



## Long-Range Planning Interim Budget Committee

68th Montana Legislature

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### SENATE MEMBERS

MIKE CUFFE – Vice Chair  
ELLIE BOLDMAN  
MIKE LANG

### HOUSE MEMBERS

MIKE HOPKINS – Chair  
JOHN FITZPATRICK  
PAUL GREEN  
PAUL TUSS

### COMMITTEE STAFF

KATY CALLON, Fiscal Analyst

# MINUTES LOG

September 14, 2023

Room 152

Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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### **MEMBERS PRESENT:**

Rep. Mike Hopkins, Chair (R)  
Sen. Mike Cuffe, Vice Chair (R)  
Rep. John Fitzpatrick (R)  
Rep. Paul Green (R)  
Rep. Paul Tuss (D)  
Sen. Mike Lang (R)  
Sen. Ellie Boldman (D)

### **MEMBERS EXCUSED:**

Rep. Paul Tuss (D)

### **MEMBERS ABSENT:**

### **STAFF PRESENT:**

Katy Callon, (LFD)

### **AGENDA ([Attachment 1](#))**

### **VISITORS' LIST ([Attachment 2](#))**

## **COMMITTEE ACTION**

### **CALL TO ORDER/ROLL CALL**

- 08:34:53 Rep. Mike Hopkins called the meeting to order  
08:35:08 Katy Callon, Fiscal Analyst, (LFD) took roll.

### **PROXY VOTING AND COMMITTEE RULES:**

- 08:35:49 Rep. Mike Hopkins announced committee rules and rules surrounding proxy voting.  
08:00:00 Sen. Mike Cuffe made comments on proxy voting.

### **Vote:**

- 08:38:52 Rep. John Fitzpatrick made a motion to accept committee rules and proxy voting.  
Motion carried unanimously by voice vote.

### **LONG RANGE BUILDING PROGRAM:**

- 08:40:35 Katy Callon, Fiscal Analyst, (LFD) gave an overview of the committee's webpage. Discussed reports on Long-Range Building Program and FY 2023 Fund Balance Report.
- 08:52:01 Sen. Mike Lang asked for a definition on supervisory fees.
- 08:55:40 Jason Harlow, Senior Budget Analyst, Governor's Office of Budget, and Program Planning, (OBPP) responded that these fees are charged by A&E for costs. This will increase this biennium due to the number of projects.
- 08:56:56 Sen. Mike Cuffe asked for more information on ARPA ineligible projects.
- 08:57:01 Katy Callon, Fiscal Analyst, (LFD) explained that under HB 632 if the department doesn't find the project eligible it gets reestablished to which account it was appropriated from originally. Responded that a list of ineligible projects can be compiled for the committee.
- 08:58:08 Jason Harlow, Senior Budget Analyst, (OBPP) explained the capital development transfer made to major repair fund. This was outlined in the Governor's proposal which was adopted by Section F committee in the legislature.
- 08:59:13 Katy Callon, Fiscal Analyst, (LFD) continued to discuss budget and revenues in reference to the FY 2023 Fund Balance Report.
- 09:08:05 Rep. Mike Hopkins asked for committee questions.
- 09:10:26 Sen. Mike Cuffe asked why Board of Investment (BOI) fund balance is so high.
- 09:10:47 Jason Harlow, Senior Budget Analyst, (OBPP) explained that when there is a large sum of money like this, OBPP gives it to BOI to invest to earn interest on the funds.
- 09:11:05 Sen. Mike Cuffe asked if there are currently loans being paid back into the capital development fund

