FTE	4.00	4.00
Personal Services	\$225,000	\$225,000
Operations	\$115,000	\$115,000
Totals	\$340,000	\$340,000

MAES Farm Equipment and Vehicle Repair

Farm equipment used at the MAES Research Centers and Farms is antiquated and in dire need of replacement because of age (i.e., over 10-20 years old) and extensive use. Vehicles used are in the same condition and need to be replaced. The MAES requests \$460,000, over the biennium to replace equipment and vehicles to meet the needs of the agricultural research program. Once equipment and vehicles are replaced, a "user fee" will be initiated to guarantee replacement in the future. Accounts will be established and held in the MAES to ensure user fee collections are only used for equipment and vehicle replacement.

Proposed First Level Budget		
	2002	2003
Capital	\$230,000	\$230,000
Totals	\$340,000	\$340,000

Replace Proprietary Revenue

The MAES Budget includes \$426,711 of proprietary revenue from sales and other income. However, because of low commodity prices and limits on the ability of the MAES to generate income due to the need to provide agricultural research results, the proprietary revenue budget amount has grown beyond an on-going level. The MAES has had to either cut budgets or backfill with other unrestricted funds because of the inflated budget amount. Based on average revenue over the past seven years, MAES income from commodity sales is \$64,000 less than the budgeted amount of \$426,711. Therefore, the MAES requests \$64,000 in general fund each year to maintain services at previous years' level.

First Level Funding	2002	2003	Total
General Fund	\$64,000	\$64,000	\$128,000

Appendix C MONTANA STATE UNIVERSITY Information Technology Initiative

	FY 2002	FY 2003
Central Information System Operations Costs		
BANNER Operations Coordinator (pers svcs, benefits & operations)	75,000	75,000
BANNER System Security Administrator (pers svcs, benefits & operations)	65,000	65,000
BANNER Finance Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER HR Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER Student Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER Fin Aid Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER System Networking Line Fees	200,000	200,000
	540,000	540,000
Instructional Technology Specialists		
(pers svcs, benefits & operations)		
Bozeman Campus - Two Colleges	120,000	120,000
Billings Main Campus	60,000	60,000
Billings College of Technology	60,000	60,000

Northern	60,000	60,000
College of Technology - Great Falls	60,000	60,000
	360,000	360,000

Infrastructure & System Equipment Replacement

Bozeman Building Connections (10-yr loan contract)	225,000	225,000
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Desktop Equipment Lifecycle Replacement

Bozeman	80,000	80,000
Billings	18,000	18,000
Northern	10,000	10,000
Great Falls	4,500	4,500
	112,500	112,500

1,237,500	1,237,500
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2,475,000

Appendix C
University of Montana
Information Technology Initiative

	FY 2002	FY 2003
Modernize Hardware		
Running BANNER s/w Suite	200,000	200,000
Available to Staff for Testing	50,000	50,000
	250,000	250,000
Network Infrastructure		
Wide Area Network Specialist	80,000	80,000
Local Area Network Specialist	50,000	50,000
Local Area Network Building Upgrades (hardware plus "closet" enhancements)	170,000	170,000
	300,000	300,000
Disaster Recovery		
Remodel & relocate backup facilities	75,000	75,000
24x7 Coverage	25,000	25,000
	100,000	100,000
Central Information System Operations Costs		
BANNER Operations Coordinator (pers svcs, benefits & operations)	75,000	75,000
BANNER System Security Administrator (pers svcs, benefits & operations)	65,000	65,000
BANNER Finance Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER Student Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER Financial Aid Module Team Leader (pers svcs, benefits & operations)	50,000	50,000
BANNER Workflow Coordinator - Butte (pers svcs, benefits & operations)	45,000	45,000
BANNER Workflow Coordinator - Dillon (pers svcs, benefits & operations)	45,000	45,000
BANNER Desktop Equipment	20,000	20,000

BANNER System Networking Line Fees

137,500	137,500
587,500	587,500

1,237,500	1,237,500
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2,475,000

