



AN ACT GENERALLY REVISING LAWS RELATING TO CAPITAL PROJECTS; INCLUDING ENERGY CONSERVATION PROJECTS AS CAPITAL PROJECTS; APPROPRIATING MONEY FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2011; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE LONG-RANGE BUILDING PROGRAM ACCOUNT; CREATING AN ENERGY CONSERVATION CAPITAL PROJECTS ACCOUNT; PROVIDING FOR TRANSFERS OF FUNDS FROM THE STATE GENERAL FUND TO THE ENERGY CONSERVATION REPAYMENT ACCOUNT AND THE ENERGY CONSERVATION CAPITAL PROJECTS ACCOUNT; AUTHORIZING COMMUNITY COLLEGES TO PARTICIPATE IN THE ENERGY CONSERVATION PROGRAM; REQUIRING PAYMENT OF INTEREST ON ENERGY CONSERVATION PROJECT COSTS; REQUIRING THE INCLUSION OF ENERGY SAVINGS IN THE EXECUTIVE BUDGET; AMENDING SECTIONS 17-7-111, 17-7-123, 90-4-602, AND 90-4-615, MCA, AND SECTION 2, CHAPTER 560, LAWS OF 2005; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. For the purposes of [sections 1 through 12], unless otherwise stated, the following definitions apply:

(1) "Authority only" means approval provided by the legislature to expend money that does not require an appropriation, including grants, donations, auxiliary funds, proprietary funds, and university funds.

(2) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, furnishing, or major repair projects authorized in [sections 1 through 12].

(3) "LRBP" means the long-range building program account in the capital projects fund type.

(4) "Other funding sources" means money other than LRBP, state special revenue, or federal special revenue money that accrues to an agency under the provisions of law.

Section 2. Capital project appropriations and authorizations. The following money is appropriated for the indicated capital projects to the department of environmental quality for state building energy conservation funds and from all other indicated sources to the department of administration. Funds not requiring legislative appropriation are included for the purpose of authorization. The department of administration is authorized to transfer the appropriations and/or authority among the necessary fund types for these projects:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
MONTANA SCHOOL FOR THE DEAF AND BLIND						
Energy and Facility Improvements	250,000			25,000		275,000
Other funds consist of state building energy conservation funds.						
DEPARTMENT OF ADMINISTRATION						
Renovation and Energy Improvements						
State Liquor Warehouse				2,210,000		2,210,000
Other funds consist of 460,000 of state building energy conservation funds and 1,750,000 of proprietary funds.						
Mechanical and Energy Projects						
Capitol Complex			1,924,000		1,600,000	3,524,000

Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs.

Authority-only funds consist of general services division internal service funds.

Energy Related Deferred Maintenance, Statewide 1,073,568 1,276,432 2,350,000

Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs.

Spending Authority, Utility Energy Conservation Funds 2,000,000 2,000,000

Authority-only funds consist of utility company grants, rebates and incentives.

Hazardous Materials Abatement, Statewide 400,000 400,000

Roof Repairs and Replacements, Statewide 1,310,000 700,000 2,010,000

Elevator and ADA Modifications, Capitol Complex 1,450,000 1,450,000

Authority-only funds consist of general services division internal service funds.

Repair/Preserve Building Envelopes, Statewide 1,500,000 1,500,000

Code/Deferred Maintenance, Statewide 1,150,000 1,150,000

Infrastructure Repairs, State Capitol 500,000 300,000 800,000

Authority-only funds consist of general services division internal service funds.

Parking Lot Upgrades, Capitol Complex 250,000 250,000

Authority-only funds consist of general services division internal service funds.

Upgrade Fire Protection Systems, Statewide 800,000 800,000

Campus Master Planning, Statewide 200,000 100,000 200,000 500,000

Authority-only funds may include federal special revenue, auxiliary, donations, grants, and higher education funds.

DEPARTMENT OF CORRECTIONS

Energy Conservation Improvements 1,260,000 2,610,000 10,000 500,000 4,380,000

Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs.

Other funds consist of state building energy conservation funds.



Authority-only funds may include federal special revenue, donations, grants, and proprietary funds.

Alternative Energy-Biomass Boiler, MT State Prison	250,000	740,000	990,000
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Other funds consist of state building energy conservation funds.

Emergency Power System, MT State Prison	500,000		500,000
Renovate Low Support, MT State Prison	1,660,000		1,660,000
New Building for Youth Transition Center, Great Falls	1,310,000		1,310,000
Improve Food Production	300,000		300,000

DEPARTMENT OF FISH, WILDLIFE, AND PARKS

Hatchery Maintenance	575,000	275,000	850,000
Administration Facilities Repair and Maintenance	1,390,000		1,390,000

DEPARTMENT OF MILITARY AFFAIRS

Energy Conservation Improvements	885,000	265,000	1,150,000
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Other funds consist of state building energy conservation funds.