- 09:11:21 Jason Harlow, Senior Budget Analyst, (OBPP) explained that there are no loans coming out of capital development earnings.
- 09:11:52 Katy Callon, Fiscal Analyst, (LFD) discussed revenues for FY 2023.
- 09:15:27 Sen. Mike Cuffe asked which transfers have been completed.
- 09:15:34 Rep. Mike Hopkins explained that money would be taken as overflow from the Budget Stabilization Reserve Fund it would then go into the capital development fund where it would be used toward debt service on the general obligation bonds. Whatever is left in the capital development fund would be used for infrastructure projects.
- 09:17:05 Sen. Mike Cuffe asked if there was a bond issue in 2019 or 2021.
- 09:17:14 Rep. Mike Hopkins explained that there was roughly \$80 million dollars' worth of general obligation debt during the 2019 session. The Debt Free in 23 bill made efforts to erase general obligation debt.
- 09:18:32 Katy Callon, Fiscal Analyst, (LFD) continued to explain expenditures.
- 09:21:38 Rep. Paul Green asked for more information about remote office work study totaling \$50 million dollars.
- 09:22:50 Misty Ann Giles, Director, Department of Administration (DOA) explained the Remote Office Workspace (ROWS) project. Data driven solution to remote or in office work and accommodated space. Explained costs associated.
- 09:25:45 Rep. Mike Hopkins made comments on how COVID-19 may have impacted the ROWS project.
- 09:27:31 Katy Callon, Fiscal Analyst, (LFD) continued to discuss expenditures.
- 09:28:59 Sen. Mike Lang asked to confirm that because of multiple expenditures budget stabilization transfers are not projected.
- 09:29:25 Jason Harlow, Senior Budget Analyst, (OBPP) explained it would take revenue increasing above what HJ 2 appropriated to end up with transfers.
- 09:29:50 Sen. Mike Cuffe made comments about the education legislators receive from Interim Budget Committee meetings.
- 09:

#### **ARCHITECTURE & ENGINEERING UPDATE:**

- 09:31:31 Russ Katherman, Administrator, Architecture & Engineering Division, (DOA) gave an overview of lessons learned from the 2023 session, HB 5 Long- Range Building program rollout, and details surrounding the ROWS project. Discussed procurement
- 09:38:04 Rep. Paul Green asked if A&E has adequate staff to complete these projects or if they have taken advantage of third-party project management opportunities.
- 09:38:57 Russ Katherman, Administrator, Architecture & Engineering Division, (DOA) explained that the legislature appropriated funds to seek third party project management. Explained that the project is structured in waves to accommodate

staffing and contracted needs. Continued to give an overview of reports about project rollouts.

- 09:41:51 Randy Stevens, Planning Manager, Architecture & Engineering Division, (DOA) discussed specific phases of ROWS project, supplemental funding, and project bundles.
- 09:46:43 Sen. Mike Cuffe noticed several elevator projects. Asked if the elevators in the Capitol building are currently working
- 09:46:58 Randy Stevens, Planning Manager, Architecture & Engineering Division, (DOA) explained that he is unaware of these details, but this would be a question for General Services Division.
- 09:47:29 Rep. Paul Green asked if Montana companies are being prioritized in contracting these projects.
- 09:48:00 Russ Katherman, Administrator, Architecture & Engineering Division, (DOA) explained that presently in statute it is not required that they use in state firms.
- 09:49:12 Randy Stevens, Planning Manager, Architecture & Engineering Division, (DOA) discussed feedback received from consultants and contractors on current projects.
- 09:52:36 Rep. Paul Green asked since there are less than 2 bidders per project if the differences in estimates received from engineers are higher because of the reduced number of applicants.
- 09:52:54 Randy Stevens, Planning Manager, Architecture & Engineering Division, (DOA) explained that the estimates are very close.
- 09:53:29 Russ Katherman, Administrator, Architecture & Engineering Division, (DOA) discussed HB 190 and performance metrics.
- 09:57:13 Sen. Mike Cuffe asked about estimated costs on tearing down a tin shed that he recalled being discussed during session.
- 09:57:58 Randy Stevens, Planning Manager, Architecture & Engineering Division, (DOA) explained that with some of their smaller projects it has been difficult to get contractors to work on them. With the application of 'project bundles' these smaller projects can be completed more efficiently.
- 10:00:10 Russ Katherman, Administrator, Architecture & Engineering Division, (DOA) confirmed that estimated costs and expenses on smaller projects can be retrieved and presented to the committee.
- 10:00:40 Randy Stevens, Planning Manager, Architecture & Engineering Division, (DOA) continued to discuss projects being deployed under HB 5 that are bundled together.
- 10:03:55 Russ Katherman, Administrator, Architecture & Engineering Division, (DOA) continued the presentation.
- 10:07:21 Randy Stevens, Planning Manager, Architecture & Engineering Division, (DOA) discussed HB 856, the Legislative Branch Long Range Plan and Statewide FCA and Inventory Status.

