



**Director's Office**

Steve Bullock, Governor

John Lewis, Director

# MEMO

**TO** Environmental Quality Council  
Economic Affairs Interim Committee

**FROM** The Department of Administration

**DATE** August 31, 2020

**RE** Findings under House Bill 586—Co-located Laboratory Space

## I. INTRODUCTION

In 2019, the Legislature passed House Bill 586, which required the formation of an Advisory Committee (Committee) to investigate a process to develop a lease contract for co-located laboratory facilities that would conduct animal testing for pathogens that could affect public health. The Committee's members are Representative Kerry White (Chair); Representative Brad Hamlett (Vice Chair); Senator Gordon Vance; Senator Pat Flowers; Mike Volesky (Fish, Wildlife and Parks); Christy Clark (Department of Agriculture); Anton Bekkerman (MSU); Tracy Ellig (MSU); and Dr. Greg Juda (Department of Livestock).

HB 586 also required that the Department of Administration (DOA) assist the Committee with its work and, in particular, help with developing a lease contract with an option to purchase for the co-located lab facilities. The statute also mandated that by September 1, 2020, DOA submit findings to the Environmental Quality Council and the Economic Affairs Interim Committee regarding the Committee's work. This document presents DOA's findings.

## II. BACKGROUND

The Committee held public meetings on August 14, 2019 and January 17, 2020.

During these meetings, the Committee stressed its concerns regarding brucellosis and chronic wasting disease, the importance of agriculture in Montana, and the overall need to keep the environment healthy.

The Committee also noted that in 2017, the Legislature in HB 661 authorized a study to review the long-term future of and possible efficiencies to be gained from co-locating state-supported labs that are currently located on the MSU campus. The labs included are the Montana Department of Livestock Veterinary Diagnostic Lab; the Montana Agricultural Experiment Station's (MAES) wool lab; the Department of Agriculture Seed Lab; the Montana Department of Fish, Wildlife, & Parks Wildlife Lab; the MSU Pulse Crops Diagnostic Lab; and the Montana Department of Agriculture Analytical Lab. The study identified three options to pursue, and a subcommittee created by HB 661 identified two more options. The Montana Veterinary Diagnostic Laboratory and the Montana State Seed Lab are currently located in what is known as the Marsh Lab on Montana State University - Bozeman campus at South 19 Street and Lincoln Street.

Ultimately, the Committee determined that pursuing what has become known as Option 1a was the preferable course. This option contemplates building a new lab, housing the Montana Department of Livestock Veterinary Diagnostic Lab, the Montana Department of Agriculture Analytical Lab, and the Fish, Wildlife and Parks Wildlife lab. The vacated Marsh Lab space would be renovated to house the seed, pulse, and MAES wool labs. Given that Option 1a would utilize MSU land, on August 14, 2019, the Committee passed a motion to send a letter to the Board of Regents asking for its support of Option 1a. At its November 21-22, 2019 meeting, the Board approved the lease of property in order to construct a state-owned or leased laboratory facility adjacent to the Marsh Lab.

### **III. FINDINGS**

1. DOA believes that the conceptual state lab study for A/E #2018-50-01 will need to be advanced to the next design phase in order to move forward with putting together an RFP. This effort would involve taking existing conceptual documents and preparing design and construction plans, which must be accomplished by a professional design firm. It is our understanding that Chair White contacted the United States Department of Agriculture to pursue funding options for the design fees for the RFP.
2. At the January 17, 2020 meeting, the Department of Fish, Wildlife, & Parks (FWP) stated that it would be unable to participate in a lease for the lab because it had invested \$500,000+ in its current building across the street from the Marsh Lab. FWP, however, stressed its support for the lab and its desire to use the new lab on a fee-for-service basis.
3. To date, funding for the preferred Committee option has not been secured.