Storm Water Improvements/Infrastructure, Phase 3, Fort Harrison	1,600,000		1,600,000
Paving Parking Lots, Statewide	100,000	100,000	200,000

MONTANA UNIVERSITIES AND COLLEGES

Code Compliance/Deferred Maintenance			
Montana University System	3,600,000	1,000,000	4,600,000

Authority-only funds may include federal special revenue, auxiliary, donations, grants, and higher education funds.

Animal Bioscience Facility, MSU-Bozeman	2,500,000		2,500,000
Renovate Existing Laboratory Facilities, MSU-Bozeman		7,500,000	7,500,000

Authority is hereby granted to Montana state university to convert existing laboratories to long-term use and to make capital improvements in the indicated amount contingent upon receipt of federal special revenue, grants, or both.



Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Simulated Hospital and Child Care Center, MSU-Great Falls College of Technology

1,600,000	500,000	2,100,000
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Authority only funds may include federal special revenue, auxiliary, donations, grants, and higher education funds.

Funds must be used for construction costs. Any remaining funds will be redirected to construction projects at Montana colleges of technology.

UM-Helena College of Technology Project Completion	850,000	850,000
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DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Improve Medical Services, MT Developmental Center, Boulder	450,000	450,000
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DEPARTMENT OF TRANSPORTATION

Equipment Storage Buildings, Statewide	1,175,000	1,175,000
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DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Energy/Major Repairs and Small Projects, Statewide	1,000,000	1,000,000
Building Addition, Billings Oil and Gas Office	1,300,000	1,300,000

DEPARTMENT OF AGRICULTURE

Renovation and Energy Upgrades, State Grain Lab, Great Falls	525,000	525,000
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Section 3. Fund transfers. (1) Subject to subsection (4), there is transferred from the state general fund \$2.6 million in fiscal year 2010 and \$2.6 million in fiscal year 2011 to the long-range building program account in the capital projects fund type for the projects enumerated in [sections 2 and 4].

(2) Subject to subsection (4), there is transferred from the state general fund \$10.4 million in fiscal year 2010 and \$2.957 million in fiscal year 2011 to the energy conservation capital projects account in the capital projects fund type for the projects enumerated in [sections 2 and 4].

(3) Subject to subsection (4), there is transferred from the state general fund \$1 million in fiscal year 2010 and \$500,000 in fiscal year 2011 to the energy conservation repayment account created in 90-4-615 to be available to the department of environmental quality by appropriation to fund the costs of the state building energy conservation program.

(4) In order to maintain an adequate general fund ending balance, if at any time during the 2011 biennium, the office of budget and program planning projects a 2011 biennium unreserved general fund ending balance of less than \$125 million, the office of budget and program planning may direct the department of administration to reduce the fund transfers in subsections (1) through (3). The department of administration shall transfer the funds on a schedule approved by the office of budget and program planning that enables the statewide management goals for cash flow and for fund balance. If the projected unreserved general fund ending balance increases at a later point in the biennium, the fund transfers may be increased back up to the original authorized level. The office of budget and program planning may not direct fund transfers to be reduced below the level of encumbrance obligations made against the appropriation at the time of the reduction.

Section 4. Capital improvements. (1) The following money is appropriated to the department of fish, wildlife, and parks in the indicated amounts for the purpose of making capital improvements to statewide facilities. Funds not requiring legislative appropriation are included for the purpose of authorization:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Future Fisheries		1,150,000				1,150,000
Community Fishing Ponds		50,000				50,000
Clearwater Fish Barrier		825,000	25,000			850,000
Upland Game Bird Program		1,041,400				1,041,400
Wildlife Habitat Maintenance		1,010,000				1,010,000
Migratory Bird Stamp Program		620,000				620,000

Bighorn Sheep	150,000		150,000
Parks Program	3,040,000	2,000,000	5,040,000
Fishing Access Site Protection	900,000		900,000
Grant Programs/Federal Projects	320,000	1,500,000	1,820,000

(2) The following money is appropriated to the department of commerce, Montana heritage preservation and development commission, in the indicated amount for the purpose of making capital improvements to facilities located in Virginia City, Nevada City, and Reeder's Alley:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Historic Preservation & Supporting Improvements, MHC Properties Statewide	750,000					750,000

(3) Authority is being granted to the university of Montana in the indicated amount for the purpose of making capital improvements to campus facilities. Authority-only funds may include federal special revenue, donations, grants, and higher education funds. All costs for the operations and maintenance of any new improvements constructed under this authorization must be paid by the university of Montana with nonstate revenue.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
General Spending Authority, UM-All Campuses					6,000,000	6,000,000
Interdisciplinary Science Building Finish Out, UM-Missoula					8,000,000	8,000,000

Authority is hereby granted to the university of Montana to make capital improvements for the interdisciplinary science building finish out in the indicated amount contingent upon receipt of federal special revenue as part of funds made available pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, through competitive grants. All costs for the operation and maintenance of the improvements constructed under this

appropriation must be paid by the university of Montana from nonstate sources.

