

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 the state's 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.

Table 1 summarizes capital project appropriations for each biennium since 1983.

Biennium	Capital Projects Fund	G.O. Bonds	General Fund	Other Funds (3)	Total Projects
1983	\$ 11.700	\$ 35.834	\$ -	\$ 12.760	\$ 60.294
1985	\$ 10.870	\$ 39.335	\$ -	\$ 15.693	\$ 65.898
1987	\$ 10.518	\$ 8.550	\$ -	\$ 19.202	\$ 38.270
1989	\$ 6.247	\$ -	\$ -	\$ 11.440	\$ 17.687
1991	\$ 7.515	\$ 3.823	\$ -	\$ 21.556	\$ 32.894
1993	\$ 8.382	\$ 48.561 (1)	\$ 1.768	\$ 70.052	\$ 128.763 (1)
1995	\$ 3.119	\$ 6.460	\$ 2.600 (2)	\$ 30.898	\$ 43.077
1997 (4)	\$ 7.835	\$ 41.865	\$ -	\$ 145.191	\$ 194.891
1999	\$ 9.160	\$ 43.319	\$ -	\$ 69.164	\$ 121.643
2001	\$ 7.515	\$ 33.404	\$ 0.170	\$ 107.936	\$ 149.025

(1) The 1993 legislature reduced the prison expansion by \$12.7 million.

(2) HB46 diverted cigarette tax revenues from the capital projects fund to a state special revenue fund for the operation of veterans' homes. This \$2.6 million reduction in the capital projects fund was offset by a general fund appropriation.

(3) Other funds include non-general fund sources, such as state and federal special revenue funds, private contributions, and miscellaneous "other" funds.

(4) Excludes the \$3.5 million general fund appropriation to OPI for state advances and reimbursements for school facilities (HB5). This was not part of the long range building program.

Summary of Legislative Action

House Bills 5 and 14 contain the cash and bonding authorizations, respectively, for the long range building program. The 56th Legislature authorized 64 projects with total project costs of \$149.0 million. Of this amount, \$33.4 million is to be funded with bond proceeds, while \$115.6 million will be funded with cash.

Language

The legislature included legislative intent language for several projects in House Bills 5 and 14. The language relating to the specific project is included with the project descriptions later in this narrative.

Table 2 shows the 2001biennium legislative authorization by project and fund source.

Table 2							
LONG RANGE BUILDING PROGRAM -- CASH AND BONDED PROJECTS							
HB 5 AND HB 14 -- 2001 BIENNIUM							
AGENCY/PROJECT NAME	BONDED PROJECTS (HB14)	CASH PROJECTS (HB5)					PROJECT TOTAL
		LRBP	GF	SSR	FED	OTHER	
DEPT OF NATURAL RESOURCES & CONSERVATION							
Lincoln Office/Quarters & Clearwater Egress	-	125,000	-	-	-	-	125,000
DEPT OF TRANSPORTATION							
Construct Equipment Storage Bldgs and repair roof at Helena Hdqtrs, Statewide	-	-	-	2,100,000	-	-	2,100,000
Construct Core Drilling Bldg, Helena	-	-	-	1,000,000	-	-	1,000,000
Minor Maintenance & Improvements, Statewide	-	-	-	1,350,000	-	-	1,350,000
DEPT OF PUBLIC HEALTH AND HUMAN SERVICES							
Sprinkle Montana Mental Health Nursing Care Center	-	300,000	-	-	-	-	300,000
Construct Special Care Unit, MVH	-	-	-	1,179,374	-	-	1,179,374
Improve Eastern MT Veterans Home	-	-	-	290,250	-	-	290,250
Improve Montana Veterans Home	-	-	-	187,530	-	-	187,530
DEPT OF FISH, WILDLIFE & PARKS							
Bluewater Hatchery Renovations	-	-	-	200,000	-	-	200,000
Fort Peck Fish Hatchery	-	-	-	-	14,640,000	-	14,640,000
State Parks Roads	-	-	-	1,500,000	-	-	1,500,000
Future Fisheries Improvements	-	-	-	1,470,000	-	-	1,470,000
Habitat Montana	-	-	-	4,375,000	-	-	4,375,000
Cultural and Historic Parks	-	-	-	1,200,000	-	-	1,200,000
Wildlife Habitat Maintenance	-	-	-	825,000	-	-	825,000
Statewide Hatchery Maintenance	-	-	-	400,000	-	-	400,000
Administrative Facilities Repairs/Maintenance	-	-	-	829,650	-	-	829,650
Motor Boat Recreation Parks	-	-	-	1,355,000	950,000	-	2,305,000
Lewis and Clark Bicentennial	-	-	-	275,000	-	-	275,000
Capitol Landscape Irrigation	-	-	-	-	-	225,000	225,000
Fishing Access Site Protection	-	-	-	700,000	75,000	-	775,000
Fishing Access Site Acquisition	-	-	-	630,000	-	-	630,000
Fishing Access Site Maintenance	-	-	-	325,000	-	-	325,000
Brewery Flats Completion	-	-	-	-	70,000	-	70,000
Tongue River Mitigation Inflation Indexing	-	-	-	275,000	-	-	275,000
Waterfowl Stamp Program	-	-	-	263,000	-	-	263,000
Bighorn Sheep	-	-	-	425,000	-	-	425,000
DEPT OF ADMINISTRATION							
Health and Safety Projects, Statewide	-	730,000	-	-	-	250,000	980,000
Hazardous Material Mitigation, Statewide	-	300,000	-	-	-	-	300,000
Roof Replacements or repairs, Statewide	-	521,000	-	-	-	-	521,000
Facilities Assessments, Statewide	-	100,000	-	50,000	100,000	50,000	300,000
Capitol Renovation	3,898,750	-	-	-	-	1,000,000	4,898,750
Renovate Haynes Gallery Area, Historical Society	-	-	-	1,000,000	-	-	1,000,000

