

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

## LONG-RANGE PLANNING BUDGETS BY BILL

In the work of the Section F, Long-Range Planning (LRP), Subcommittee the budgets are assessed and hearings are held by program. However, as the LRP budgets make their way through the legislative process, the budgets are assessed and generally referred to by bill. Figure 1 provides a fiscal overview of the final adopted LRP bills by program and fund type. The remainder of the LRP fiscal report will focus on the budgets by program.

Figure 1

LRP Total Appropriations by Bill and Fund Type										
Bill #	Program	General Fund	Capital Projects	State Special	Federal Special	Prop.	Author.	GO Bonds	CST Bonds	Total
HB 5	LRBP		81,712,005	65,041,125	79,519,743	1,800,000	60,909,230	0	0	288,982,103
HB 5	SBECP		3,700,000							3,700,000
HB 5	O&M	150,550		1,226,261						1,376,811
	<b>Total HB 5</b>	<b>\$150,550</b>	<b>\$85,412,005</b>	<b>\$66,267,386</b>	<b>\$79,519,743</b>	<b>\$1,800,000</b>	<b>\$60,909,230</b>	<b>\$0</b>	<b>\$0</b>	<b>\$294,058,914</b>
HB 6	RRGL - Grants				6,550,000					6,550,000
HB 7	RDGP			4,073,833	429,000					4,502,833
HB 8	RRGL - Loans								101,695,000	101,695,000
HB 9	C&A			344,800						344,800
HB 10	LRITP		500,000	3,000,000	50,000,000					53,500,000
HB 11	TSEP			3,169,451	10,869,800					14,039,251
HB 11	TSEPRW				5,000,000					5,000,000
	<b>Total HB 11</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,169,451</b>	<b>\$15,869,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,039,251</b>
HB 12	MHPG			5,490,121						5,490,121
HB 14	LRBP		58,600,000		37,500,000		21,300,000			117,400,000
HB 14	TSEP				13,707,898					13,707,898
HB 14	RRGL-Grants				4,720,788					4,720,788
HB 14	RDGP			2,099,322						2,099,322
HB 14	O&M	1,787,191		763,482		274,027				2,824,700
	<b>Total HB 14</b>	<b>\$1,787,191</b>	<b>\$58,600,000</b>	<b>\$2,862,804</b>	<b>\$55,928,686</b>	<b>\$274,027</b>	<b>\$21,300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$140,752,708</b>
	<b>Total LRP Bills</b>	<b>\$1,937,741</b>	<b>\$144,512,005</b>	<b>\$85,208,395</b>	<b>\$208,297,229</b>	<b>\$2,074,027</b>	<b>\$82,209,230</b>	<b>\$0</b>	<b>\$101,695,000</b>	<b>\$625,933,627</b>

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### BUDGET COMPARISON

Figure 2 compares the 2021 biennium appropriated budget to the 2023 biennium appropriated budget by type of expenditure and source of funding.

Figure 2

Long-Range Planning Budget Comparison (\$ millions)				
Budget Item / Funding Source	Appropriations FY 20-21	Appropriations FY 22-23	Biennium Change	Biennium % Change
Long-Range Building Program (LRBP)	\$250.4	\$414.3	\$163.9	65.4%
<i>State Building Energy Conservation Program (SBCEP)</i>	3.6	3.7	0.1	2.8%
Long-Range Information Technology Program (LRITP)	38.6	53.5	14.9	38.6%
Treasure State Endowment Program (TSEP)	31.2	27.7	(3.4)	-11.0%
Dellivering Local Assistance	21.5	0.0	(21.5)	-100.0%
Treasure State Regional Water Program (TSEPRW)	5.0	5.0	0.0	0.0%
Renewable Resource Grant and Loan Program (RRGL)	93.3	113.0	19.7	21.1%
Reclamation and Development Grant Program (RDGP)	5.8	6.6	0.8	13.6%
Cultural and Aesthetic Grant Program (C&A)	0.5	0.3	(0.1)	-23.9%
Montana Historic Grant Program (MHGP)	0.8	5.5	4.7	586.3%
<b>Total Costs</b>	<b>\$447.1</b>	<b>\$625.9</b>	<b>\$178.9</b>	<b>40.0%</b>
General Fund (GF)	\$18.8	\$1.9	(\$16.9)	-89.7%
Capital Projects Fund (Capital)	22.1	144.5	122.4	554.5%
State Special (SS)	96.4	85.2	(11.2)	-11.6%
Federal Special (FS)	71.0	208.3	137.3	193.3%
Total Bonds (Bonds)	161.8	101.7	(60.1)	-37.2%
<i>General Obligation Bonds Subtotal</i>	79.9	0.0	(79.9)	-100.0%
<i>Coal Severance Tax Bonds Subtotal</i>	82.0	101.7	19.7	24.1%
Proprietary Fund (Prop)	4.8	2.1	(2.7)	-56.3%
<b>Subtotal State Funds</b>	<b>374.9</b>	<b>543.7</b>	<b>168.8</b>	<b>45.0%</b>
Authorization (Author)	72.1	82.2	10.1	13.9%
<b>Total Funds</b>	<b>\$447.1</b>	<b>\$625.9</b>	<b>\$178.9</b>	<b>40.0%</b>

