

LONG-RANGE BUILDING PROGRAM

Program Description

In 1963, the legislature enacted the Long-Range Building Program (LRBP) to provide funding for construction, alteration, repair, and maintenance of state-owned buildings and grounds. The program was developed in order to present a single, comprehensive, and prioritized plan for allocating state resources for the purpose of capital construction and repair of state-owned facilities. Historically, the LRBP has been funded with a combination of cash accounts and bonding. The various types of cash accounts include state and federal special revenue funds, other funds (such as university and private funds), and the capital projects fund (long-range building fund). The LRBP is administered by the Department of Administration, Architecture and Engineering Division (A&E).

Summary of Legislative Action

The Sixty-third Legislature authorized a LRBP consisting of 47 projects with a total project cost of \$179.1 million in HB 5 (including \$3.5 million in State Building Energy Conservation Program appropriations). The level of HB 5 appropriations was increased when the legislature chose to appropriate 11 building projects from cash rather than bond proceeds, as initially recommended by the Governor. To fund the added appropriations the legislature provided a \$49.6 million transfer from the general fund to the LRBP capital projects fund.

The following figure shows, by agency and fund type, the projects approved by the legislature. Detailed project descriptions follow the figure.

Long-Range Building Program Appropriations - HB 5 - 2015 Biennium						
Agency / Project	LRBP Capital Project	State Special	Fed Special	Proprietary	Authorization	Total
Department of Administration						
Repair Corrections Department Parking Structure, Helena	\$450,000					\$450,000
Install Safety Handrails in Capitol	200,000	200,000				400,000
Repair and Upgrade Capitol HVAC Systems		1,400,000				1,400,000
Upgrade Scott Hart HVAC System, Ph 2		1,500,000				1,500,000
Department of Corrections						
Repair and Upgrade Build. Systems, Pine Hills Youth Facility	511,000	500,000				1,011,000
Renovate Laundry Facilities, MT State Prison, Deer Lodge		600,000		600,000		1,200,000
Department of Environmental Quality						
Energy Improvements, Statewide		1,900,000				1,900,000
Department of Justice						
Upgrade Water Supply System - MLEA	400,000					400,000
Construct Butte Justice Center	1,600,000				1,600,000	3,200,000
Department of Military Affairs						
Vault Modifications, Statewide			780,000			780,000
Federal Spending Authority			2,500,000			2,500,000
Upgrade Sewer/Water Service AFRC, Kalispell	250,000		750,000			1,000,000
Replace Readiness Center, Malta	400,000		15,000,000			15,400,000
Improvements at the Montana Military Museum	150,000					150,000
Department of Fish, Wildlife, and Parks						
Upland Game Bird Program		746,000				746,000
Wildlife Habitat Maintenance		970,000				970,000
Parks Program		3,084,000	1,200,000			4,284,000
Parks Program - RUX Trail		100,000				100,000
Grant Programs / Federal Projects		218,000	5,000,000			5,218,000
Future Fisheries		\$790,000				\$790,000
Fishing Access Site Protection		1,050,000	800,000			1,850,000