Table 2- continued
LONG RANGE BUILDING PROGRAM -- CASH AND BONDED PROJECTS
 HB 5 AND HB 14 -- 2001 BIENNIUM

AGENCY/PROJECT NAME	BONDED PROJECTS (HB14)	CASH PROJECTS (HB5)					PROJECT TOTAL
		LRBP	GF	SSR	FED	OTHER	
DEPT OF LABOR & INDUSTRY							
Have Job Service Supplemental Labor	210,000	-	-	-	-	-	210,000
DEPT OF CORRECTIONS							
Expand Women's Prison, WCC	2,900,000	-	-	-	6,475,000	-	9,375,000
Pine Hills Youth Correctional Facility	2,225,000	-	-	-	-	-	2,225,000
Construct Reception Unit, MSP	-	-	170,000	-	5,500,000	-	5,670,000
Security & Support Improvements, MSP	3,000,000	-	-	-	-	-	3,000,000
Msla Reg'l Correctional Facility Supplemental	-	-	-	-	526,497	-	526,497
DEPT OF MILITARY AFFAIRS							
Federal Spending Authority	-	-	-	-	800,000	-	800,000
Washrack Waste Mitigation Statewide	-	-	-	-	200,000	-	200,000
Secondary Containment Structures	-	-	-	-	300,000	-	300,000
Construct Eastern MT Vets Cemetery	-	-	-	-	1,100,000	-	1,100,000
MNG-Veterans Affairs/Emergency Opns Center	3,500,000	-	-	-	-	-	3,500,000
Construct New Armory-Kalispell	1,800,000	-	-	-	3,900,000	-	5,700,000
Construct New Armory-Bozeman	2,200,000	-	-	-	4,600,000	-	6,800,000
MONTANA UNIVERSITY SYSTEM							
Sprinkle Library, UM-Missoula	-	657,000	-	-	-	-	657,000
Ventilate & Upgrade Fine Arts Building, UM-Msla	-	450,000	-	-	-	-	450,000
Boiler Upgrade and Ventilation, UM-Tech	-	530,000	-	-	-	120,000	650,000
Replace Steam Distribution Piping, UM-Western	-	800,000	-	-	-	400,000	1,200,000
Upgrade Boiler Controls, UM-Missoula	-	125,000	-	-	-	100,000	225,000
Maintain Main Hall Exterior, UM-Western	-	225,000	-	-	-	-	225,000
General Spending Authority, UM	-	-	-	-	-	3,500,000	3,500,000
Addition to Paxson Gallery, UM-Missoula	-	-	-	-	-	2,500,000	2,500,000
Non-Denomination Chapel, UM-Tech	-	-	-	-	-	1,500,000	1,500,000
Forestry/Journalism Addition, UM-Missoula	-	-	-	-	-	10,000,000	10,000,000
Native American Studies Center, UM-Missoula	-	-	-	-	-	3,500,000	3,500,000
Life Sciences Building, UM-Missoula	-	-	-	-	-	23,000,000	23,000,000
Maintain HVAC Systems, MSU Blngs & COT Blngs	-	500,000	-	-	-	-	500,000
Roof Replacements, All campuses	-	1,591,000	-	-	-	-	1,591,000
Renovate Cowen Hall, MSU-Northern	-	511,000	-	-	-	-	511,000
Applied Tech. Center Feas. Study, MSU-Northern	-	50,000	-	-	-	-	50,000
Rural Tech Education Center, UM-Western	4,170,000	-	-	-	-	350,000	4,520,000
Lab and Classroom Renovation, UM	2,000,000	-	-	-	-	-	2,000,000
Renovate Renne Library	7,500,000	-	-	-	-	-	7,500,000
Total Projects Authorized	33,403,750	7,515,000	170,000	22,204,804	39,236,497	46,495,000	149,025,051

Other Legislation

House Bill 20

HB 20 established a multi-species fish hatchery near Fort Peck dam to be administered by the Montana Department of Fish, Wildlife, and Parks. Funding for the construction of the fish hatchery, \$14.6 million of federal funds, is contained in House Bill 5 and shown on Table 2.

House Bill 649

HB 649 makes several housekeeping amendments to state construction laws and exempts two projects from certain state construction laws. The first exemption is the nondenominational chapel project at Montana Tech of the University of Montana authorized in HB 5. The exemption is to allow Montana Tech to hire its own architect for the project rather than have one appointed by the department of administration. The second exemption is for the MSU-Bozeman classroom-laboratory building authorized in section 4, Chapter 469, Laws of 1997, a project commonly known as the EpiCenter project. The exemption allows MSU-Bozeman to contract for combinations of services, materials, and labor related to innovative building technologies not otherwise expressly allowed under Title 18, MCA if the technologies: 1) have the potential to produce energy or operational savings for the state over the life cycle of the building; 2) demonstrate the use of recycled material; or 3) demonstrate the use of indigenous material for which a new local, regional, or national market may be developed.

Senate Bill 48

SB 48 creates a trust land administration account in the state special revenue fund for the purpose of funding trust administration costs in the Montana Department of Natural Resources and Conservation (DNRC). Revenue for the account comes from mineral royalties; proceeds or income from the sale of easements and timber, except timber from public school lands; and 5% of the interest and income annually credited to the public school fund. The amount of money deposited into the trust land administration account may not exceed 1 1/8% of the book value balance in each of the nine non-expendable trust funds administered by DNRC and 10% of the previous fiscal year revenue deposited into the capitol building land grant trust fund. For the estimated fiscal impact this bill has on the capitol building land grant trust fund, see Table 4 later in this narrative.

Senate Joint Resolution 4

SJ 4 supports the Capitol Complex Advisory Council's recommendation to place a permanent memorial in the Capitol for distinguished members of the House of Representatives and to place a permanent recognition display for major donors to the Capitol restoration project. Specific funding was not provided for these projects by the 56th Legislature.

Executive Budget Comparison

The 56th Legislature appropriated funds totaling \$149 million for capital projects for the 2001 biennium compared to \$142.6 million included in the Executive Budget. Significant changes to the Executive Budget are described below.

