

Postsecondary Education Policy and Budget Subcommittee
Potential Study Issues 2007 Biennium¹

- 1) Policy Goals/Accountability Measures adopted by PEPB/BOR last two cycles
 - Review the existing goals and measures and consider updates or additions
 - Develop benchmarks and performance guidelines to measure progress toward these measures
 - Renew agreement with Board of Regents on the content of the accountability measures
 - Investigate converting these to budget formula drivers (for new proposals in 2009 biennium)
(see June 2005 Legislative Finance Committee report for background)

....OR....

- 2) Review current state funding formulas used to establish Montana University System budget
 - State share of the cost of education → drives present law adjustment funding
 - Marginal cost per student formula → drives funding for enrollment increases
 - Cost of education @ community colleges and university units
(see LFD Pre-session Fiscal Analysis, pages E-121 to E-136, for background on formulas)
 - A. Look at other state funding formula models used to fund higher education
- 3) Monitor progress and funding results of Shared Leadership Initiatives (including matching funds)
(see LFD Post Session Fiscal Report, page E-68, for details of shared leadership)
- 4) Monitor implementation of new Governor's Postsecondary Education Scholarship Program
(see LFD Fiscal Report, page E-88 and E-89, for details of this program)
- 5) Participate in Board of Regent review and changes to allocation model used by Regents to disburse HB 2 funding to the university educational units
- 6) Monitor 2009 biennium budget request and any proposed legislation

H:\PEPB Sub Committee\PEPB 2005-2006 Potensial Study Issues.doc

¹ List prepared by Alan Peura, Associate Fiscal Analyst, Legislative Fiscal Division

Postsecondary Education Policy and Budget Subcommittee
Potential Study Issues 2007 Biennium²

- 1) What are the most significant barriers to higher education and how can these be reduced or eliminate?
(We could expect that cost will be a primary factor, which could lead to PEPB exploring options for increasing the availability of need-based aid.)
(this could be included as part of work plan item #1 on previous page, as accessibility and affordability are part of existing accountability measures)

- 2) Strategic plan for the Montana University System/Board of Regents...following their July retreat the Board of Regents will develop a new strategic plan for the university system. It would be important to have the interim committee endorse the priorities and goals that are established as part of that process. Certainly the priorities developed could generate discussion of the primary mission of educating students and whether appropriate efforts and resources are being devoted to carrying out that mission. The issue of the public good vs. the individual gain could also be a focal point of that discussion, in terms of the level of state support that is appropriate.

- 3) The funding allocation model for the university system – this is the model used by the Board of Regents and the Commissioner to allocate the state funding the legislature appropriates in the “lump-sum” for the campuses. Work on this new model will be underway during this interim.
(similar to work plan item #5 on previous page)

- 4) Update on the study of comparison with peer states. The LFD conducted this study after the 1999 session to determine how our costs compare to public university systems in neighboring states. This type of study might be important to conduct on a regular basis (every other biennium, for instance), as this kind of comparison can serve as one indicator of our efficiency within the MUS.
(see LFD study dated January 28, 2000...behind the Misc. tab in binder)

- 5) Shared leadership initiatives – PEPB was involved in this Regents’ initiated process of identifying priority needs and issues in the state, and then developing recommendations for the university system’s role in helping to address those needs. These were translated into the MUS new proposal budget requests for the 2005 legislative session. It would be appropriate for PEPB to stay involved in the progress of those efforts and in assessing the return to the state of the funding invested. *(similar to work plan item #3 on previous page)*

² List prepared and submitted by PEPB member Senator Hawks