(4) Authority is being granted to Montana state university in the indicated amount for the purpose of making capital improvements to campus facilities. Authority-only funds may include federal special revenue, donations, grants, and higher education funds. All costs for the operations and maintenance of new improvements constructed under this authorization must be paid by Montana state university from nonstate sources.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
General Spending Authority, MSU-All Campuses					5,000,000	5,000,000

(5) The following money is appropriated to the department of military affairs in the indicated amount for the purpose of making capital improvements to statewide facilities. All costs for the operation and maintenance of any new improvements constructed with these funds must be paid by the department of military affairs with nonstate revenue.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Federal Spending Authority			2,000,000			2,000,000

(6) The following money is appropriated to the department of transportation in the indicated amounts for the purpose of making capital improvements as indicated:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Statewide Maintenance, Repair and Small Projects		2,625,000				2,625,000
US Highway 93 Projects		24,100,000				24,100,000

(7) The following money is appropriated to the department of environmental quality in the indicated amounts for the purpose of making capital

improvements as indicated:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Department of Public Health and Human Services Energy Projects, Statewide			2,132,000			2,132,000

Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs.

Energy Projects at Community Colleges, Statewide			1,000,000			1,000,000
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Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs.

Cabinet Agency Energy Projects, Statewide			5,375,000			5,375,000
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Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs.

Energy Conservation Improvements, Montana University System			8,697,000			8,697,000
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Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs.

(8) The following money is appropriated to the department of natural resources and conservation in the indicated amounts for the purpose of making capital improvements as indicated:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Rehabilitation of State-Owned Dams		575,000				575,000
Rehabilitation of Ruby Dam		5,000,000				5,000,000

Section 5. Land acquisition appropriations. The following money is appropriated to the department of fish, wildlife, and parks in the indicated amounts for purposes of land acquisition, land leasing, easement purchase, or development agreements:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Fishing Access Site Acquisition		500,000	100,000			600,000
Habitat Montana		8,110,000				8,110,000
Hunting Access		2,500,000				2,500,000

Section 6. Montana stimulus capital improvements. (1) The following money is appropriated for the indicated capital projects from the indicated sources to the department of administration. Funds not requiring legislative appropriation are included for the purpose of authorization. The department of administration is authorized to transfer the appropriations, authority, or both among the necessary fund types for these projects.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Exterior Envelope Improvements, Montana Law Enforcement Academy	425,000					425,000
Facility Repairs and Improvements, WATCH East	650,000					650,000
Facility Repairs and Improvements, DNRC Swan and Stillwater Units	400,000					400,000
Renovate Low Support, Phase 2, Montana State Prison	1,240,000					1,240,000

Renovate Main Hall, Phase 2, UM-Western	6,000,000		6,000,000
Renovation/Addition to Spratt Building, Montana State Hospital			
	1,640,000		1,640,000
Montana Veterans' Home Improvements, Statewide	1,200,000		1,200,000
Consolidate DNRC Divisions, Missoula	350,000		350,000
Office of Public Assistance, Wolf Point	2,250,000		2,250,000
Statewide Facilities Planning	400,000		400,000
Central Land Office Building Renovation/Replacement, DNRC			
	1,600,000		1,600,000
Energy Conservation Improvements, Montana University System			
	12,300,000	4,500,000	16,800,000

The highest priority use of funds provided in this appropriation is to augment projects initiated with the state energy program funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and appropriated in [section 4] for the Montana university system to address related modernization, repairs, and renovation costs that the department of administration considers prudent to construct within the same project. If the federal state energy program funds are exhausted, the remaining funds in this appropriation may be used to entirely fund additional energy conservation projects and related improvements.

Rose Creek Hatchery		5,000,000	5,000,000
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Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(2) The following money is appropriated to the department of military affairs in the indicated amounts for the purpose of making capital improvements to statewide facilities. Funds not requiring legislative appropriation are included for the purpose of authorization. All costs for the operation and maintenance of any new improvements constructed with these funds must be paid by the department of military affairs with nonstate revenue.

Agency/Project	LRBP	State	Federal	Other	Authority	Total
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Fund	Special Revenue	Special Revenue	Funding Sources	Only
Construct Female Latrines - Department of Military Affairs, Culbertson and Malta		451,800		451,800
Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for national guard operations and maintenance.				
Helicopter Dip Site - Department of Military Affairs, Fort Harrison		279,268		279,268
Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for national guard operations and maintenance.				
Vault Modifications - Department of Military Affairs, Statewide		500,000		500,000
Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for national guard operations and maintenance.				

(3) The following money is appropriated to the department of fish, wildlife, and parks in the indicated amounts for the purpose of making capital improvements to statewide facilities. Funds not requiring legislative appropriation are included for the purpose of authorization.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Mobley Diversion Watershed			300,000			300,000
Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.						
Fort Peck Hatchery Infrastructure			720,000			720,000
Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.						
Fort Peck Hatchery Hydroelectric Generation			9,200,000			9,200,000

Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Willow Creek Feeder Canal Project	1,250,000	1,250,000
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Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Vandalia Fish Passage	5,000,000	5,000,000
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Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Section 7. Transfer of appropriations -- definition. (1) The department of fish, wildlife, and parks and the department of transportation are authorized to transfer the appropriations and authority, as appropriate, in [sections 4 and 5] among the necessary fund types for these projects.