- 10:14:37 Russ Katherman, Administrator, Architecture & Engineering Division, (DOA) gave closing remarks.
- 10:16:16 Sen. Mike Cuffe complimented A&E division.
- 10:17:13 Rep. John Fitzpatrick gave comments of appreciation toward the department's quick response on the Deerlodge facility issues.
- 10:17:44 Rep. Mike Hopkins also made remarks in agreement of the departments good work.

**HB 5 & HB 872 SUBCOMMITTEE UPDATES:**

- 10:18:15 Rep. John Fitzpatrick and Rep. Paul Green gave an update on HB 5 Select Committee on Corrections Capacity and System Development.
- 10:19:45 Sen. Ellie Boldman asked if the committee was discussing the \$12 million appropriation the legislature approved for workforce housing.
- 10:19:54 Rep. John Fitzpatrick responded that the committee is primarily discussing correctional system compacity issues, but the committee is going to receive an update on this issue in a future meeting.
- 10:21:52 Sen. Ellie Boldman expressed concerns around the transparency of the funds being allocated to workforce housing.
- 10:22:11 Rep. Mike Hopkins responded with his opinion on the issue and replied that more information could be tracked down by staff for the committee if desired.
- 10:23:05 Rep. Paul Green confirmed that there will be an update given to the HB 5 Committee on Corrections Capacity and System Development in December on the workforce housing issue.
- 10:26:16 Sen. Ellie Boldman gave and update on HB 872 Behavioral Health Initiative Commission.

**LONG RANGE IT PROGRAM UPDATES:**

- 10:18:15 Katy Callon, Fiscal Analyst, (LFD) discussed updates.
- 10:34:33 Sen. Ellie Boldman asked how reports will be presented across various Interim committees.
- 10:34:43 Rep. Mike Hopkins explained how the committee will handle reporting.
- 10:36:24 Sen. Ellie Boldman expressed interest in hearing updates on cyber security issues and appropriations given to remote court room appearance systems.
- 10:38:20 Laurie Bakri, MVD Administrator, Department of Justice gave an update on the CARS system/MERLIN Replacement.
- 10:43:24 Jennifer Fielder, Vice-President, Public Service Commission (PSC) gave an update on the Ready Project. Replacement of electronic data and docket information system.

10:45:25 Kevin Gilbertson, Chief Information Officer, State Information Technology Services Division (SITSD) gave an update on current projects

**BREAK:**

10:51:32 Reconvened at 11:09:20

**MONTANA COAL ENDOWMENT PROGRAM:**

11:10:03 Katy Callon, Fiscal Analyst, (LFD) presented FYE 2023 Fund Balance Report.

11:16:02 Mandy Rambo, Deputy Director, Department of Commerce

11:16:43 Galen Steffens, Administrator, Department of Commerce gave update on MCEP program.

**MONTANA HERITAGE PRESERVATION GRANT PROGRAM:**

11:20:52 Katy Callon, Fiscal Analyst, (LFD) discussed FYE 2023 Fund Balance report.

11:27:07 Galen Steffens, Administrator, Department of Commerce gave update on grant program and its utilization.

11:29:37 Rep. Mike Hopkins asked if the expenditure for Daly Mansion the final appropriation to come out of SB 338.

11:30:14 Galen Steffens, Administrator, Department of Commerce responded that this information could be emailed to Rep. Mike Hopkins.

**RENEWABLE RESOURCE GRANTS & LOANS PROGRAM:**

11:39:18 Autumn Coleman, Bureau Chief, Resource Development Bureau discussed current projects being utilized by renewable resources grants.

**MONTANA COAL ENDOWMENT PROGRAM REGIONAL WATER PROGRAM:**

11:47:00 Katy Callon, Fiscal Analyst, (LFD) discussed summary of the program and fund balance update / expenditure report – FY 2023.

11:51:46 Sen. Mike Cuffe made comments about his experience and knowledge of the regional water program. Explained how it is specifically being utilized in Eastern Montana.

11:52:55 Rep. Paul Green asked for more details on how administrative costs are utilized in the expenditure report.