Long-Range Building Program (continued)							
Appropriations - HB 5 - 2015 Biennium							
Agency / Project	LRBP Capital Project	State Special	Fed Special	Proprietary	Authorization	Total	
Department of Fish, Wildlife, and Parks (cont.)							
Hatchery Maintenance		575,000				575,000	
Dam Maintenance		50,000				50,000	
Community Fishing Ponds		50,000				50,000	
Admin Facilities Repair & Maintenance		1,325,000				1,325,000	
Forest Management Project		32,000				32,000	
Department of Fish, Wildlife, and Parks, Land Acquisition							
Habitat Montana		9,930,000				9,930,000	
Fishing Access Site Acquisition		230,000	100,000			330,000	
Bighorn Sheep Habitat		210,000				210,000	
Department of Natural Resource and Conservation							
Major Repairs & Small Projects, Statewide	300,000					300,000	
Repair Unit Residences, Statewide		100,000				100,000	
Department of Public Health and Human Services							
Repair Sewage Collection System, Warm Springs	1,520,000					1,520,000	
Department of Transportation							
Statewide Maintenance, Repair & Small Projects		2,100,000				2,100,000	
Equipment/ Office Buildings, Statewide		5,200,000				5,200,000	
Montana School for the Deaf and Blind							
Building Repairs and Improvements, Great Falls	195,000					195,000	
Montana University System							
General Spending Authority, MUS - All Campuses					5,000,000	5,000,000	
Science & Instruct. Tech Building Addition, MSU-Billings	10,000,000				5,000,000	15,000,000	
Replace Roof and Other Renovations, MSU Great Falls COT	1,000,000					1,000,000	
Automotive Technology Center, MSU-Northern	4,900,000				3,000,000	7,900,000	
Construct Missoula College UM – UM-Missoula	29,000,000				3,000,000	32,000,000	
Main Hall Renovation, Ph 3, U of M - Western	4,000,000				500,000	4,500,000	
Natural Resource Research Center Addition, MT Tech-UM	5,000,000				5,000,000	10,000,000	
Jabs Hall, MSU-Bozeman					20,000,000	20,000,000	
Athlete Academic Center, UM-Missoula					2,500,000	2,500,000	
Gilkey Executive Education Center, UM-Missoula					9,300,000	9,300,000	
Mansfield Library Student Success, UM-Missoula					3,200,000	3,200,000	
Land Acquisition, Great Falls College - MSU	<u>750,000</u>				<u>750,000</u>	<u>1,500,000</u>	
Total Long-Range Building Program - HB 5	<u>\$60,626,000</u>	<u>\$32,860,000</u>	<u>\$26,130,000</u>	<u>\$600,000</u>	<u>\$58,850,000</u>	<u>\$179,066,000</u>	

The legislature provided appropriations for ten new buildings (including four buildings across the state for MDT) and three addition projects. The largest amount of appropriations were provided to the Montana University System (MUS) in 12 projects, including four new buildings and three additions, at a cost of \$111.9 million. Additionally, the department of Fish, Wildlife, and Parks (FWP) are provided 15 appropriations that total \$26.5 million, including \$10.5 million for land acquisitions. The remainder of the LRBP budget is primarily devoted to major deferred maintenance projects in state buildings.

The legislature restricted the FWP Habitat Montana land acquisition project in HB 5. The inserted language reads:

When considering the acquisition of habitat in accordance with 87-1-241 (acquisition of wildlife habitat-rules), the department of fish, wildlife, and parks may consider only term agreements.”

The addition of this language was intended to deny the purchase of land with the \$9.9 million Habitat Montana appropriation. Subsequently, the Governor line-item vetoed the restricting language (but not the related appropriation). At the time of this writing, the veto is being polled. If the veto stands, the appropriation could be used for land and easement purchases.

Project Descriptions

LRBP appropriations and authorizations amounting to \$179.1 million for capital projects are approved in HB 5 from 32 different capital project, state special revenue, federal special revenue, and higher education funds. A brief description of the LRBP projects included in HB 5 is provided below. Some of the acronyms used frequently in this section include:

- HVAC – heating, ventilation, air conditioning
- Sq/ft – square feet
- SSR – state special revenue
- FSR – federal special revenue
- Authorization - grants/donations/auxiliary funds/university funds/local government funds not requiring appropriation-provides the legislative consent to use non-state funds

Department of Administration (DOA)

- Repair Corrections Department Parking Structure, Helena - \$400,000 LRBP Capital Project Funds (05007) appropriated to DOA. This project will repair the state-owned parking structure located at the corner of Broadway and Cruse Avenues, Helena. This project is appropriated to DOA.
- Install Safety Handrails in Capitol– \$200,000 LRBP Capital Project Funds (05007), \$200,000 General Services SSR (02299) appropriated to DOA. This project will install historically appropriate safety handrails on the grand staircase of the Capitol building. Should donations be received for this project, language in HB 5 will reduce the \$200,000 appropriation from the LRBP capital projects fund by a like amount.
- Repair and Upgrade Capitol HVAC Systems - \$900,000 General Services SSR (02299), \$500,000 Energy Conservation SSR Acct. (02955) appropriated to DOA and DEQ. This project will provide HVAC and energy efficiency upgrades at the state capitol.
- Upgrade Scott Hart HVAC System, Phase 2 - \$1,500,000 General Services SSR (02299) appropriated to DOA. This project will upgrade mechanical equipment and climate control systems and replace worn out HVAC & control systems in the Scott Hart building.