(2) (a) The department of environmental quality may transfer appropriations between projects in [section 2 or 4] to respond to energy-saving opportunities.

(b) For purposes of this subsection (2), "energy-saving opportunities" means opportunities to achieve energy cost savings that will be technically infeasible or uneconomical if the project is delayed until specific legislative approval can be obtained.

(3) The department of administration may transfer appropriations and authority, as appropriate, between projects in [section 2 or 6] to maximize utilization of the federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Section 8. Reappropriation of remaining balance to Montana tech. (1) Any portion of the Augment Petroleum, Bureau of Mines and Geology, UM-MT Tech project appropriation of \$5.2 million of long-range building program (LRBP) funds appropriated in section 2, Chapter 3, Special Laws of May 2007, that is unexpended for the project is reappropriated for the following projects:

Mining and Geology Building, HVAC Upgrade, UM-MT Tech	\$530,000
Health Sciences Building, ADA Accessible Bathrooms on Floors 1 and 2 and Elevator, UM-MT Tech	\$1,930,000

Evaluation of Main Hall Structure, UM-MT Tech

\$40,000

(2) There are no additional operations and maintenance costs associated with the new projects, and energy upgrades will offset the costs of operating the new elevator.

Section 9. Planning and design. The department of administration may proceed with the planning and design of capital projects prior to the receipt of other funding sources. The department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt of funds from other funding sources.

Section 10. Capital projects -- contingent funds. If a capital project is financed, in whole or in part, with appropriations contingent upon the receipt of funds from other funding sources, the department of administration may not let the project for bid until the agency has submitted a financial plan for approval by the director of the department of administration. A financial plan may not be approved by the director if:

- (1) the level of funding provided under the financial plan deviates substantially from the funding level provided in [sections 2 through 5] for that project; or
- (2) the scope of the project is substantially altered or revised from the preliminary plans presented for that project in the 2011 biennium long-range building program presented to the 61st legislature.

Section 11. Review by department of environmental quality. The department of environmental quality shall review capital projects authorized in [sections 2 through 7] for potential inclusion in the state building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital project will result in energy improvements, that project must be submitted to the energy conservation program for funding consideration. Funding provided under the energy conservation program guidelines must be used to offset or add to the authorized funding for the project, and the amount will be dependent on the annual utility savings resulting from the facility improvement. Agencies must be notified of potential funding after the review.

Section 12. Legislative consent. The appropriations authorized in [sections 1 through 11] constitute legislative consent for the capital projects

contained in [sections 1 through 11] within the meaning of 18-2-102.

Section 13. Section 17-7-111, MCA, is amended to read:

"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and contents. (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state need information that is consistent and accurate. Necessary information includes detailed disbursements by fund type for each agency and program for the appropriate time period, recommendations for creating a balanced budget, and recommended disbursements and estimated receipts by fund type and fund category.

(b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst shall by agreement:

(i) establish necessary standards, formats, and other matters necessary to share information between the agencies and to ensure that information is consistent and accurate for the preparation of the state's budget; and

(ii) provide for the collection and provision of budgetary and financial information that is in addition to or different from the information otherwise required to be provided pursuant to this section.

(2) In the preparation of a state budget, the budget director shall, not later than the date specified in 17-7-112(1), distribute to all agencies the proper forms and instructions necessary for the preparation of budget estimates by the budget director. These forms must be prescribed by the budget director to procure the information required by subsection (3). The forms must be submitted to the budget director by the date provided in 17-7-112(2)(a) or the agency's budget is subject to preparation based upon estimates as provided in 17-7-112(5). The budget director may refuse to accept forms that do not comply with the provisions of this section or the instructions given for completing the forms.

(3) The agency budget request must set forth a balanced financial plan for the agency completing the forms for each fiscal year of the ensuing biennium. The plan must consist of:

(a) a consolidated agency budget summary of funds subject to appropriation or enterprise funds that transfer profits to the general fund or to an account subject to appropriation for the current base budget expenditures, including statutory appropriations, and for each present law adjustment and new proposal request setting forth the aggregate figures of the full-time equivalent personnel positions (FTE) and the budget, showing a balance between the total proposed disbursements and the total anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing

biennium, contrasted with the corresponding figures for the last-completed fiscal year and the fiscal year in progress;

(b) a schedule of the actual and projected receipts, disbursements, and solvency of each fund for the current biennium and estimated for the subsequent biennium;

(c) a statement of the agency mission and a statement of goals and objectives for each program of the agency. The goals and objectives must include, in a concise form, sufficient specific information and quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and its programs and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals and objectives.