11:54:07 Anna Miller, Deputy Administrator, Department of Natural Resources (DNRC) explained that interest earnings are the main funding for the state dollars that come into this program. These funds pay for project and administrative costs for the program. This program is involved in many areas effected by coal- Central Montana includes Roundup area mid to eastern sections of Montana.

11:59:52 Rep. Paul Green left the meeting.

### **RECLAMATION & DEVELOPMENT GRANT PROGRAM:**

- 12:00:32 Katy Callon, Fiscal Analyst, (LFD) discussed summary of fund balance update / expenditure report – FY 2023.
- 12:04:00 Autumn Coleman, Bureau Chief, Resource Development Bureau gave an overview of the Reclamation and Development Grant Program. Mine clean ups, oil and gas site abandonment and restoration. Largest state needs include high hazard dams' sites and channel migration zone (CMZ) maps.
- 12:06:50 Sen. Mike Lang asked what a drought plan entails.
- 12:07:07 Autumn Coleman, Bureau Chief, Resource Development Bureau explained that the state drought plan has an outline for local governments to use when creating their own drought plans for their area. This master plan scopes impacts of drought on different resources and prioritizes mitigation projects to minimize overall drought.
- 12:08:20 Sen. Mike Cuffe asked about stakeholder group
- 12:08:33 Autumn Coleman, Bureau Chief, Resource Development Bureau responded that the Renewable Resource Stakeholder Group identified 3 areas of interest for stakeholders: infrastructure, irrigation, and non-point source/ watershed groups. Outreach to targeted partners such as Montana Association of Counties, Montana League of Cities and Towns. All meetings are open to the public.
- 12:10:33 Rep. John Fitzpatrick asked about the process surrounding reclamation projects
- 12:10:54 Autumn Coleman, Bureau Chief, Resource Development Bureau explained that reclamation projects take much longer than any other projects their teams manage. Many times, communities will come do these projects in phases.

### **ARPA WATER & SEWER FUNDING PROJECTS- DEPARTMENT OF NATURAL RESOURCES & CONSERVATION:**

- 12:12:12 Autumn Coleman, Bureau Chief, Resource Development Bureau spoke about how the ARPA water and sewer funding projects operate. Provided a report of all active projects organized by county.

### **CULTURAL & AESTHETIC GRANT PROGRAM:**

- 12:20:42 Katy Callon, Fiscal Analyst, (LFD) gave an overview of fund balance update / expenditure report – FY 2023.
- 12:25:53 Kristin Han Burgoyne, Deputy Director and Grants Director, Montana Arts Council, gave an overview of the Cultural and Aesthetic Grant Program.
- 12:26:26 Rep. John Fitzpatrick noted when the legislature processed HB 9 the largest grant was \$10,000 dollars. Asked if the number is set by statute.
- 12:26:40 Kristin Han Burgoyne, Deputy Direction, Grants Director, Montana Arts Council responded that this is an operating number.

### **INTERIM WORK PLAN DISCUSSION:**

- 12:27:17 Rep. Mike Hopkins made comments on the Long-Range Building Plan.

- 12:29:37 Rep. John Fitzpatrick made a request that A&E attend each meeting and give updates on major projects. Would like reports from contractors on labor and building material costs.
- 12:30:27 Jason Harlow, Senior Budget Analyst, (OBPP) confirmed these reports could be compiled.
- 12:31:20 Sen. Ellie Boldman would like more information in a future meeting on HB 819.
- 12:32:32 Rep. John Fitzpatrick made commented that he would like to see more involvement from SITSD. Simplified language for better communication with legislators.
- 12:33:08 Jason Harlow, Senior Budget Analyst, (OBPP) spoke about recent Montana Strategic IT meetings and the goal to change the way IT is spoken about. It is one of SITSDs goals moving forward from the 2023 session.
- 12:35:33 Rep. Mike Hopkins made additional comments about involving Legislative Services in IT conversation.
- 12:36:47 Katy Callon, Fiscal Analyst, (LFD) asked if the committee would be interested in a presentation on Gallatin College funding plan and DEQ Department of Commerce on homeless shelter funding and Lead in School Drinking Water funding.

**PUBLIC COMMENT:**

- 12:38:48 Rep. Mike Hopkins called for public comment. None was heard.

**ADJOURNMENT:**

- 12:40:20 Rep. Mike Hopkins adjourned the meeting.