### LONG-RANGE PLANNING DISCUSSION

LRP programs are devoted to the creation and upkeep of major state and local infrastructure (not including state roads, and highway construction and maintenance programs). Most of the projects that come through LRP programs require more than one biennium to complete and have significant costs. The LRP budget is typically focused on eight programs and one new infrastructure program. LRP programs include:

- Long-Range Building Program (LRBP) – acquisition, construction, and major maintenance of state-owned lands and buildings, administered by the Department of Administration
- State Building Energy Conservation Program (SBCEP) – energy efficiency improvements to state owned buildings, administered by the Department of Environmental Quality
- Long-Range Information Technology Program (LRITP) – major information technology build and upgrade, administered by the Department of Administration
- Treasure State Endowment Program (TSEP) – water, wastewater, solid waste, and bridge infrastructure grants to local governments, administered by the Department of Commerce

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

- Treasure State Endowment Regional Water Program (TSEPRW) – matching funds for major regional water projects, administered by the Department of Natural Resources and Conservation
- Renewable Resource Grant and Loan Program (RRGL) – grants to local governments for projects that measurably conserve, develop, manage, or preserve resources, administered by the Department of Natural Resources and Conservation
- Reclamation and Development Grant Program (RDGP) – grants for the reclamation of lands degraded by resource severance activities and the development of critical infrastructure, administered by the Department of Natural Resources and Conservation
- Cultural and Aesthetic Grant Program (C&A) – arts, cultural, and historical grants, administered by the Montana Arts Council
- Montana Historic Preservation Grants Program (MHPG) – grants for public or private entities to complete activities for the preservation of historic sites, historical societies, or history museums in the state, administered by the Department of Commerce

## SUMMARY OF LEGISLATIVE ACTION

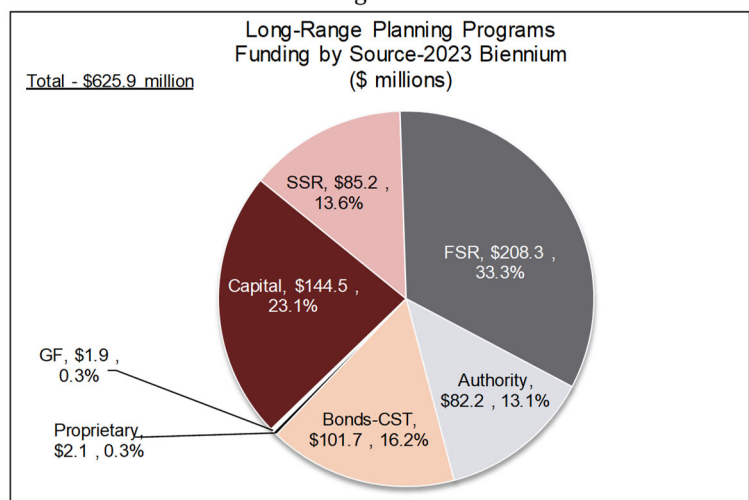
The LRP budgets are principally dedicated to state and local infrastructure projects. The state projects are made up primarily of the construction and major maintenance of state agency space, while the local infrastructure projects consist of grants to local governments for infrastructure purposes. In the 2023 biennium, the LRP budget totals \$625.9 million and is composed of 74.7% of state infrastructure projects and 25.3% of local government grants. Figure 2 shows a summary of the appropriations made by the 67<sup>th</sup> Legislature for each of the LRP programs. The total legislative appropriations and authorizations of \$625.9 million is an increase of 40.0% above the appropriations provided by the 2019 Legislature. The increase is primarily related to new funding for major repairs and the addition of infrastructure projects in LRP programs.