Department of Corrections (DOC)

- Repair and Upgrade Building Systems, Pine Hills Youth Correctional Facility - \$511,000 LRBP Capital Project Funds (05007), \$500,000 Energy Conservation SSR (02955) appropriated to DOA and DEQ. This project will provide fire suppression, HVAC, and energy improvements to address failed mechanical equipment and reduce energy use.
- Renovate Laundry Facilities, MT State Prison, Deer Lodge - \$600,000 Energy Conservation Repayment Acct. (02370), \$600,000 DOC Proprietary Services Funds (06572) appropriated to DOA and DEQ. This project will renovate the existing centralized laundry building at the prison.

Department of Environmental Quality (DEQ)

- Energy Improvements, Statewide - \$550,000 Energy Conservation Repayment Acct. (02370), \$1,350,000 Energy Conservation SSR (02955) appropriated to DOA and DEQ. This project will provide improvements to state facilities that reduce energy costs. For more information on the State Building Energy Conservation Program (SBCEP) projects, see the SBCEP section of this report.

Department of Justice (DOJ)

- Upgrade Water Supply System - Montana Law Enforcement Academy - \$400,000 LRBP Capital Project Funds (05007) appropriated to DOA. This project upgrades the current water supply system to meet current code requirements and address some deferred maintenance issues.
- Construct Butte Justice Center - \$1,600,000 LRBP Capital Project Funds (05007) appropriated to the DOA and includes \$1,600,000 Authorization. This project will construct new/improved space for the Montana Highway Patrol offices and the Motor Vehicle Division of DOJ as well as space for a new emergency operations center for Butte-Silver Bow.

Department of Military Affairs (DMA)

- Vault Modifications, Statewide – \$780,000 National Guard FSR (03132) appropriated to DOA. This project will modify existing munitions vaults at ten armory locations statewide.
- Federal Spending Authority - \$2,500,000 National Guard FSR (03132) appropriated to DMA. This project provides repair and maintenance, minor construction, and facility improvements statewide.
- Upgrade Sewer/Water Service AFRC, Kalispell - \$250,000 LRBP Capital Project Funds (05007), \$750,000 DOA Federal Long-Range Building Funds (03244) appropriated to DOA. This project will upgrade the current water supply system to meet current code requirements (providing city sewer and water service to the Kalispell armed forces reserve center and field maintenance shop) and address deferred maintenance issues.
- Replace Readiness Center, Malta - \$400,000 LRBP Capital Project Funds (05007), \$15,000,000 Military Capital Construction Fund (03056) appropriated to DOA. This project will replace the Malta Readiness Center. Language included in this project provides that LRBP funds are authorized for the acquisition of land for the project. If the land is not acquired by 6/30/2015, the appropriation is void and \$400,000 is reverted to the general fund.
- Improvements at the Montana Military Museum - \$150,000 LRBP Capital Project Funds (05007) appropriated to DOA. This project will provide funds for new display cases and other improvements at the museum.

Department of Fish, Wildlife, and Parks (FWP)