Construct Fort Peck Hatchery

The Fort Peck Fish Hatchery was authorized by HB20 and was not included in the Executive Budget. Federal special revenue totaling \$14.6 million is authorized in HB 5.

Capitol Renovation

The Executive Budget included \$7.0 million total funds for the capitol renovation project. Funding was \$6.0 million general fund and \$1.0 million capitol land grant trust revenue funds. During long-range planning subcommittee hearings, the Department of Administration testified the total request could be reduced because costs were lower than expected. The legislature reduced the overall project amount to \$4.9 million, funded \$1.0 million from capitol land grant trust revenue funds and \$3.9 million from general obligation bonds.

Construct Reception Unit, MSP

The 56th Legislature partially funded the executive’s request for construction of a reception unit at Montana State Prison. The Executive Budget included \$0.55 million general obligation bonds and \$5.5 million federal special revenue for this project. The legislature approved the federal special revenue request but reduced the state portion to \$170,000 general fund rather than \$550,000 general obligation bonds.

Missoula Regional Correctional Facility Supplemental

Corrections department officials testified that construction costs for the Missoula Regional Correctional Facility were higher than anticipated and the state’s additional obligation was \$526,497. The 56th Legislature approved federal funds for this purpose.

Construct Eastern MT Vets Cemetery

The Executive Budget originally contained a request for \$200,000 from state and federal funds for improving the road network and installing a sprinkler system at the eastern Montana veterans’ cemetery. During long-range planning subcommittee hearings, the department testified that a significant amount of federal funds had become available for completing the cemetery project. As a result, the legislature authorized a total of \$1.1 million to complete the project, funded entirely with federal funds.

Funding

House Bill 5

HB 5 is commonly referred to as the “cash bill” for the LRBP, as it includes projects financed with non-bonded funds, including money from the long-range building program capital projects fund, the state general fund, the state special revenue fund, the federal special revenue fund, and other funds.

Long-Range Building Capital Projects Fund

Although the LRBP capital projects fund does not represent the largest portion of funding for capital projects, the revenues allocated to this fund represent the only specific commitment of state funds for capital projects. Capital projects fund revenues include 15.85 percent of cigarette tax revenue, 12 percent of coal severance tax revenue, 16.99 percent of the new coal license tax revenue, interest earnings, and supervisory fees paid to the Architecture and Engineering Division (A&E) of the Montana Department of Administration.

Estimated Beginning Fund Balance	\$ 2,208,200
Revenues	
Cigarette Tax (15.85%)*	\$ 4,287,000
Coal Severance Tax (12%)*	2,936,132
Coal License Tax- (16.99%)	4,918,435
Interest Earnings	918,768
Supervisory Fees	682,884
DEQ Transfer-State Buildings Energy Savings	347,003
Total Revenues	<u>14,090,222</u>
Funds Available	\$ 16,298,422
Expenditures	
Operating Costs - A&E Division (HB2)	\$ (2,036,918)
Debt Service -- 1996D Issue	(3,625,650)
Debt Service -- 1997 Issues	(890,554)
Debt Service -- Bonds Outstanding**	<u>(1,478,815)</u>
Total Expenditures - Excluding Capital Projects	\$ (8,031,937)
Funds Available for Capital Projects and/or Debt Service	\$ 8,266,485
Legislative Appropriation -- 2001 Biennium	
Capital Construction Program -- LRBP Projects	(7,515,000)
Estimated Ending Fund Balance	<u>\$ 751,485</u>
*Based on HJ2 assumptions	
**Balance of the bonded program approved by the 54th Legislature-coal severance tax portion only	
***As amended by HB69 and HB260	

The LRBP capital projects fund also receives some funds from the State Building Energy Conservation Program. Through this program, the state issues general obligation (G.O.) bonds, uses the bond proceeds to pay for energy efficiency improvements, then uses the resulting energy cost savings to pay the debt service on the bonds. The projects are designed so that the cost savings exceed the bond debt service payments. Excess savings are transferred to the long-range building program.

Table 3 shows the projected fund balance for the LRBP capital projects fund for the 2001 biennium. As shown in Table 3, approximately \$7.5 million was appropriated for cash projects in HB 5, leaving an estimated fund balance of \$750,000 at the end of the 2001 biennium.

Capitol Land Grant Revenue

Capitol land grant revenue, derived from trust lands designated in the Enabling Act for the state capitol complex, is a source of LRBP funding used for both debt service payments and capital projects. HB 5 includes a \$1 million capitol land grant appropriation to the Department of Administration for the capitol renovation project and a \$225,000 capitol land grant appropriation to the Department of Fish, Wildlife, and Parks (FWP) for improvements to the capitol complex irrigation system.

SB 48 impact—As previously noted, SB 48 creates a trust land administration account for the purpose of funding trust administration costs in DNRC. This bill requires the deposit of trust land income to the trust land administration account

before capitol land grant trust income is made available for capital projects and debt service. The estimated reduction in available capitol land grant revenue totals \$162,800 in the 2001 biennium.

Appropriations exceed available funds-As shown in Table 4, legislative and statutory appropriations exceed estimated funds available in the 2001 biennium. Based on HJ2 revenue estimates and the estimated available beginning fund balance, there will be a revenue shortfall of approximately \$438,000 by the end of the 2001 biennium. The legislature did not prioritize the expenditure of these funds. Because debt service is always paid before other types of expenditures, the two HB 5 projects may have to be scaled back to keep total expenditures within available revenues.

House Bill 14

As shown in Table 2, HB 14 contains 11 LRBP projects funded through the issuance of general obligation bonds. With one exception, the debt service for all projects included in HB 14 is funded from the state general fund. The exception is a \$210,000 project for the Havre Job Service office. HB 14 requires debt service payments for this project be repaid from federal funds.