## FUNDING

As seen in Figure 3, LRP programs are primarily financed with statutorily dedicated funds. Generally, the program/project budget is strictly based on the amount of revenue estimated to be available for the program costs. Other revenues come from a variety of sources including tax allocations and in several cases interest earnings from dedicated trusts. The only exception from earmarked program revenue is seen in LRITP which has no designated source of funding (projects are funded either through agency revenues or general fund that are transferred into the LRITP capital projects fund). For the 2023 biennium, the legislature expanded the LRP statutory funding through the approval of projects funded with transfers of general fund to the statutorily dedicated program accounts and through allocations of federal funds from HB 632, the bill “Implementing the American Rescue Plan Act” (ARPA).

LRP budgets, as reflected in the appropriations and authorizations provided by the legislature, include \$144.5 million or 23.1% of appropriations from capital project accounts, \$85.2 million or 13.6% from state special revenue (SSR) accounts, and \$208.3 million or 33.3% from federal special revenue (FSR) accounts.

Figure 3



# LONG-RANGE PLANNING PROGRAMS OVERVIEW

Of the \$208.3 million in FSR, \$87.5 million or 42.0% is allocated from HB 632 (see page F-7 of this report). Authority (Proprietary / Authority) is \$82.2 million or 13.1% of total funding and is not technically appropriated but requires legislative approval to be expended.

As mentioned above, the legislature chose to transfer funds into the LRP budgets to increase infrastructure investment in the 2023 biennium. The total transfers from the general fund that would fund explicit appropriations are \$78.7 million and are found in HB 2, HB 10, and HB 14. In addition to those transfers, the legislature made a general fund transfer of \$165.0 million into the capital developments account in SB 191. Those funds will be available to pay down debt service; delay, forego, or reduce the of authorized bonds. The funds will also be available for future capital development projects (see page F-10 of this report).

## EXECUTIVE BUDGET COMPARISON

Figure 4 provides the legislative changes from the executive budget proposal.

Figure 4

Long-Range Planning Executive Comparison (\$ millions)		Executive Proposal	Appropriated		
Budget Item / Funding Source	FY 22-23	FY 22-23	Change	% Change	
Long-Range Building Program	\$349.9	\$414.3	\$64.4	18.4%	
<i>State Building Energy Conservation Program</i>	3.7	3.7	0.0	0.0%	
Long-Range Information Technology Program	58.0	53.5	(4.5)	-7.7%	
Treasure State Endowment Program	27.7	27.7	0.0	0.0%	
Delivering Local Assistance	0.0	0.0	0.0	-	
Treasure State Regional Water Program	5.0	5.0	0.0	0.0%	
Renewable Resource Grant and Loan Program	89.6	113.0	23.4	26.1%	
Reclamation and Development Grant Program	6.6	6.6	0.0	0.0%	
Cultural and Aesthetic Grant Program	0.3	0.3	0.0	1.5%	
Montana Historic Grant Program	3.2	5.5	2.3	72.1%	
<b>Total Costs</b>	<b>\$540.3</b>	<b>\$625.9</b>	<b>\$85.6</b>	<b>15.8%</b>	
General Fund (GF)	\$0.0	\$1.9	\$1.9	-	
Capital Projects Fund (Capital)	83.8	144.5	60.7	72.4%	
State Special (SS)	99.1	85.2	(13.9)	-14.0%	
Federal Special (FS)	95.9	208.3	112.4	117.1%	
Total Bonds (Bonds)	170.1	101.7	(68.4)	-40.2%	
<i>General Obligation Bonds Subtotal</i>	91.5	0.0	(91.5)	-100.0%	
<i>Coal Severance Tax Bonds Subtotal</i>	78.6	101.7	23.1	29.4%	
Proprietary Fund (Prop)	0.0	2.1	2.1	-	
<b>Subtotal State Funds</b>	<b>\$449.0</b>	<b>\$543.7</b>	<b>\$94.7</b>	<b>21.1%</b>	
Authorization (Author)	91.3	82.2	(9.1)	-10.0%	
<b>Total Funds</b>	<b>\$540.3</b>	<b>\$625.9</b>	<b>\$85.6</b>	<b>15.8%</b>	

The 67<sup>th</sup> Legislature approved a total LRP budget that was \$85.6 million, or 15.8% greater than the executive request. The legislature made numerous changes to the executive proposal for LRP programs. The greatest change throughout the LRP budgets occurred to the funding sources where federal ARPA funds and general fund transfers replaced dedicated program funding and the proposal for bond issuance. The legislature also added \$64.4 million of new projects to the LRBP. More information on the changes from the executive budget are discussed within the various program sections of this report.

