EXHIBIT 2
DATE 1/22/07
HB 2

Legislative Briefing Report
Montana State University-Northern
Resource Indemnity Trust Appropriation
January 9, 2007

Montana State University-Northern (MSUN) receives an appropriation from the Resource Indemnity Trust (RIT) as defined in MCA 15-38-202 (2)(i). At the beginning of each fiscal year MSUN receives $240,000 from the RIT. MSUN first received the funds in Fiscal Year 1995. In the 1999 Legislative Session a change was made to sunset the legislation effective 2014. In reviewing past documentation of this appropriation there is evidence that this statutory appropriation has come under attack in almost every session since it was implemented.

Now, as we are all aware as recommended in the HJR 36 Resource Indemnity Trust Study as prepared by Barbara Smith, Associate Fiscal Analyst, Legislative Fiscal Division, May 2006, "the subcommittee recommends that this statutory appropriation be eliminated since it is providing for infrastructure and staffing in the university system, and consequently should be requested through the Commissioner of Higher Education." With this action we are back to the same point we have been many times before.

Since Fiscal Year 1995 the funds have been primarily used for:

Infrastructure investments; Board of Regent's item 82-802 R094 authorized MSUN to spend $657,000 on science lab remodels and equipment. This was a loan repaid from RIT funds. The last payment on this debt was made in Fiscal Year 2006.

Faculty Salaries: By the second year of this appropriation, 2.5 faculty FTE were also funded from the RIT funding source. As the debt service payments declined, funding shifted to exclusively paying faculty salaries. In Fiscal Year 2007 we are funding 3.5 faculty FTE from this appropriation. All of these faculty are in our science and water quality areas.

Our science faculty at MSU-Northern have been and continue to be heavily involved in the water quality program. We currently offer an associate degree in Water Quality technology. The degree has a major component of chemistry and biology in the curriculum. The program focuses on water distribution systems, waste water processes and water treatment processes. The faculty are also involved in support of MSUN's Montana Environmental Training Center (METC) which provides ongoing training and information for water and waste water plant operators across the state including several reservations. Without well educated and trained professionals to operate and monitor these water systems, many communities would be hard pressed to meet the standards for furnishing clean water and managing waste water.

The water quality program at MSU-Northern is the only one of its kind within the Montana University System. The program provides to students all the information to help them successfully pass the Montana State Operator Certification exams that all public water systems, water treatment and wastewater treatment system employees are required to pass. The need for these employees is becoming a critical issue for a lot of communities in the State of Montana. Some of the larger systems have had to search for over a year to find replacement operators and some of the smaller communities look for years to find qualified employees. In an effort to provide these classes to a wider student population, MSU-Northern is working to reinstate a certificate program as well as putting the core courses online. In addition, a water quality minor/area of concentration is being developed for the civil engineering technology program to prepare civil engineers for the design and operation of these systems that are an important infrastructure component of ANY community.

The RIT funds support very important programs central to the technical mission of MSUN. Loss of this funding would severely reduce our ability to continue to serve the needs of water and waste water plant operators across the state as well as the fiscal impact MSUN would suffer in the funding of our faculty in the science and water quality areas.