The total cost during the 1999 biennium for these projects is estimated to be \$2.1 million based upon the construction timelines involved. The initial phase for building projects involves hiring an architect to design the building/project. Thus, general obligation bonds for long range building projects are not issued until construction is ready to begin. Consequently, the entire \$33.4 million will not be bonded for immediately. Rather, two or three bond issues will occur over the next few years as money becomes necessary. The true annual debt service cost, once the entire \$33.4 million is

	FY 2000	FY 2001
Beginning Available Fund Balance	\$ 131,329	\$ (126,959)
Revenues		
Interest and Income	\$ 928,000	\$ 894,000
Senate Bill 48 Fiscal Impact	<u>\$ (70,000)</u>	<u>\$ (92,800)</u>
Funds available	\$ 989,329	\$ 674,241
Expenditures		
Justice Bldg Debt Service	\$ 86,099	\$ 85,708
Capitol Renovation Debt Service	\$ 417,689	\$ 414,493
Capitol Renovation Project (HB5)	\$ 500,000	\$ 500,000
FWP Capitol Complex Irrigation Project (HB5)	<u>\$ 112,500</u>	<u>\$ 112,500</u>
Total projected expenditures	\$ 1,116,288	\$ 1,112,701
Projected Ending Fund Balance	<u>\$ (126,959)</u>	<u>\$ (438,460)</u>

issued, will result in about \$2.7 million per year (based on a 20-year term at 5.25 percent interest), and all but approximately \$17,000 per year will be general fund..

Table 5 below shows general fund debt service obligations for outstanding LRBP/IT bond issues plus the new debt service payments resulting from the projects approved in HB 14. Table 5 also includes an estimate of the amount of general fund debt service obligations that will result from the passage of HB15, which authorizes \$18.8 million in general obligation bonds for information technology projects, all of which is funded with general fund monies. (For more information regarding HB15, see *Information Technology Bonds* in this section.) Total estimated general fund debt service for the 2001 biennium is \$30.9 million.

Fiscal Year	Current Debt Service	-----New Debt Service-----		
		LRBP HB14	IT Bonds HB15	Total
1999	\$ 13.552			\$ 13.552
2000	\$ 13.811	\$ 0.143	\$ 0.100	\$ 14.053
2001	\$ 13.601	\$ 1.919	\$ 1.348	\$ 16.868
2002	\$ 13.642	\$ 2.720	\$ 2.347	\$ 18.709
2003	\$ 13.065	\$ 2.720	\$ 2.347	\$ 18.132
2004	\$ 11.751	\$ 2.720	\$ 2.347	\$ 16.818
2005	\$ 10.715	\$ 2.720	\$ 2.347	\$ 15.782
2006	\$ 11.490	\$ 2.720	\$ 2.347	\$ 16.557
2007	\$ 11.429	\$ 2.720	\$ 2.347	\$ 16.496
2008	\$ 11.359	\$ 2.720	\$ 2.347	\$ 16.426
2009	\$ 7.268	\$ 2.720	\$ 2.347	\$ 12.335
2010	\$ 6.881	\$ 2.720	\$ 2.247	\$ 11.848
2011	\$ 6.855	\$ 2.720	\$ 0.999	\$ 10.574
2012	\$ 6.855	\$ 2.720		\$ 9.575
2013	\$ 6.858	\$ 2.720		\$ 9.578
2014	\$ 5.203	\$ 2.720		\$ 7.923
2015	\$ 5.057	\$ 2.720		\$ 7.777
2016	\$ 3.574	\$ 2.720		\$ 6.294
2017	\$ 3.582	\$ 2.720		\$ 6.302
2018	\$ 3.323	\$ 2.720		\$ 6.043
2019	\$ 0.543	\$ 2.720		\$ 3.263
2020		\$ 2.578		\$ 2.578
2021		\$ 0.801		\$ 0.801
Total	\$ 180.414	\$ 54.406	\$ 23.468	\$ 258.288

It is important to note that the debt service payments budgeted by the 1999 legislature are estimates. If interest rates and/or bond issuance timelines change, these payments may change as a result. General fund payments will be made from the statutory appropriation for debt service. The timing of payments due is based on information provided by the executive in the HB 14 fiscal note.

Detailed Project Descriptions

House Bill 5

Department of Natural Resources

- ❑ **Lincoln Office/Quarters & Clearwater Egress – \$125,000 LRBP Cash** --Purchase or construction of a 3 bedroom, 2 bath modular unit to be used for crew quarters for seasonal firefighters and for office space for the Lincoln Initial Attack Station. The bunkhouse at Clearwater will be modified to provide basement egress.

Department of Transportation

- ❑ **Construct Equipment Storage Buildings and Roof Repair at Helena Headquarters, Statewide -- \$2,100,000 Highways SSR** --Construct 4 and 6 bay road maintenance equipment storage buildings at eight sites around the state, including: Choteau, Gallatin Gateway, Browning, Grass Range, Whitefish, West Yellowstone, and Malta. The 20-year old roof at the Helena Headquarters will also be replaced.
- ❑ **Construct Core Drilling Building, Helena -- \$1,000,000 Highways SSR** – The current facility that houses this equipment is old and deteriorated. This project will demolish existing buildings and construct a new building on the Department of Transportation campus. The new building will be a combination of heated storage and shop space. The project will also construct a large storage building for equipment and supplies.
- ❑ **Minor Maintenance and Improvements, Statewide -- \$1,350,000 Highways SSR** – Funds authorized for this project will be used to repair or replace roofs, repair or replace heating systems, replace overhead doors, upgrade electrical systems, maintain water supply and waste systems, maintain or replace road oil tanks, meet Americans with Disabilities Act requirements, or install energy conservation measures in department-owned facilities throughout the state. The Department of Transportation will administer this project.

Department of Public Health and Human Services

- ❑ **Sprinkle Montana Mental Health Nursing Care Center -- \$300,000 LRBP cash** –Install a fire sprinkler system to all areas of the building not currently protected--52,000 square feet –and bring the building into compliance with fire safety requirements. The estimated completion date is June 30, 2001.
- ❑ **Construct Special Care Unit, Montana Veterans' Home -- \$1,179,374 Cigarette Tax SSR** – Construct a 15-bed, 7,500 square foot addition to the Columbia Falls facility to provide specialized Alzheimer's and dementia care. Language was included in HB 5 for federal funds to be used in lieu of state special revenue if they become available. The estimated completion date is June 30, 2004.