## ADDITIONAL STATE AND LOCAL INFRASTRUCTURE FUNDING – HB 14

The executive proposed additional funding for state and local infrastructure projects in HB 14. As introduced, HB 14 provided the additional funding through the proceeds of general fund general obligation bond issues.

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However, with improved general fund revenue forecasts and the emergence of HB 632 – “An Act Implementing the American Rescue Plan Act”, the funding of HB 14 changed. Instead of funding additional state and local infrastructure projects with bond proceeds, the legislature funded the appropriations with a combination of general fund transfers and, where permissible under federal guidelines, with HB 632 federal ARPA funds.

HB 14 included \$55.9 million in allocations of federal funds resulting from coordination language in HB 632, shown in Figure 5 as federal special revenue. The bill also included two transfers of general fund totaling \$60.7 million that includes a transfer of \$58.6 million to the capital development account and \$2.1 million to a state special revenue fund. The uses of these transferred monies are shown in Figure 5 by the respective fund type.

Figure 5 shows the projects included in HB 14. Note: these projects are also included in their respective LRP program reports.

Figure 5

State and Local Infrastructure Funding HB 14 - 2023 Biennium							
Type & Prg	Applicant	Project Description	Capital Dev. Account	State Special Revenue	Federal Special Revenue	Authority / Proprietary	Total
<b>Long-Range Building Program</b>							
	Dept. of Natural Resources & Conserv.	Eastern Land Office Facilities & Shop	\$2,250,000				\$2,250,000
	Department of Livestock	MT Veterinary Diagnostic & Ag Analytics Labs	9,850,000		26,200,000		36,050,000
	Department of Revenue	Liquor Warehouse Expansion			6,500,000		6,500,000
	Department of Public Health & Human Services	SWMVH Enclosed Walkways	3,300,000				3,300,000
	Montana University System	UM Forestry Conservation & Science Lab	25,000,000			20,000,000	45,000,000
	Montana University System	MAES Research and Wool Laboratories	11,000,000			1,300,000	12,300,000
	Montana University System	MU-W Block Hall Renovation	7,200,000		4,800,000		12,000,000
<b>Total State Project Funding</b>			<b>\$58,600,000</b>	<b>\$0</b>	<b>\$37,500,000</b>	<b>\$21,300,000</b>	<b>\$117,400,000</b>
<b>Treasure State Endowment Program (TSEP) - 24 grants</b>							
	Seeley Lake Sewer District	Wastewater			\$750,000		\$750,000
	Roundup, City of	Water			750,000		750,000
	Red Lodge, City of	Storm Water			500,000		500,000
	Choteau, City of	Water			625,000		625,000
	Richey, Town of	Water			500,000		500,000
	Wolf Point, City of	Wastewater			625,000		625,000
	Circle, Town of	Water			625,000		625,000
	Hill County RSID #21	Wastewater			260,500		260,500
	Shelby, City of	Water			625,000		625,000
	Cooke City Sewer District	Wastewater			500,000		500,000
	Big Sandy, Town of	Storm Water			484,671		484,671
	East Helena, City of	Wastewater			625,000		625,000
	Winnett, Town of	Wastewater			625,000		625,000
	St. Marie-North Valley County W&S Dist.	Water			625,000		625,000
	Big Timber, City of	Water			625,000		625,000
	Big Mountain County Sewer District	Wastewater			500,000		500,000
	Three Forks, City of	Water			625,000		625,000
	Flaxville, Town of	Water			625,000		625,000
	Philipsburg, Town of	Wastewater			750,000		750,000
	Sun Prairie County Water District	Water			275,000		275,000
	Fort Benton, City of	Water			625,000		625,000
	Valier, Town of	Wastewater			625,000		625,000
	Livingston, City of	Wastewater			312,727		312,727
	Sunburst, Town of	Water			625,000		625,000
<b>Total TSEP Local Projects</b>			<b>\$0</b>	<b>\$0</b>	<b>\$13,707,898</b>	<b>\$0</b>	<b>\$13,707,898</b>

