



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
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May 18, 2000

TO: Legislative Finance Committee

FROM: Sandy Whitney, Senior Fiscal Analyst

RE: Postsecondary Education Policy and Budget Subcommittee

The May 9, 2000 meeting of the Joint Subcommittee on Postsecondary Education Policy and Budget (PEPB) was the final meeting of the 2001 interim. At that meeting:

- (1) staff from the Legislative Auditor's office presented a progress report on the maintenance and operation performance audit of the university system;
- (2) Sandy Whitney of the Legislative Fiscal Division presented two reports: 1) detailing the university system student FTE and funding for fiscal years 1992 through 2000; and 2) discussing alternative methods for funding higher education;
- (3) Dr. Dick Crofts, Commissioner of Higher Education, discussed a "Strategy on University System Performance Indicators; and
- (4) the subcommittee took executive action to accept the SJR 16 Final Report as drafted and recommended that the 2001 Legislature continue lump sum funding for the university system.

Brief summaries of the reports are presented below.

Montana University System Student FTE and Funding, Fiscal Years 1992-2000 – This report provides the: 1) resident, nonresident, and total FTE students for the units and colleges of technology (COTs) over a period of nine years; and 2) state and total funding for the same period. These data are compared to the resident and nonresident tuition during those years. Resident enrollment declined by 1.25 percent at the six units but increased by 29.47 percent at the COTs. Total state funding per resident FTE declined by 5.3 percent while total funding per FTE increased by 21.07 percent. The entire increase in student funding was provided by tuition increases totaling over 100 percent during the period.

Alternative Methods for Funding Higher Education – The report discusses current law, state policies and relationships within higher education, and potential policy changes that might be implemented through the use of alternative funding methods. Potential policy changes might include expanding opportunity for: 1) lower income students; 2) increased access to higher education; 3) merit scholars; or 4) access to any regionally accredited institution. Alternative funding methods depend on the policy desired and vary from total state funding to total privatization.

Strategy on University System Performance Indicators - Dr. Dick Crofts suggested that valid performance indicators be developed through a partnership effort between the university system and the state government/legislature. He expressed concern that a unilateral university system action might appear self-serving. His proposal included suggestions that the indicators be: 1) a simple, limited system tailored to the needs of Montana; 2) based on consensus about policy goals; 3) funded with new money; 4) used to measure outcomes; and 5) worth the cost of development.

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