Language - Section 2(3) of HB 5 notes... "The departmentis seeking federal funds for use in the construction of the special care unit, Montana veterans' home. If federal funds become available for this purpose, the department shall reimburse funds from the state special revenue account used to build the new unit."

- ❑ **Improve Eastern Montana Veterans' Home -- \$290,250 Cigarette Tax SSR** – Three projects will be completed with this authorization: install lighting at the general parking area and sidewalks, construct a 4,500 square foot dining and activities addition, and construct a 250 square foot special care unit addition to the dining and activities area. The estimated completion date is June 30, 2001.
- ❑ **Improve Montana Veterans Home -- \$187,530 Cigarette Tax SSR** – Three projects will also be completed with this authorization: replace the old and unreliable existing nurse call system with a new system, replace old roof

soffits, and demolish three unused, vacant buildings that have become “attractive nuisances” and detract from the campus’ appearance. The estimated completion date is June 30, 2003.

Department of Fish, Wildlife & Parks

- ❑ **Bluewater Hatchery Renovations -- \$200,000 FWP General License SSR** – Project funds will be used to pay cost overruns experienced when major problems were encountered while drilling a 1,000 foot deep, 1,000 GPM flow water test well for the Bluewater Springs Hatchery renovation project.
- ❑ **Construct Fort Peck Fish Hatchery -- \$14,640,000 Federal Special Revenue** – Construct a multi-species fish hatchery near Fort Peck dam to be administered by the Montana Department of Fish, Wildlife, and Parks.
- ❑ **State Parks Roads -- \$1,500,000 Highways SSR** -- Repair and maintain state park and recreation area roads and county roads leading to state parks throughout the state. Specific projects are selected based on park use, road need, and the willingness of local counties and cities to match state dollars. Road dollars can be matched with federal Dingell-Johnson dollars to expand resources. Over 90% of the work funded by this project is expected to be done by private contractors.

Language - Section 4(5) of HB 5 states, “It is the intent of the 56th Legislature that \$100,000 of the line item for state parks roads...be reserved for significant occurrences because of hunting. The department of fish, wildlife, and parks shall report to the 57th legislature if and how the reserved funds were expended”.

- ❑ **Future Fisheries Improvements - \$1,470,000 Total (\$300,000 River Restoration SSR, \$1,170,000 General License SSR)** – Project funding will be allocated to the statewide fisheries habitat improvement effort. A citizen advisory committee provides input to the Department of Fish, Wildlife & Parks on how and where the funds should be spent. This is an ongoing program.
- ❑ **Habitat Montana -- \$4,375,000 Wildlife Habitat SSR** -- Acquire critical wildlife habitat via easement, fee title, or lease. The project total reflects the department’s estimate of non-resident big game license revenue in the 2001 biennium. This is an ongoing project.
- ❑ **Cultural and Historic Parks, Statewide – \$1,200,000 Total (\$680,000 Coal Tax Trust Interest SSR, \$420,000 Parks Earned Revenue SSR)** -- Maintain, improve, and protect facilities at land-based state parks. Projects include repair, maintenance, improvement or replacement of existing dilapidated, aged, or damaged facilities such as water and sewer systems, roadways, interpretive signing, and historic buildings. Projects at Bannack, Chief Plenty Coup, Elkhorn, Frenchtown, and Pictograph Cave are slated for implementation in the 2001 biennium. In addition, land inside critical inholdings inside state parks will be acquired, but only with a willing seller. This is an ongoing project.
- ❑ **Wildlife Habitat Maintenance --\$825,000 Wildlife Habitat Trust Interest SSR** – Maintenance activities on department wildlife lands funded from this project include fence repair, road maintenance, signing, weed control and building maintenance. Also included in this allocation is \$100,000 in contracted services to monitor compliance with the terms of negotiated conservation easements. This is an ongoing project.
- ❑ **Statewide Hatchery Maintenance -- \$400,000 General License SSR** –Conduct general and cyclical major maintenance at eight state-owned fish hatcheries, such as repairs to prevent structural failure, correct conditions which present health and safety concerns, and to improve sewage and discharge treatment at several hatcheries.
- ❑ **Administrative Facilities Repairs and Maintenance -- \$829,650 Total (\$254,650 General License Account SSR, \$575,000 Real Estate Trust Earnings SSR)**—Perform ongoing maintenance and repair of administrative facilities

statewide. Typical projects include painting, roofing, carpet replacement, chip sealing, repaving parking lots, and handicapped improvements to meet Americans with Disabilities Act requirements.

Language - Section 4(6) of HB 5 states, "It is the intent of the 56th Legislature that the department of fish, wildlife, and parks spend no more than \$50,000 for a feasibility study for the construction of the Miles city maintenance facility from the line item for administrative facilities and repairs and maintenance... It is further intended that funds may not be expended for this purpose until other alternatives have been explored."