- Upland Game Bird Program - \$610,000 Upland Game Bird Habitat SSR (02113), \$136,000 Upland Game Bird Planting SSR (02687) appropriated to FWP. This project will provide landowners with funding to restore/establish habitat and also implement the mandatory pheasant release program.
- Wildlife Habitat Maintenance - \$970,000 Habitat Trust Interest State Spec. Fund (02469) appropriated to FWP. This project will maintain wildlife management areas in accordance with state requirements.
- Parks Program - \$74,000 Motor Boat Fees SSR (02273), \$1,020,000 FWP Accommodations Tax SSR (02274), \$80,000 Coal Tax Trust SSR (02408), \$310,000 State Parks Miscellaneous SSR (02411), \$100,000 Motor Boat Fuel Tax SSR (02412), \$1,500,000 Restricted Highway State Special Account (02422), \$1,200,000 Federal (W/B) and Wildlife (P/R) (030397) appropriated to FWP. This project will rehabilitate existing facilities, infrastructure, park sites, and roads at state park sites.
- Parks Program - RUX Trail - \$100,000 Non-Restricted Highway State Special Account (02349) appropriated to FWP. This project will provide a trail grant for the design and construction of the RUX lighted and paved path. Language included in this project provides that FWP will report on the progress of the project to the 2015 Long-Range Planning subcommittee and that any unused project funds will be reverted to the highway non-restricted fund upon completion of the project.
- Grant Programs / Federal Projects - \$85,500 Off Hwy Vehicle Gas Tax SSR (02213), \$132,500 Off Hwy Vehicle Acct. (Parks) SSR (02239), \$3,500,000 Parks Federal Revenue (03098), \$1,500,000 Land & Water Conservation Fund Pass-through Account (03406) appropriated to FWP. This project distributes the Off-Highway Vehicle grants, Recreational Trails Program grants, and Land & Water Conservation Fund grants.
- Future Fisheries - \$600,000 RIT Bull/Cutthroat Trout Enhancement Fund (02022), \$190,000 River Restoration Account appropriated to FWP. This project will provide fish habitat restoration projects statewide.
- Fishing Access Site Protection - \$50,000 Motorboat Fees SSR, \$1,000,000 FWP General License Acct. (02049), \$800,000 Federal (W/B) and Wildlife (P/R) (030397) appropriated to FWP. This project will install and rehabilitate basic facilities at fishing access sites (FAS).
- Hatchery Maintenance - \$575,000 FWP General License Acct. (02049) appropriated to DOA. This project will provide repairs and preventive maintenance at ten state fish hatcheries across Montana.
- Dam Maintenance - \$50,000 FWP General License Acct. (02049) appropriated to FWP. This project will repair FWP-owned dams, including the Rainy Lake fish barrier.
- Community Fishing Ponds - \$50,000 FWP General License Acct. (02049) appropriated to FWP. This project will develop community fishing ponds to promote family fishing.

- Admin Facilities Repair & Maintenance - \$1,325,000 FWP General License Acct. (02049) appropriated to DOA. This project will address ongoing maintenance and repair at administrative sites to protect them from deterioration.
- Forest Management Project - \$18,000 Fish & Wildlife Forest Mgt. SSR (02084), \$14,000 Parks Forest Mgt. SSR (02092) appropriated to FWP. This project will implement forest management practices on appropriate FWP lands.

Department of Fish, Wildlife, and Parks, Land Acquisition

- Habitat Montana - \$9,930,000 Wildlife Habitat SSR (02114) appropriated to FWP. This project will acquire wildlife habitat. The legislature added language related to this appropriation to restrict habitat acquisition to “only term agreements”. However, the Governor vetoed the restrictive language. At the time of this writing, the legislature is being polled on the veto. If the veto is upheld, the agency will be able to use the funds for land acquisition, land leasing, easement purchase, or development agreements.
- Fishing Access Site Acquisition - \$230,000 Fishing Access Site Acquisition SSR (02415), \$100,000 Federal (W/B) and Wildlife (P/R) (030397) appropriated to FWP. This project will enable FWP to acquire interest in lands for angler access to public waterways.
- Bighorn Sheep Habitat - \$210,000 Mountain Sheep Account (02086) appropriated to FWP. This project will protect mountain sheep habitat through acquisition of interest in land either by easement, lease, or fee.

Department of Natural Resources and Conservation

- Major Repairs & Small Projects, Statewide - \$300,000 LRBP Capital Project Funds (05007) appropriated to DOA. This project will provide repairs, improvements, and preventative maintenance at DNRC facilities statewide.
- Repair Unit Residences, Statewide - \$100,000 Trust Lands Administration Acct. (02938) appropriated to DOA. This will provide repairs, preventative maintenance, and improvements at DNRC unit residences statewide.

Department of Public Health and Human Services

- Repair Sewage Collection System, Warm Springs - \$1,520,000 LRBP Capital Project Funds (05007) appropriated to DOA. This project will continue the repair and rehabilitation of sewer mains and manholes at the Montana State Hospital campus in Warm Springs.

Department of Transportation

- Statewide Maintenance, Repair & Small Projects - \$2,100,000 Restricted Highway SSR (02422) appropriated to MDT. This project provides routine/annual preventive maintenance to existing facilities; and funds small construction projects statewide.
- Equipment/Office Buildings, Statewide - \$5,200,000 Restricted Highway SSR (02422) appropriated to DOA. This project will construct new buildings at various locations throughout the state (Noxon-\$800,000; Terry-\$400,000; Shelby-\$1,000,000; Bozeman-\$3,000,000). These buildings will house road maintenance equipment and personnel.