(d) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated FTE and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by program;

(e) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements for the current fiscal year, and the agency's recommendations for the ensuing biennium, by disbursement category;

(f) for only agencies with more than 20 FTE, a plan to reduce the proposed base budget for the general appropriations act and the proposed state pay plan to 95% of the current base budget or lower if directed by the budget director. Each agency plan must include base budget reductions that reflect the required percentage reduction by fund type for the general fund and state special revenue fund types. Exempt from the calculations of the 5% target amounts are legislative audit costs, administratively attached entities that hire their own staff under 2-15-121, and state special revenue accounts that do not transfer their investment earnings or fund balances to the general fund. The plan must include:

(i) a prioritized list of services that would be eliminated or reduced;

(ii) for each service included in the prioritized list, the savings that would result from the elimination or reduction; and

(iii) the consequences or impacts of the proposed elimination or reduction of each service.

(g) a reference for each new information technology proposal stating whether the new proposal is included in the approved agency information technology plan as required in 2-17-523; ~~and~~

(h) energy cost saving information as required by [section 17]; and

~~(h)~~(i) other information the budget director feels is necessary for the preparation of a budget.

(4) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with 17-7-112:

(a) detailed recommendations for the state long-range building program. Each recommendation must be presented by institution, agency, or branch, by funding source, with a description of each proposed project.

(b) a statewide project budget summary as provided in 2-17-526;

(c) the proposed pay plan schedule for all executive branch employees at the program level by fund, with the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under this subsection is not an unfair labor practice under 39-31-401.

(d) agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2, part 3, the renewable resource grant and loan program under Title 85, chapter 1, part 6, the reclamation and development grants program under Title 90, chapter 2, part 11, and the treasure state endowment program under Title 90, chapter 6, part 7.

(5) The board of regents shall submit, with its budget request for each university unit in accordance with 17-7-112, a report on the university system bonded indebtedness and related finances as provided in this subsection (5). The report must include the following information for each year of the biennium, contrasted with the same information for the last-completed fiscal year and the fiscal year in progress:

(a) a schedule of estimated total bonded indebtedness for each university unit by bond indenture;

(b) a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each outstanding bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal funding requirements for each bond indenture; and

(c) a schedule showing the total funds available from each bond indenture and its associated accounts, with a list of commitments and planned expenditures from such accounts, itemized by revenue source and project for each year of the current and ensuing bienniums.

(6) (a) The department of revenue shall make Montana individual income tax information available by removing names, addresses, and social security numbers and substituting in their place a state accounting record identifier number. Except for the purposes of complying with federal law, the department may not alter the data in any other way.

(b) The department of revenue shall provide the name and address of a taxpayer on written request of the budget director when the values on the requested return, including estimated payments, are considered necessary by the budget director to properly analyze state revenue and are of a sufficient magnitude to materially affect the analysis and when the identity of the taxpayer is necessary to evaluate the effect of the return or payments on the analysis being performed."

Section 14. Section 17-7-123, MCA, is amended to read:

"17-7-123. Form of executive budget. (1) The budget submitted must set forth a balanced financial plan for funds subject to appropriation and enterprise funds that transfer profits to the general fund or to accounts subject to appropriation for each accounting entity and for the state government for each fiscal year of the ensuing biennium. The base level plan must consist of:

(a) a consolidated budget summary setting forth the aggregate figures of the budget in a manner that shows a balance between the total proposed disbursements and the total anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the corresponding figures for the last-completed fiscal year and the fiscal year in progress. The consolidated budget summary must be supported by explanatory schedules or statements.

(b) budget and full-time equivalent personnel position comparisons by agency, program, and appropriated funds for the current and subsequent biennium;

(c) the departmental mission and a statement of goals and objectives for the department;

(d) base budget disbursements for the completed fiscal year of the current biennium, estimated comparable disbursements for the current fiscal year, and the proposed present law base budget plus new proposals, if any, for each department and each program of the department;

(e) a statement containing recommendations of the governor for the ensuing biennium by program and disbursement category, including:

(i) explanations of appropriation and revenue measures included in the budget that involve policy changes;

(ii) matters not included as a part of the budget bill but included as a part of the executive budget, such as the state employee pay plan, programs funded through separate appropriations measures, and other matters considered necessary for comprehensive public and legislative consideration of the state budget; and

(iii) a summary of budget requests that include proposed expenditures on information technology resources. The summary must include funding, program references, and a decision package reference;

(f) a report on:

(i) enterprise funds not subject to the requirements of subsections (1)(a) through (1)(e), including retained earnings and contributed capital,

projected operations and charges, and projected fund balances; and

(ii) fees and charges in the internal service fund type, including changes in the level of fees and charges, projected use of the fees and charges, and projected fund balances. Fees and charges in the internal service fund type must be approved by the legislature in the general appropriations act. Fees and charges in a biennium may not exceed the level approved by the legislature in the general appropriations act effective for that biennium.

(g) energy cost saving information as required by [section 17] and energy conservation program information as required by 90-4-606; and

~~(g)~~(h) any other financial or budgetary material agreed to by the budget director and the legislative fiscal analyst.