- ❑ **Motor Boat Recreation Parks – \$2,305,000 Total (\$675,000 Motorboat Fees SSR, \$40,000 Motorboat Certification ID SSR, \$150,000 General License SSR, \$490,000 State Parks Earned Revenue SSR, and \$950,000 Federal Special Revenue)** – Repair, maintain, improve or protect sites at various water-based parks statewide. Parks earmarked for improvements in the 2001 biennium include Logan, Hell Creek, Cooney, Wayfarers, and Tongue Reservoir. New public facilities may be installed at sites where there are either inadequate or no facilities to meet the needs or demands of park users. This is an ongoing project.
- ❑ **Lewis & Clark Bicentennial -- \$275,000 Parks Earned Revenue SSR** – Repair, upgrade or install visitor facilities at state parks and fishing access sites in anticipation of a large increase in visitation leading up to and including the Lewis & Clark Expedition bicentennial between 2005 and 2006.
- ❑ **Capitol Landscape Irrigation – \$225,000 Capitol Land Grant revenue** – Repair and maintain the irrigation and landscaping on the state capitol complex.
- ❑ **Fishing Access Site Protection -- \$775,000 Total (\$700,000 General License SSR, \$75,000 Federal Special Revenue)** – Develop and protect fishing access sites statewide. Projects include road and parking lot development, barrier posting, boat ramps, fishing platform construction, restroom construction, weed control, bank and shore stabilization, fencing, and other needed site repairs or developments. This is an on-going program.
- ❑ **Fishing Access Site Acquisition – \$630,000 Fishing Access Site Acquisition SSR** – Acquire angler access to public waterways via purchase or lease.
- ❑ **Fishing Access Site Maintenance -- \$325,000 Fishing Access Site Maintenance SSR** – Maintain state fishing access sites statewide such as controlling noxious weeds, restoring streambanks, and performing other maintenance activities.
- ❑ **Brewery Flats Completion – \$70,000 Federal Special Revenue** – Complete a project authorized by the 1993 Legislature to improve the streambanks and streambed of Big Spring Creek near Lewistown.
- ❑ **Tongue River Mitigation Inflation Indexing -- \$275,000 Total (\$62,500 Wildlife Habitat SSR, \$212,500 General License SSR)** – Provide additional funding to rebuild the Tongue River Dam due to the federal government requiring state funds previously appropriated should have been indexed back to January, 1991.
- ❑ **Waterfowl Stamp Program -- \$263,000 Waterfowl Stamp SSR** – Construct dikes, islands, water control structures and fences to improve or create waterfowl habitat.
- ❑ **Bighorn Sheep – \$425,000 Mountain Sheep SSR** – Protect and enhance bighorn sheep habitat by acquiring a public interest in suitable habitat and conducting cooperative improvement programs.

Department of Administration

- ❑ **Health and Safety Projects, Statewide -- \$980,000 Total (\$730,000 LRBP, \$250,000 University Auxiliary/Plant funds)** – Implement high priority health and safety projects at state agencies, including the university system.

- ❑ **Hazardous Material Mitigation, Statewide -- \$300,000 LRBP Cash** – This appropriation allows the state to respond immediately to serious environmental hazards encountered during building construction or renovation.
- ❑ **Roof Replacement or Repairs, Statewide -- \$521,000 LRBP Cash** -- Repair & replace roofs on the Scott Hart Building, at the Montana State Hospital and Montana School for the Deaf and Blind, and fund an emergency fund.
- ❑ **Facilities Assessments, Statewide -- \$300,000 Total (\$100,000 LRBP, \$50,000 Dept of Transportation, \$100,000 Dept of Military Affairs, \$50,000 U-System)**– Provide funds to the Architecture and Engineering division to evaluate long range building program requests to provide a better understanding of issues affecting design recommendations.
- ❑ **Capitol Renovation** – See House Bill 14 project description section.
- ❑ **Renovate Haynes Gallery Area, Historical Society -- \$1,000,000 Donations** – Remove current Haynes Exhibit and remodel space to accommodate other types of exhibits, remodel the Northeast Gallery, and expand the Museum Store. Funding is from private donations. Upon approval by the legislature, the agency will begin fundraising efforts.

Department of Corrections

- ❑ **Expand Women’s Prison -- \$6,475,000 Federal (and \$2,900,000 general obligation bonds in HB 14)** – Expand and remodel the existing Montana women’s prison in Billings. Add 135 beds, for a total of 205. Construction includes housing, infirmary, and intake units. Estimated completion date is August 1, 2002.
- ❑ **Construct Reception Unit, MSP -- \$5,670,000 Total (\$170,000 State General Fund and \$5,500,000 Federal** – Construct new 160-bed reception unit for diagnostic intake. This unit will replace the existing 84-bed reception unit that will be used to house geriatric and special management inmates from the general population once the new reception unit is completed.
- ❑ **Missoula Regional Correctional Facility Supplemental -- \$526,497 Federal** – Completion of the Missoula regional correctional facility required additional funds. The amount contained in HB 5 represents the state’s share of the additional cost.

Language - Extensive language was added to HB 5 addressing the Department of Corrections’ projects. Section 1(4) states:

(a) The 56th Legislature authorizes four department of corrections’ capital construction projects in the 2001 biennium. Funding for the projects is contained in House Bill No. 14 and subsection (1) of this section. The total project cost and the authorized funding for each project are as follows:

- (i) \$9,375,000 for the women's prison expansion in Billings, funded by \$2,900,000 of general obligation bond proceeds in House Bill No.14 and by \$6,475,000 of federal funds appropriated in subsection (1) of this section;*
- (ii) \$2,225,000 for completing the Pine Hills youth correctional facility in Miles City, funded from general obligation bond proceeds authorized in House Bill No.14;*
- (iii) \$6,050,000 to construct a reception unit at Montana state prison in Deer Lodge, funded by \$550,000 of general obligation bonds in House Bill No. 14 and by \$5,500,000 of federal funds appropriated in subsection (1) of this section; and [note: this statement no longer conforms to the appropriation enacted by the legislature]*
- (iv) \$3,000,000 for security improvements and expanding the Wallace building at Montana state prison in Deer Lodge, funded from general obligation bond proceeds authorized in House bill No. 14.*

(b) *The 56th Legislature notes that approximately \$8,714,600 of federal department of justice funds are anticipated to become available for capital construction projects for the department of corrections in the 2001 biennium. It is the intent of the 56th Legislature that the federal funds be used to the maximum extent possible. It is further the intent of the 56th Legislature that the priority for using the federal funds is:*

- (i) *up to \$6,475,000 for the women's prison expansion project, line-itemed in subsection (1);*
- (ii) *up to \$526,497 for the Missoula regional correctional facility supplemental; and*
- (iii) *up to \$5,500,000 for the construction of the reception unit at Montana state prison line-itemed subsection (1)*

Section 2(4)(c) states:

- (i) *It is the intent of the legislature that the department of corrections may not accept federal funds for capital construction unless all conditions necessary to receive the federal dollars have been irrevocably met in advance of the expenditure of the federal funds.*
- (ii) *It is further the intent of the legislature that federal spending authority for a capital construction project may be used only for the project identified in the law authorizing the project and may not be used for any other project.*

Department of Military Affairs

- ❑ **Federal Spending Authority -- \$800,000 Federal** – Repair, maintain and improve Department of Military Affairs’ facilities statewide.
- ❑ **Washrack Waste Mitigation Statewide -- \$200,000 Federal**—Install closed loop wastewater systems in maintenance shops across the state to prevent contaminants from being introduced into municipal systems.
- ❑ **Secondary Containment Structures -- \$300,000 Federal** – Install secondary containment structures in armories around the state to prevent fuel spills from penetrating into the ground.
- ❑ **Construct Eastern MT Vets Cemetery -- \$1,100,000 Federal** – Construct a cemetery in Eastern Montana for veterans and their families.

Language - Section 2(2) of HB2 provides, “In the event one or both of the national guard armories located in Bozeman and Whitefish, Montana, and approved in House Bill No. 14 for replacement are sold prior to construction of the new Bozeman and Kalispell armories, the proceeds of the sale that were deposited to the general fund are appropriated for replacement construction up to a maximum of \$4.0 million and the bond authority in House Bill No. 14 is reduced by a like amount.”

Montana University System

- ❑ **Sprinkle Library, UM-Missoula -- \$657,000 LRBP** – Install fire sprinklers on all floors in the Mansfield Library building to address public safety issues.
- ❑ **Ventilate and Upgrade Fine Arts Building, UM-Missoula -- \$450,000 LRBP**— Install life safety improvements to the Fine Arts building, including a fire sprinkler system on the 4th floor and a ventilation system. In addition the existing elevator will be upgraded to meet current building codes and accessibility guidelines.
- ❑ **Boiler Upgrade and Ventilation, UM-Tech -- \$650,000 Total (\$530,000 LRBP, \$120,000 Univ. Plant/Auxiliary Funds)** -- Install additional boiler to the boiler plant to provide system reliability. Improve boiler plant feedwater system and overall controls. Improve the welding shop ventilation at the College of Technology to meet Department of Labor and Industry requirements.

- ❑ **Replace Steam Distribution Piping, UM-Western -- \$1,200,000 Total (\$800,000 LRBP, \$400,000 Univ. Plant/Auxiliary Funds)** – Remove and replace old asbestos insulated piping and upgrade the tunnels, equipment, controls and boiler plant.
- ❑ **Upgrade Boiler Controls, UM-Missoula -- \$225,000 Total (\$125,000 LRBP, \$100,000 Univ. Plant/Auxiliary Funds)** – Replace primary controls on the existing boilers. The university has advised parts for the existing controls are no longer available from the manufacturer and are difficult to locate.
- ❑ **Maintain Main Hall Exterior, UM-Western -- \$225,000 LRBP** – Preserve and protect Main Hall at UM-Western by painting windows, tuck pointing masonry and installing gutters.
- ❑ **General Spending Authority, UM -- \$3,500,000 Federal/Private and/or Grant Funds** – Provide blanket authority for renovation projects associated with grants and allow the university to seek federal or private funding for Americans with Disabilities Act projects, building code compliance projects, or deferred maintenance projects.
- ❑ **Addition to Paxson Gallery, UM-Missoula -- \$2,500,000 Federal/Private and/or Grant Funds** – Construction of an addition to the Paxson Gallery to increase exhibition space, provide office and meeting rooms and basement storage area.
- ❑ **Non-Denomination Chapel, UM-Tech -- \$1,500,000 Private Funds** -- Construct a non-denominational chapel on the Montana Tech campus in memory of an alumnus’ daughter who was killed in an auto accident. Funds have been gifted to Montana Tech for this purpose.
- ❑ **Forestry/Journalism Addition, UM-Missoula -- \$10,000,000 Federal/Private and/or Grant Funds** – Construct a new wing for the Schools of Forestry and Journalism to house classrooms, research labs, faculty offices, and AV classrooms. The Long Range Planning Subcommittee recommends operations and maintenance costs for this addition be funded 30% current unrestricted funds and 70% federal/private and/or grant funds.
- ❑ **Native American Studies Center, UM-Missoula -- \$3,500,000 Federal/Private and/or Grant Funds** – Construct new 10,000 square foot facility to house the Native American Studies program and the UM Museum artifacts collection. Because this building is primarily classroom space, the Long Range Planning Subcommittee recommends future operations and maintenance costs be funded from current unrestricted funds.
- ❑ **Life Sciences Building, UM-Missoula -- \$23,000,000 Federal/Private and/or Grant Funds** – Construct a new building to consolidate personnel into one “health science core” and to provide high tech lab spaces for research.
- ❑ **Maintain HVAC Systems, MSU Billings and COT Billings -- \$500,000 LRBP** – Correct heating, ventilation and air conditioning deficiencies in four major campus facilities, including a replacement boiler for the library, four replacement heating/cooling units for the College of Technology, ventilation for the Liberal Arts building, and a new cooling tower for the science building.
- ❑ **Roof Replacements, All Campuses -- \$1,591,000 LRBP** – Repair or replace several roofs throughout the university system, including the replacement of roofs at Roberts Hall, MSU-Bozeman, Art Annex, MSU-Billings, and the College of Technology, UM-Butte COT. Roofs will be repaired at Romney Gym, MSU-Bozeman, and the heating plant and Main Hall, UM-Tech.
- ❑ **Renovate Cowen Hall, MSU-Northern -- \$511,000 LRBP** – Upgrade heating and electrical systems and replace windows for energy conservation and occupant comfort.
- ❑ **Applied Technology Feasibility Study, MSU-Northern -- \$50,000 LRBP**—Provide funds for feasibility study of future construction of Applied Technology center at MSU-Northern.