Montana School for the Deaf and Blind

- Building Repairs and Improvements, Great Falls - \$195,000 LRBP Capital Project Funds (05007) appropriated to DOA. This project will replace the deteriorated windows in the Yellowstone & Glacier Cottages and replace damaged finishes in the Mustang Gym.

Montana University System

- General Spending Authority, MUS - All Campuses - \$2,500,000 UM Plant Funds (71100), \$2,500,000 MSU Plant Funds (71200) appropriated in language as \$2,000,000 to DOA and \$3,000,000 to MUS. The funds shown here are Authorizations not appropriations. This project will fund various projects exceeding \$150,000 and not requiring ongoing state O&M at campuses across the state.

- Science & Instruct. Tech Building Addition, MSU-Billings - \$10,000,000 LRBP Capital Project Funds (05007) appropriated to DOA and includes \$5,000,000 Authorization . This project will renovate and construct an addition to the Health & Science Building on the MSU-Billings campus.
- Replace Roof and Other Renovations, MSU Great Falls COT - \$1,000,000 LRBP Capital Project Funds (05007) appropriated to DOA. This project will replace the roof system of select areas of the MSU COT Great Falls roof or provide other renovations.
- Automotive Technology Center, MSU-Northern - \$4,900,000 000 LRBP Capital Project Funds (05007) appropriated to DOA and includes \$3,000,000 Authorization. This project will renovate and construct an addition to the Auto & Diesel Technology Building, MSU-Northern, Havre.
- Construct Missoula College UM – UM-Missoula - \$29,000,000 LRBP Capital Project Funds (05007) appropriated to DOA and includes \$3,000,000 Authorization. This project will construct a new Missoula College UM facility at UM Missoula.
- Main Hall Renovation, Phase 3, UM-Western - \$4,000,000 LRBP Capital Project Funds (05007) appropriated to DOA and includes \$500,000 Authorization. This project will complete the work funded in the last two biennia to renovate Main Hall.
- Natural Resource Research Center Addition, MT Tech-UM - \$5,000,000 LRBP Capital Project Funds (05007) appropriated to DOA and includes \$5,000,000 Authorization. This project will construct an addition to the Engineering Lab/Classroom at MT Tech of the U of M.
- Jobs Hall, MSU-Bozeman - \$20,000,000 Authorization administered by DOA. This project will allow for spending authority to construct a new building for MSU Bozeman College of Business.
- Athlete Academic Center, U of M-Missoula - \$2,500,000 Authorization administered by DOA. This project will construct a new Student Athlete Academic Center on the Missoula campus.
- Gilkey Executive Education Center, UM-Missoula - \$9,300,000 Authorization administered by DOA. This project will construct a new Gilkey Executive Education Center on the Missoula campus.
- Mansfield Library Student Success, UM-Missoula - \$3,200,000 Authorization administered by DOA. This project will construct a learning commons within the Mansfield library.
- Land Acquisition, Great Falls College – MSU - \$750,000 LRBP Capital Project Funds (05007) appropriated to MUS and includes \$750,000 Authorization. This project will acquire land at the Great Falls College-MSU.

Future Operations and Maintenance Costs

When approving the construction of new buildings and space, the legislature considers the budgetary impacts of the future costs of operations and maintenance (O&M). For new space requested by the university system (MUS), the legislature is made aware of the uses of the proposed buildings prior to approving the projects to understand what portion of the future O&M costs should fall to the responsibility of the state. The state portion of the future costs of the university projects are negotiated agreements between the Office of Budget and Program Planning and MUS. To determine responsibility for future costs, the new space is defined within five categories that include:

- Instructional (I) – classroom type space, O&M is the responsibility of the state
- Instructional related (IR) – libraries, student services, academic support, institutional support, Native American student centers, O& M may be negotiated to determine the responsibility of the state
- Sponsor research (SR) – primarily business sector research, O&M is not the responsibility of the state. In the 2015 biennium, the new space did not include SR, so that category is not included in the figure below
- Public service (PS) – child care centers, student stores, other student service spaces, O&M is not the responsibility of the state
- Non-academic (NA) – spaces that not used for academic purposes, O&M is not the responsibility of the state

The following figure includes the projected occupation date, the proposed O&M splits, and the total and state O&M costs. For example, the Gilkey Executive Education Center project is planned to include 80% of non-academic space, so the state will be responsible for 20% of the future O&M costs. The following figure provides estimates of the future O&M costs associated with the new space projects approved by the legislature in HB 5.