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

Figure 5 Continued

Type & Prg	Applicant	Project Description	Capital Dev. Account	State Special Revenue	Federal Special Revenue	Authority / Proprietary	Total
<b>Renewable Resource Grants (RRGL)</b>							
	Beaverhead County Conservation Dist.	Irrigation Efficiency and Water Measurement			\$125,000		\$125,000
	Stillwater Conservation Dist.	Mendenhall Ditch Intake and Drop Structure Rehab.			125,000		125,000
	DNRC-Water Resources Division	Deadman's Supply Canal Rehabilitation			125,000		125,000
	Lower Yellowstone Irrigation Project	Lateral V Check Structure & Lateral W Headgate Rehab.			125,000		125,000
	DNRC-Water Resources Division	Two Dot Canal Rehabilitation			125,000		125,000
	Circle, Town of	Water Improvements, Phase 3			125,000		125,000
	Roundup, City of	Water Main Improvements, Phase 6			125,000		125,000
	Clinton Irrigation Dist.	Schoolhouse Lateral Pipeline Conversion			125,000		125,000
	Ten Mile/Pleasant Valley Sewer Dist.	Wastewater Improvements			125,000		125,000
	Carbon County Conservation Dist.	Mutual Ditch Siphon Replacement			125,000		125,000
	Ekalaka, Town of	Water System Improvements			125,000		125,000
	Glen Lake Irrigation Dist.	Rolling Hills Canal Rehabilitation			125,000		125,000
	Buffalo Rapids Irrigation Project Dist. 1	Irrigation System Automation			125,000		125,000
	Flaxville, Town of	Water Improvements			125,000		125,000
	North Valley County Water and Sewer Dist.	Water Improvements, Phase 1			125,000		125,000
	Buffalo Rapids Irrigation Project Dist. 2	Lateral 1.6 Pipeline Conversion, Phase 2			125,000		125,000
	Petroleum County Conservation Dist.	Petrolia Dam Outlet Works Headgate Replacement			105,742		105,742
	Harlowton, City of	Water System Improvements, Phase 4			125,000		125,000
	Alfalfa Valley Irrigation Dist.	East Flynn Canal Rehabilitation, Phase 2			125,000		125,000
	Malta Irrigation Dist.	Main Canal Lining-Wagner Reach			125,000		125,000
	Glasgow Irrigation Dist.	Spaniard Check Structure			125,000		125,000
	Lewistown, City Of	Water System Improvements			125,000		125,000
	Glen Lake Irrigation Dist.	Infrastructure Modernization Study			125,000		125,000
	Big Timber, City of	Water System Improvements			125,000		125,000
	Alberton, Town of	Water Improvements			125,000		125,000
	Hysham Irrigation Dist.	Intake Improvements			125,000		125,000
	Three Forks, City of	Water System Improvements			125,000		125,000
	Choteau, City of	Water System Improvements			125,000		125,000
	Fairfield, Town of	Water System Improvements			125,000		125,000
	Huntley Project Irrigation Dist.	Yellowstone Riverbank Stabilization			125,000		125,000
	Sweet Grass County Conservation Dist.	Post-Kellogg Ditch Headworks Improvement			125,000		125,000
	Lewistown, City Of	Ditch Rehabilitation			125,000		125,000
	Joliet, Town of	Water System Improvements			125,000		125,000
	Richey, Town of	Water System Improvements, Phase 1			125,000		125,000
	Fort Benton, City of	Water System Improvements			125,000		125,000
	Big Sandy, Town of	Stormwater Improvements			125,000		125,000
	Belgrade School Dist.	Ridge View Elementary Solar			115,046		115,046
	Paradise Valley Irrigation Dist.	Milk Riverbank Stabilization			125,000		125,000
<b>Total RRGL Local Projects</b>			<b>\$0</b>	<b>\$0</b>	<b>\$4,720,788</b>	<b>\$0</b>	<b>\$4,720,788</b>
<b>Reclamation and Development Grants (RDGP) - 7 grants</b>							
	Lewistown, City of	Central Post & Treating Company CECRA Facility		\$500,000			\$500,000
	Sunburst, Town of	Suta South Clean Up		185,805			185,805
	City and County of Butte-Silver Bow	Butte Mining District: Reclamation & Protection - Phase V		224,680			224,680
	Ruby Valley Conservation District	Granite Creek Reclamation Realignment		461,500			461,500
	Deer Lodge Valley Conservation District	Upper French Gulch Fish Passage and Restoration		194,832			194,832
	Fort Peck Assiniboine and Sioux Tribes	Orphaned Oilwell Abandonment and Reclamation		300,000			300,000
	Ryegate, Town of	Former Ryegate Conoco Groundwater Remediation		232,505			232,505
<b>Total RDGP Local Projects</b>			<b>\$0</b>	<b>\$2,099,322</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,099,322</b>
<b>Total HB 14</b>			<b>\$58,600,000</b>	<b>\$2,099,322</b>	<b>\$55,928,686</b>	<b>\$21,300,000</b>	<b>\$137,928,008</b>