House Bill 14

Note: All bonds are retired with state general fund except for the Havre Job Service Supplemental project, which will use federal funds.

Department of Administration

- **Capitol Renovation -- \$3,898,750 G.O. Bonds (and \$1,000,000 Capitol Land Grant Trust Revenue in HB 5) –** Renovation and historic restoration of the state capitol.

Department of Labor and Industry

- **Havre Job Service Supplemental -- \$210,000 G.O. Bonds (repaid with federal funds) –** Complete construction of the new Havre Job Service building that was authorized by the 54th legislature.

Department of Corrections

- **Expand Women’s Prison -- \$2,900,000 G.O. Bonds (and \$6,475,000 Federal cash authority in HB 5) –** Expand and remodel the existing Montana Women’s Prison in Billings. Add 135 beds, for a total of 205. Construction includes housing, infirmary, and intake units.
- **Pine Hills Youth Correctional Facility -- \$2,225,000 G.O. Bonds –** Construct new 24-bed housing unit, complete security perimeter fencing, and improve Range Rider Lodge heating system modifications.
- **Security & Support Improvements, MSP -- \$3,000,000 G.O. Bonds –** Expand Wallace building by 12,000 square feet, which will include a new parole board hearing room, new command post, record storage, and office space. Remodel the existing business building to provide a centralized area for investigation, business and information services units, and a new safe and secure armory.

Language – Language similar to that contained in HB 5, Section 1(4)(a)&(b) was also included in HB 14. In addition, HB 14 included language that was originally included in HB 5 by the long-range planning subcommittee but amended out of the bill later in the session. This language was vetoed by Governor Racicot following legislative adjournment. The governor also vetoed other language in HB 14. As this Fiscal Report is being prepared, the legislature is being polled to determine if the veto will be overturned. The language vetoed by the governor is presented below.

Section 2(4): (b)The 56th Legislature notes that approximately \$8,714,600 of federal department of justice funds are anticipated to become available for capital construction projects for the department of corrections in the 2001 biennium. It is the intent of the 56th Legislature that the federal funds be used in lieu of general obligation bond authority to the maximum extent possible. It is further the intent of the 56th Legislature that the priority for using the federal funds is:

- (i) *up to \$6,475,000 for the women's prison expansion project, line-itemed in House Bill No. 5;*
- (ii) *up to \$5,500,000 for the construction of the reception unit at Montana state prison line-itemed House Bill No. 5;*
- (iii) *up to \$2,225,000 for the completion of the Pine Hills youth correctional facility in Miles City, line-itemed in subsection (1); and*
- (iv) *up to \$3,000,000 for the security improvements and Wallace expansion project at Montana state prison, line-itemed in subsection (1).*

All of Sections 9 and 13 were also vetoed by the governor. Section 9 excludes the department of corrections from accessing the capital project budget amendment law for those projects authorized by the 56th Legislature and Section 13 provided a termination date for Section 9.

Department of Military Affairs

- ❑ **MNG-Veterans Affairs/Emergency Operations Center -- \$3,500,000 G.O. Bonds** – Construct facility at Fort Harrison to house state Department of Military Affairs employees (funded with general fund and federal funds) and allow those employees to be co-located with their director and federal counterparts. (Federal employees of the Department of Military Affairs will be moving to a new facility at the same location constructed and funded by the federal government.)
- ❑ **Construct New Armory, Kalispell -- \$1,800,000 G.O. Bonds (and \$3,900,000 Federal cash authority in HB 5)** – Construct replacement facility for existing Kalispell armory. The existing building is on Highway 93. The Department of Military Affairs has advised the existing site would be returned to the city of Kalispell, which becomes the owner if the state stops using it for an armory.
- ❑ **Construct New Armory, Bozeman -- \$2,200,000 G.O. Bonds (and \$4,600,000 Federal cash authority in HB 5)** – Construct replacement facility for existing Bozeman armory. The existing building is in downtown Bozeman. The Department of Military Affairs has advised that the existing site could be sold and the proceeds returned to the state general fund.

Language -- Section 2(5) of HB 14 states, “All proceeds derived from the sale of the national guard armories located in Bozeman and Whitefish must be used to pay the general obligation debt service on the bonds issued for construction of the new Bozeman and Kalispell armories. The proceeds of the sale must be deposited in the general fund for this purpose. In the event one or both of the facilities are sold prior to issuance of the bonds, then the board of examiners may determine to use all or a portion of the amount deposited in the general fund to reduce the amount of the bond issue required to finance the construction”.

University System

- ❑ **Rural Tech Education Center, UM-Western -- \$4,170,000 G.O. Bonds (and \$350,000 Current Restricted funds authority in HB 5)** – Construct an addition to, and renovate existing portions of the Lucy Carson Library building as part of the University of Montana Educational Network implementation

Language – Section 2(4) of HB 14 states, “ The 56th Legislature authorizes the construction of the rural technology education center at western Montana college of the university of Montana at a total project cost of \$4,520,000. House Bill No. 5 contains \$350,000 in other revenue authority for this project, and subsection (1) of this section contains \$4,170,000 in general obligation bond authority for this project. In the event that other additional funds become available for this project during its construction, the general obligation bond authority in subsection (1) of this section must be reduced by a like amount and other revenue authority is increased by a like amount in House Bill No. 5 for the same purpose”.

- ❑ **Lab and Classroom Renovation, UM -- \$2,000,000 G.O. Bonds** – Expand and renovate existing instructional areas on UM campuses. Projects may upgrade finishes/furnishings, envelopes or expand existing building to meet current instructional needs.
- ❑ **Renovate Renne Library -- \$7,500,000 G.O. Bonds** – Renovate the existing library at MSU-Bozeman to provide an additional 11,400 usable square feet to the library. There is unfinished space in the original building (constructed 1948) and the 1960 addition that will be finished to provide this additional space. An archive storage facility will be constructed to house the archives currently stored in the unfinished space. The project will also include fire sprinkler and alarm systems installation, lighting upgrades and, asbestos removal.