With the exception of the Butte Justice Center project, the projects will be undertaken at MUS and their related campuses. The state cost for O&M for the Butte Justice Center is based on the sq/ft of space that will be occupied by Department of Justice functions. The assumptions used to develop these estimates are as follows:

- Inflation rate is 1.5% per biennia
- The new Butte Justice Center building will contain 13,800 square feet (sq/ft) that Butte Butte-Silver Bow County will pay for the O&M for the 10,800 sq/ft of the new space
- The O&M costs for College of Missoula O&M are net of current O&M
- Renovation to Dillon's Main hall will include no new space and no increase in O&M
- The Mansfield Library project/renovation has no new O&M

Future Operations and Maintenance (O&M) Costs for New Space Projects Approved by 63rd Legislature											
	Projected Occupation	University Splits				Total Future O&M			Future State Cost		
		I	IR	PS	NA	Biennium			Biennium		
						2015	2017	2019	2015	2017	2019
Construct Butte Justice Center	07/01/15					\$0	\$216,958	\$220,212	\$0	\$47,165	\$47,872
Science & Instruct. Tech Building Addition, MSU-Billings	12/01/14	43%	57%			205,007	777,664	880,616	205,007	777,664	880,616
Automotive Technology Center, MSU-Northern	12/14/14	85%	15%			12,394	43,131	43,778	12,394	43,131	43,778
Construct Missoula College UM – UM-Missoula	07/01/16	80%	20%				830,675	1,686,270		830,675	1,686,270
Main Hall Renovation, Ph 3, U of M - Western	10/13/13	75%	25%								
Natural Resource Research Center Addition, MT Tech-UM	07/01/15	100%					690,606	700,965		690,606	700,965
Jabs Hall, MSU-Bozeman	06/01/15	35%	63%	2%		37,946	924,363	938,228	37,187	905,875	919,463
Athlete Academic Center, UM-Missoula	07/01/15		100%				243,078	246,724		243,078	246,724
Gilkey Executive Education Center, UM-Missoula	07/01/16		20%		80%		311,247	631,831		62,249	126,366
Mansfield Library Student Success, UM-Missoula											
						<u>\$255,347</u>	<u>\$4,037,722</u>	<u>\$5,348,625</u>	<u>\$254,588</u>	<u>\$3,600,445</u>	<u>\$4,652,056</u>

Funding

Funding for the Long-Range Building Program comes from various sources: the LRBP capital projects fund, state special revenue funds, federal funds, and other funds (such as university funds, private funds, and capitol land grant funds). While not the largest source of funding for capital projects, the LRBP capital projects fund is the principle source of funding for major maintenance in the state building program.

As seen in the figure on the following page, the LRBP capital projects fund will begin the 2015 biennium with an estimated beginning fund balance of \$839,287. LRBP account revenues include 2.6% of cigarette tax revenue and 12.0% of coal severance tax revenue. Other income includes LRBP interest earnings, supervisory fees paid to the A&E, and transfers from the State Building Energy Conservation Program. The LRBP fund is expected to collect \$18.5 million in program revenues, fees, and earnings. The legislature provided a transfer of \$49.6 million from the general fund to the LRBP capital projects fund to support the construction of new buildings and additions.

Appropriations of the LRBP program include A&E administrative costs and debt service costs. The A&E administrative cost is \$3.7 million and is appropriated in HB 2 from the LRBP state special revenue fund. After consideration of a \$1.3 million funding switch established by the 2001 Legislature, the LRBP is responsible for \$4.3 million of debt service for bonds authorized by the 1995 Legislature. Finally, the legislature appropriated \$60.6 million for LRBP projects from the capital projects fund, providing total appropriations from the capital projects fund of \$68.6 million. As a result, the balance of the LRBP capital projects fund at the end of the 2015 biennium is estimated to be \$294,704.