In addition to \$137.9 million of infrastructure projects, HB 14 also included appropriations of \$2.8 million in future operations and maintenance (O&M) costs as required by 17-7-210, MCA. For more information on O&M costs, see page F-27 of this report.

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## EXECUTIVE COMPARISON - HB 14

Figure 6 provides the legislative changes from the executive budget proposal in HB 14.

Figure 6

Executive Comparison - HB 14		Executive Proposal	Appropriated	Change	% Change
Budget Item		2023 Bien.	2023 Bien.		
		<u>Proposed</u>	<u>Appropriated</u>		
Long-Range Building		\$105,400,000	\$117,400,000	\$12,000,000	11.39%
Treasure State Endowment		13,707,898	13,707,898	0	0.00%
Renewable Resource Grant and Loans		4,720,788	4,720,788	0	0.00%
Reclamation and Development Grants		2,099,322	2,099,322	0	0.00%
17-7-210, MCA Future O&M		0	2,824,700	2,824,700	-
<b>Total Costs</b>		<b>\$125,928,008</b>	<b>\$140,752,708</b>	<b>\$14,824,700</b>	<b>11.77%</b>
General Fund		0	1,787,191	1,787,191	-
Capital Projects		0	58,600,000	58,600,000	-
State Special		0	2,862,804	2,862,804	-
Federal Special		0	55,928,686	55,928,686	-
Authorization <sup>1</sup>		34,400,000	21,574,027	(12,825,973)	-37.28%
Bonds		91,528,008	0	(91,528,008)	-100.00%
<b>Total Funds</b>		<b>\$125,928,008</b>	<b>\$140,752,708</b>	<b>\$14,824,700</b>	<b>11.77%</b>
<sup>1</sup> Does not require appropriation but requires approval of the legislature					

The greatest change from the executive proposal for HB 14 was the elimination of the use of bond proceeds, and the replacement of bond proceed funding with HB 632 federal funding and general fund transfers. In addition to the changes in funding, the legislature made the following changes from the executive proposal:

- \$12.0 million – Added the Block Hall renovation project on the University of Montana, Western campus
- \$2.8 million – Added future O&M costs as required in 17-7-210, MCA
- \$60.7 million – Added transfers of general fund to project accounts

The projects and related impacts of HB 14 are included in the respective program sections of this report.

## AMERICAN RESCUE PLAN ACT (ARPA) - HB 632

Along with providing funding for COVID-19 related costs (like unemployment, childcare, educational, personal protective equipment, rental assistance, etc.), Subtitle M-Coronavirus State and Local Fiscal Recovery Funds of ARPA provided federal funding to states for capital projects and certain types of infrastructure. Dedicated funding that could be used for infrastructure was included in Secs. 9901-602 and 9901-604 of the federal bill.

Details of the sections are:

- 602 – Coronavirus State Fiscal Recovery Fund: Montana allocation estimated at \$910.1 million that can be used for multiple purposes including “to make necessary investments in water, sewer, or broadband infrastructure”
- 604 – Coronavirus Capital Projects Fund: Montana allocation estimated at \$119.3 million that “must be used to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID-19)”

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With the guidance of these provisions of the federal legislation, the legislature ensured that HB 632 was coordinated with the LRP bills to provide additional funding for water, wastewater, and capital projects. Figure 7 shows the HB 632 coordination with the LRP bills.

