



# Joint Sub-Committee On Postsecondary Education Policy and Budget

## 60<sup>TH</sup> Montana Legislature

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## Proposed Work Plan and Study Issues for the 2009 Biennium

- **Complete interim study in HJR 22** – this bill requires that PEPB study and make recommendations on:
  - Initiatives to increase supply of dental care professionals, especially in rural/underserved areas
  - Programs that require students who receive educational support to repay all or a portion of the state funds appropriated for their education
  - A dental loan forgiveness program administered by OCHE (as an incentive to practice in MT)

**Recommendation:** Appoint a working group and chairman (at September 25, 2007 meeting) to lead this study and charge that group with submitting recommendations on the above issues to PEPB by the June 12, 2008 meeting. The working group should include representatives from OCHE, Office of Economic Development, Department of Labor & Industry, DPHHS, and a representative from the dental health profession.

- **Review, renegotiate, and reaffirm the "shared policy goals" approved by PEPB, ELG, and the Board of Regents in 2006**

Legislative staff will present the background of the shared policy goals and review the document from the last interim to facilitate PEPB consideration of making any changes to this document (e.g. specific benchmarks) based upon the Board of Regents Strategic Plan. Upon completion of this discussion, members can discuss reaffirming an updated two-year document (see attached from 2007 biennium).

- **Review and consider the accountability measures project from 2006, including:**
  - Request reports for the following dates from Commissioner of Higher Education on:
    - the transferability initiative (HB 2 funded \$1.5 million) – September 4, 2008
    - distance learning (HB 2 funded \$900,000) – September 4, 2008
    - student assistance programs (HB 2 expanded by \$4.0 million) – June 12, 2008
    - tuition CAP (freeze resident tuition at FY2007 level) – June 12, 2008

- **Review the community college funding formula changes (SB 12 from 2007 session) and consider whether this same formula could be used for the university unit campuses state funding calculation**

During the 2007 session, at the recommendation of the Legislative Finance Committee and the PEPB based upon an interim study, the legislature adopted a new, transparent funding formula to determine the state general fund appropriation for Montana's three community colleges. The motivation for the study and the changes was to make the funding formula more accurate, more transparent in terms of the factors, and easier to understand for both the legislature and the public. (See attached brief report)

**PEPB Option:** Appoint a working group to discuss the viability of adopting this type of funding formula to determine the base funding level of state funding for the eight educational units of the MUS, and/or to consider other options as well. Request that this group report back to PEPB at the March 13,

2008 meeting with a recommendation on whether or not to proceed. Working group members may include representatives from LFD, OBPP, OCHE, and MUS university units, together with a legislator and Regent member.

- **Review and consider the Bitterroot Valley Community College district proposal and process**  
On May 8, 2007, voters in the Bitterroot Valley approved, by a 52% to 48% margin, the creation of a community college district and elected seven members of a local board of trustees. The election results were certified by the Montana Board of Regents on July 11, 2007 so that the new community college trustees, after an organization meeting with the Regents, will begin to hold bi-monthly meetings to move forward establishing a new community college.

According to statute, 20-15-209, MCA, subsequent to the election, “approval for the organization of a new community college district shall be granted at the discretion of the legislature acting upon the recommendation of the regents.” In addition, the state budget includes an appropriation for general fund that is appropriated to the community colleges.

Therefore, decision points that may be anticipated at the 2009 legislative session include a decision by the legislature on the approval for the new community college, as per 20-15-209, MCA, as well as the potential general fund budget appropriation for a Bitterroot Valley Community College.

**Recommendation:** Given that this will be the first time under the current community college district statute that a new district has been approved by local voters, triggering a recommendation by the Board of Regents, and consideration by the legislature, the PEPB should request a report from staff that details the background, the statutory procedures, and the issues that will need to be considered during the 2009 session. That report could be on the PEPB agenda for December 13, 2007.

- **P-20 Policy and Budget Issues Review...for legislative and Regent member education purposes primarily**  
Given the complexities of both the funding and the policy issues related to both K-12 education and higher education, together with legislative term limits that may affect long-term institutional knowledge of these complex issues, PEPB may want to discuss/identify major issues in this broad area and request specific staff reports that address some of these complex issues. The objective of these reports would be to build understanding and knowledge base about education budget and policies issues across the P-20 spectrum (Pre-school to graduate school). Reports could be written only or include presentations and discussion at PEPB meetings, which may be held jointly with the K-12 Education Subcommittee.
- **Discuss the strategic role of two-year education within the university system (e.g. Colleges of Technology, community colleges, and two-year degree programs)**  
Since the reorganization of the university system that occurred in the 1990's, which included moving the vocational education centers into higher education as “colleges of technology” (COT), the role of two-year education as part of higher education and as part of workforce development has changed rather dramatically. In the past decade, PEPB has conducted a number of studies about two-year education, both in the area of policy as well as funding/budget matters.

In the past decade there has been a dramatic increase in student enrollment at two year COT's in Montana (e.g. 51.5% at Billings COT, 69.7 % at GF-COT, 32.5% at Helena COT) while enrollment at the community colleges has remained relatively flat, despite some enrollment spikes in the past decade.

There has also been a changing dynamic in two-year education between the dual missions of workforce training that meets employment needs and the two-year institutions as a starting point for transfer to a four-year institution in pursuit of a four-year degree.

In the past two years legislators have made inquiries about a number of two-year education issues, including these dual missions, transferability of credits from two-year to four-year programs, expanding distance learning as a way to address place-bound and non-traditional students, meeting the workforce shortages in numerous communities in various fields, etc.

In the meantime, within the Montana University System there has also been discussion about the role of two-year education, including how the institutions are able to manage the demands of workforce needs and academics.

In an effort to frame these complex issues for PEPB, legislative staff has prepared a report on the history of two-year education in Montana higher education, including governance and funding issues, in an effort to synthesize the inquiries that staff has received from legislators and place these into the context of discussions going on within the university system and the Board of Regents.

**PEPB Option:** Discuss and consider the staff report on two-year education at **September 25, 2007 meeting** and identify whether there are any emerging issues in this area that would warrant additional interim work by the PEPB on two-year education.

- **Monitor 2011 biennium budget and consider accountability measures (based upon Regent budget initiatives and executive planning process) and make recommendations to the 2009 legislature**  
This process would begin at the **March 13, 2008** PEPB meeting with updates at the subsequent meetings on **June 12** and **September 4**.

#### **Report only Items for PEPB Workplan:**

- Review agriculture agencies overhead cost rates and plans to address these at MSU and in the university system budget process **@ PEPB Meeting on December 13, 2007**
- Monitor the equipment and program development appropriations that OCHE is to grant out to campuses, community colleges, and research agencies (\$6.5 million), verify the legislative requirement for funding match **@ PEPB Meeting on December 13, 2007**
- Monitor the Six-mill levy process for November 2008 general election (SB 16 from the 2007 session) **@ PEPB Meeting on June 12, 2008**
- Monitor the statewide workforce development plan process that is required by federal funding (Perkins grant program) **@ PEPB Meeting on September 4, 2008**
- Monitor any proposed legislation for 2009 session that relates to higher education and the Montana University System **@ PEPB Meeting on September 4, 2008**

#### **Report only Items at Request of ELG:**

- Report on College Family Saving Program – 529 Investment Plan **@ PEPB and ELG Meetings on September 25, 2007**
- Request report on faculty release time to meet business community requests for workforce development programs **@ PEPB and ELG Meetings on March 13 & 14, 2008**