Long-Range Building Program Fund (05007)			
Fund Balance Projection 2015 Biennium -Return to House			
Estimated Beginning Fund Balance (7/1/2013)			\$839,287
Revenue Projections ¹	<u>FY 2014</u>	<u>FY 2015</u>	<u>Biennium Total</u>
Cigarette Tax	\$1,802,000	\$1,747,000	\$3,549,000
Coal Severance Tax	6,956,000	7,237,000	14,193,000
Interest Earnings	177,271	174,967	352,238
Supervisory Fees	155,681	155,681	311,362
Energy Savings Transfer	40,000	40,000	80,000
General Fund Transfer	49,550,000		<u>49,550,000</u>
2015 Biennium Revenues			68,035,600
Operations Expenditures			
Operating Costs-A & E Division ²	(\$1,850,988)	(\$1,849,966)	(\$3,700,954)
Debt Service-2003G	(1,695,725)	(1,697,101)	(3,392,826)
Debt Service-2005A	(1,092,327)	(1,098,076)	(2,190,403)
Funding Switch ³	665,000	665,000	<u>1,330,000</u>
Total Expenditures			(7,954,183)
Balance Available for Capital Projects			60,920,704
Capital Project Appropriations ⁴			<u>(60,626,000)</u>
Estimated Ending Fund Balance - (6/30/2015)			\$294,704
¹ SI2			
² Includes administrative costs included in HB 2, including the 2% increase in vacancy savings, and HB 13 estimated impacts			
³ Debt Service Funding Switch, 2001 legislative session			
⁴ HB 5			

Executive Budget Comparison

The following figure provides the legislative changes from the executive budget proposal.

Program Comparison - Long-Range Building Program				
Budget Item	Executive Recommendation	Legislative Budget	Change	% Change
	2015 Biennium	2015 Biennium		
	<u>Proposed</u>	<u>Appropriated</u>		
LRBP Project Costs	\$270,716,000	\$175,566,000	(\$95,150,000)	-35.15%
SBCEP Project Costs	3,500,000	3,500,000	\$0	0.00%
Total Costs	\$274,216,000	\$179,066,000	(\$95,150,000)	-34.70%
Capital Projects	\$13,926,000	\$11,076,000	(\$2,850,000)	-20.47%
General Fund ¹	16,300,000	49,550,000	33,250,000	203.99%
State Special	32,760,000	32,860,000	100,000	0.31%
Federal Special	26,130,000	26,130,000	0	0.00%
Proprietary	600,000	600,000	0	0.00%
Authorization ²	86,400,000	58,850,000	(27,550,000)	-31.89%
Bond Issue	98,100,000	0	(98,100,000)	-100.00%
Total Funds	\$274,216,000	\$179,066,000	(\$95,150,000)	-34.70%
¹ General fund is a transfer to the capital project fund				
² Non-State Funds that do not Require Appropriation but Requires Approval of Legislature				

Note that while the legislature appropriated the LRBP budget in HB 5, the executive had initially requested the LRBP budget in both HB 5 and HB 14. HB 14, which appropriated bond proceeds for state building construction projects, was not passed by the legislature and a number of the projects originally contained in the bill were moved into HB 5. As a result, the following table presents the changes between the executive and legislative LRBP budgets originally in both LRBP bills, not only the changes in HB 5.

The changes from the executive budget request net to a reduction of \$95.2 million or -34.7%. The primary change occurs as a result of eliminating the bond issuance proposal, HB 14. The Governor had initially proposed a transfer of general fund to the LRBP capital projects fund, and the legislature increased the transfer by \$33.3 million. As proposed, the executive budget appropriated more funds than were available in the LRBP capital projects fund, causing a negative fund balance. The legislature corrected the negative fund balance in their actions. The individual changes in appropriations include:

- Eliminated the DOC Low Side Units project - (\$26.0) million
- Added Parks Program RUX project - \$100,000
- Added Military Museum project - \$150,000
- Reduced MSU General Spending Authorization - (\$6.0) million
- Reduced authorization for Missoula College project - (\$15.0) million
- Increased the appropriation for the Butte Justice Center - \$400,000
- Eliminated the Renovation of Romney Hall project - (\$20.0) million
- Eliminated the Heritage Center project - (\$28.5) million
- Added authorization for Mansfield Library project - \$3.2 million
- Reduced authorization for Jobs Hall project - (\$5.0) million
- Added appropriation and authority for land acquisition at Great Falls College - \$1.5 million

Other Legislation

The Sixty-third Legislature did not enact any other legislation that would directly impact the LRBP.