(2) The statement of departmental goals and objectives and the schedule for each fund required in 17-7-111(3)(b) of the executive budget are not required to be printed but must be available in the office of budget and program planning and on the internet."

Section 15. Section 90-4-602, MCA, is amended to read:

"90-4-602. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Board" means the board of examiners provided for in 2-15-1007.

(2) "Cost" includes the expenses related to planning, design, construction, and installation of energy conservation improvements and any administrative expenses of the department incurred in the performance of its duties under the energy conservation program.

(3) "Department" means the department of environmental quality provided for in 2-15-3501.

(4) "Energy conservation program" means a program for the financing, acquisition, construction, and installation of alternative energy saving systems, as defined in 15-32-102, or equipment, systems, and improvements in state-owned buildings, structures, and facilities that save energy or water.

(5) "Energy conservation program bonds" includes all series of bonds issued to finance any portion of the energy conservation program.

(6) "Energy cost savings" means the savings in utility costs to a state agency as a result of an energy conservation program.

(7) "Participating state agency" means, for a state-owned building, structure, or facility, the state agency that pays the utilities for that building.

~~(7)~~(8) "State agency" means:

(a) each executive, legislative, or judicial branch department, office, or agency; ~~and~~

(b) the university system; and

(c) a community college district."

Section 16. Section 90-4-615, MCA, is amended to read:

"90-4-615. Energy conservation repayment account. (1) There is an energy conservation repayment account in the state special revenue fund established in 17-2-102.

(2) There must be deposited in the energy conservation repayment account:

(a) ~~the amount of energy costs saved as a result of the acquisition, installation, and construction of energy saving equipment, systems, or improvements~~ energy conservation projects in state buildings, facilities, or structures using ~~general fund appropriations to~~ from the energy conservation capital projects account or the general fund for the energy conservation program until total payments to the account for a project equal the cost of the project, including the cost of the investment grade energy audit on the project and the design of the project; and

(b) interest earned on the account;

(c) interest earned on the energy conservation capital projects account created in [section 18]; and

(d) funds transferred to the account by the legislature.

(3) Money in the energy conservation repayment account is available to the department of environmental quality by appropriation to fund the costs of the energy conservation program for:

(a) conducting energy analysis;

(b) data collection and analysis;

(c) program administration and oversight; and

(d) monitoring the results of state building energy conservation projects.

(4) If the unencumbered funds in the account at the end of a biennium exceed \$2 million, the department shall transfer to the energy conservation capital projects account the amount of funds in excess of \$2 million."

Section 17. Transfer of energy savings from projects. (1) In preparing the executive budget each biennium, for each state agency participating

in the state energy conservation program by using appropriations from the general fund or the energy conservation capital projects account created in [section 18], the governor shall include an estimate of the energy cost savings expected for that agency in each year of the biennium.

(2) Each session, the legislature shall review the governor's submission pursuant to 90-4-606 and subsection (1) of this section and, unless the legislature disapproves, shall include in the general appropriations act authority for each participating state agency to transfer funds in an amount equal to the agency's estimated energy cost savings to the energy conservation repayment account established in 90-4-615. These transfers must continue until the cost of the project, including energy analysis, acquisition and installation costs of energy saving equipment or systems, and the cost of the construction of improvements in state buildings, facilities, or structures, plus annual interest payments of 3% of the unpaid balance of the cost of the project, has been paid into the energy conservation repayment account.

(3) The current level utility appropriations of state agencies participating in the energy conservation program must be reduced by the sum of the amounts approved to be transferred pursuant to subsection (2).

(4) Upon request of the department, each participating state agency shall transfer the amounts approved pursuant to subsection (2).

Section 18. Energy conservation capital projects account. (1) There is an energy conservation capital projects account in the capital projects fund type established in 17-2-102.

(2) There must be deposited in the account:

- (a) money transferred from the energy conservation repayment account; and
- (b) other amounts transferred to the account by the legislature.

(3) Money in the account is available to the department by appropriation and must be used to pay the costs of the acquisition, installation, and construction of energy saving equipment, systems, or improvements in state buildings, facilities, or structures.

Section 19. Reappropriation of energy conservation projects. The remaining balances on energy conservation projects previously approved by the legislature are reappropriated for the purposes of the original appropriation until the projects are completed.

Section 20. Section 2, Chapter 560, Laws of 2005, is amended to read:

"Section 2. Capital projects appropriations and authorizations. (1) Subject to [section 9(2)], the following money is appropriated for the indicated capital projects from the indicated sources to the department of administration. Funds not requiring legislative appropriation are included for the purpose of authorization. The department of administration is authorized to transfer either or both the appropriations and authority among the necessary fund types for these projects:

Agency/Project	LRBP	Other Funding Sources	
MONTANA SCHOOL FOR THE DEAF AND BLIND			
Facility Improvements, Montana School for the Deaf and Blind	\$398,000		
DEPARTMENT OF ADMINISTRATION			
Roof Repair and Replacement, Statewide	3,076,242	\$206,500	Federal Special Revenue
Repair/Preserve Building Exteriors, Statewide	497,500		
Window Repairs and Replacement, Statewide	1,268,625		
Deferred Maintenance, Montana Law Enforcement Academy	761,175		
Hazardous Materials Abatement, Statewide	497,500		
Code/Deferred Maintenance Projects, Statewide	1,255,989	90,000	Federal Special Revenue
Repair Deteriorated Campus Infrastructure, Statewide	547,250		
Major Maintenance and Repairs to State Capitol	497,500		
Upgrade Fire Alarm Systems, Statewide	398,000		
Repair Elevators, Capitol Complex	796,000		
Upgrade 1100 North Last Chance Gulch	1,201,960		
DPHHS Commodity Warehouse Expansion, Helena		2,000,000	Federal Special Revenue
Public Restrooms, Virginia City and Nevada City	99,450		
Public Safety Learning Center, Montana Law Enforcement Academy		3,450,000	Federal Special Revenue

Long-range Building Program Funding Interim Project	8,000		
Capitol Annex or Alternatives Feasibility Study		500,000	Capitol Land Grant Funds
MONTANA HISTORICAL SOCIETY			
Montana Historical Society Building, Helena		30,000,000	Donations and Grants
<p>Authority is granted to the department of administration in the indicated amount for the construction of a new historical society building.</p>			
DEPARTMENT OF CORRECTIONS			
Improve Water System, Montana State Prison	124,375		
Improve High-Side Kitchen Ventilation, Montana State Prison	116,714		
Improve Perimeter Security, Montana State Prison	1,393,000		
DEPARTMENT OF FISH, WILDLIFE, AND PARKS			
Hatchery Maintenance, Statewide		575,000	State Special Revenue
		575,000	Federal Special Revenue
Rose Creek Hatchery		1,700,000	State Special Revenue
Fort Peck Storage/Office Space		50,000	State Special Revenue
		150,000	Federal Special Revenue
Administrative Facilities Repair, Maintenance and Improvements		800,000	State Special Revenue
DEPARTMENT OF MILITARY AFFAIRS			
Federal Spending Authority		2,100,000	Federal Special Revenue
Western Montana Veterans' Cemetery, Missoula		3,200,000	Federal Special Revenue
Montana State Veterans' Cemetery Columbarium, Fort Harrison		500,000	Federal Special Revenue
MONTANA UNIVERSITIES AND COLLEGES			
ADA/Code/Deferred Maintenance Projects, Montana University System	1,393,000		
Upgrade Steam Distribution System, UM-Missoula	5,905,325	3,060,000	Auxiliary Funds

Upgrade HVAC Systems, Pershing and Brockman Halls, MSU-Northern	521,380		
Heating System Improvements, Academic Center and McMullen Halls, MSU-Billings	243,775		
Mining and Geology Building Mechanical System Renovation, UM-Butte	915,400		
Upgrade Health Sciences HVAC System, Phase 2, UM-Missoula	965,150		
Renovate Domestic Water Distribution System, UM-Dillon	182,185		
Classroom/Laboratory Upgrades, Montana University System	995,000		
Facility Repairs and Improvements, MSU-Billings	542,275		
Heating Plant Phase 3, MSU-Bozeman	945,250		
Renovate HVAC Systems, Science Complex 3rd and 4th Floors, UM-Missoula	606,950		
Water/Sewer System Repairs and Maintenance, MSU-Bozeman	248,750	250,000	Auxiliary Funds
Upgrade Primary Electrical Distribution, MSU-Bozeman	746,250	750,000	Auxiliary Funds
Facility Repairs and Improvements, MSU-Agricultural Experiment Stations	477,600		
MSU-Agricultural Experiment Station Projects	646,750		
Campus Improvements, MSU-Northern	636,800	300,000	Auxiliary Funds
New Construction, Consolidate Campus, UM-Missoula College of Technology		24,500,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing a new university of Montana-Missoula college of technology.

Native American Study Center, UM-Missoula		2,500,000	Federal Special Revenue, Donations, Grants, and
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Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the Native American center. This authority augments \$3,500,000 of existing authority for this capital improvement.

New Gallery Space, UM-Missoula	6,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing new gallery space.

New Forestry Complex, UM-Missoula	20,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new forestry complex.

MBMG/Petroleum Building, UM-Tech, Butte	5,400,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing the MBMG/petroleum building.

Research Lab Facility, UM-Missoula	3,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing the research lab facility. Any increase in costs for the operations and maintenance of the research lab facility must be paid by the university of Montana with nonstate revenue.

Law Building ADA Improvements/Renovation/Expansion, UM-Missoula	500,000
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This state money augments \$5,000,000 of existing authority for this project.

School of Journalism Building, UM-Missoula	500,000
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This state money augments \$12,000,000 of existing authority for this project.

VisComm Black Box Theater, MSU-Bozeman	2,750,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new viscomm black box theater.

Animal Bioscience Building, MSU-Bozeman	7,500,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new animal bioscience building.

This authority augments \$5,000,000 of existing authority for this capital improvement.

Museum of the Rockies, MSU-Bozeman	12,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing improvements to the museum of the rockies.

Native American Student Center, MSU-Bozeman	8,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds
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Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new Native American student center.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Facility Improvements, Montana State Hospital, Warm Springs	592,523
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Facility Improvements, Montana Developmental Center, Boulder	218,044
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Demolish Abandoned Buildings, Public Health and Human Services	1,741,250		
Stabilize Old Administration Building, Montana			
Developmental Center, Boulder	179,100		
Housing for High-Risk Behaviors	2,529,290		
Special Care Unit Renovations, Eastern Montana Veterans' Home, Glendive		475,000	State Special Revenue
Facility Renovation and Improvements, Montana Veterans' Home, Columbia Falls		465,000	State Special Revenue
Construct Chapel, Montana State Hospital, Warm Springs		350,000	Donations and Grants

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the chapel at the Montana state hospital in Warm Springs.

DEPARTMENT OF TRANSPORTATION

Equipment Storage Buildings, Statewide		635,000	State Special Revenue
Chiller/Cooling Towers Replacement, Helena Headquarters		350,000	State Special Revenue
Office Addition, Billings		500,000	State Special Revenue

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Replace Clearwater Unit Fire Cache	248,750		
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OFFICE OF THE GOVERNOR

Historic and Cultural Properties Interim Study	20,000		
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(2) (a) For the purpose of constructing a privately funded chapel at the Montana state hospital in Warm Springs, the department of administration may waive, in whole or in part, the requirements pertaining to:

- (i) bidding and bonding for state building projects in Title 18;
- (ii) labor requirements in Title 18; and
- (iii) contractor registration in Title 39.

(b) The waiver pursuant to subsection (2)(a) may be exercised in the following circumstances:

- (i) to obtain the volunteer services and donated materials from members of the public, civic organizations, and other entities;
- (ii) to obtain the compensated services of contractors who are donating significant amounts of labor, time, and materials; and
- (iii) to meet the terms and conditions for receipt of major sums of money from private or public funding sources, including individual donations.

(3) (a) For the purpose of selling the Jocko fish hatchery to the Confederated Salish and Kootenai tribes and in exchange for constructing and improving the fish hatchery at the Rose Creek hatchery, the department of fish, wildlife, and parks may waive, in whole or in part, the requirements pertaining to:

- (i) public bids for land disposal in 87-1-209(3); and
- (ii) the real property trust fund in 87-1-601.

(b) The waiver pursuant to subsection (3)(a) may be exercised only under the circumstances described in subsection (3)(a). The waiver does not affect the department's requirement to obtain full market value pursuant to Article X, section 11, of the Montana constitution.

(4) It is the intent of the legislature that the department of administration plan and construct a Montana historical society building at the 6th avenue and Roberts street site in Helena, Montana, with the remaining balance of the \$7.5 million of bonds authorized in Chapter 499, Laws of 2005, and the \$30 million in donation and grant authority in this section."

Section 21. Codification instruction. [Sections 17 through 19] are intended to be codified as an integral part of Title 90, chapter 4, part 6, and the provisions of Title 90, chapter 4, part 6, apply to [sections 17 through 19].

Section 22. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 23. Effective date. [This act] is effective on passage and approval.

Section 24. Retroactive applicability. [Section 18] applies retroactively, within the meaning of 1-2-109, to May 2, 2005.

- END -

I hereby certify that the within bill,
HB 0005, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2009.

President of the Senate

Signed this _____ day
of _____, 2009.



HOUSE BILL NO. 5

INTRODUCED BY J. SESSO

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT GENERALLY REVISING LAWS RELATING TO CAPITAL PROJECTS; INCLUDING ENERGY CONSERVATION PROJECTS AS CAPITAL PROJECTS; APPROPRIATING MONEY FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2011; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE LONG-RANGE BUILDING PROGRAM ACCOUNT; CREATING AN ENERGY CONSERVATION CAPITAL PROJECTS ACCOUNT; PROVIDING FOR TRANSFERS OF FUNDS FROM THE STATE GENERAL FUND TO THE ENERGY CONSERVATION REPAYMENT ACCOUNT AND THE ENERGY CONSERVATION CAPITAL PROJECTS ACCOUNT; AUTHORIZING COMMUNITY COLLEGES TO PARTICIPATE IN THE ENERGY CONSERVATION PROGRAM; REQUIRING PAYMENT OF INTEREST ON ENERGY CONSERVATION PROJECT COSTS; REQUIRING THE INCLUSION OF ENERGY SAVINGS IN THE EXECUTIVE BUDGET; AMENDING SECTIONS 17-7-111, 17-7-123, 90-4-602, AND 90-4-615, MCA, AND SECTION 2, CHAPTER 560, LAWS OF 2005; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.