Figure 7

Long-Range Planning Projects <i>funded in HB 632</i>		ARPA Sections:	
		9901-602	9901-604
HB 5	Long-Range Building Program (LRBP)		
	OPI MT Learning Center Civil Infrastructure Upgrades	\$300,000	
	UM FLBS Sewer Treatment Plant	1,750,000	
	MSU Haynes Hall Lab Ventilation Upgrades		1,600,000
	MSU BLGS Art Annex Safety and System Upgrades		1,200,000
	UM-HC Donaldson Building HVAC Upgrades		1,000,000
	MSU-N Auto Tech Building System Improvements		535,000
	MSDB Card Lock System		120,000
	MSU-N Brockmann Center HVAC and Energy Project		855,000
	COVID-19 Remote/Office Workspace Study & Planning Fund		1,400,000
<b>Subtotal HB 5</b>		<b>2,050,000</b>	<b>6,710,000</b>
HB 6	Renewable Resource Grant & Loan Program (RRGL)		
	RRGL - Section 1(1) Grants	2,050,000	
	RRGL Project Grants	4,500,000	
<b>Subtotal HB 6</b>		<b>6,550,000</b>	<b>0</b>
HB 7	Reclamation & Development Grants Program	429,000	
<b>Subtotal HB 7</b>		<b>429,000</b>	<b>0</b>
HB 11	Treasure State Endowment Programs (TSEP)		
	TSEP Infrastructure Project Grants	9,869,800	
	TSEP Emergency Grants	100,000	
	TSEP Project Planning Grants	900,000	
	TSEP Regional Water Grants	5,000,000	
<b>Subtotal HB 11</b>		<b>15,869,800</b>	<b>0</b>
HB 14	State & Local Government Infrastructure Funding		
	LRBP		
	Liquor Warehouse Expansion		6,500,000
	UM-W Block Hall Renovation		4,800,000
	MT Veterinarian Diagnostic & Ag Analytical Labs <sup>1</sup>		26,200,000
	TSEP Infrastructure Project Grants	13,707,898	
	RRGL Project Grants	4,720,788	
<b>Subtotal HB 14</b>		<b>18,428,686</b>	<b>37,500,000</b>
<b>Total Long-Range Planning Projects Funded in HB 632</b>		<b>\$43,327,486</b>	<b>\$44,210,000</b>

<sup>1</sup>Note: Project may be funded in different section of ARPA.

For the purposes of infrastructure funding, HB 632 provided two appropriations: one for water and wastewater projects, \$462.7 million (Section 2 of the bill), and another for capital projects, \$119.3 million (Section 7 of the bill). Coordination language is provided which allocates funds flowing into the LRP bills from those appropriations. The bill also provides additional, “Other Infrastructure Allocations” for infrastructure projects not included in the LRP bills. HB 632 funding in LRP budgets allows dedicated revenues in the various accounts to be saved for appropriations in a future biennium.

“Other Infrastructure Allocations” include allocations from both HB 632 Sec. 2 and Sec. 7 appropriations, and those projects will be assessed and authorized by the advisory commissions before proceeding. A “Minimum Local Government (Govt) Water/Sewer” allocation of \$150.0 million from the HB 632-602 appropriation will be distributed to local governments based on the gas tax distribution formula. An allocation of \$10.0 million for Treasure State Endowment Program Regional Water (TSEPRW) projects is provided through the HB 632-602 appropriation but is not included in the LRP legislation. Additionally, there is an allocation from the



## LONG-RANGE PLANNING PROGRAMS OVERVIEW

appropriation in Sec. 2 of \$750,000 to the Department of Commerce to fund the provision of technical assistance for water and wastewater projects. HB 632 also includes \$2.0 million of allocations from HB 632-604 for projects at the Department of Justice but it is not included in the LRP bills.

Amounts of federal ARPA funding remaining after the designated allocations is available for the Office of Budget and Program Planning to direct through the recommendations of two advisory commissions. The chart below shows an analysis of the unallocated funding that will be available for the work of the advisory commissions:

	Sec. 2 <u>HB 632-602</u>	Sec. 7 <u>HB 632-604</u>
Total HB 632 Appropriations	\$462,689,925	\$119,300,000
<u>LRP Allocations</u>		
HB 5     LRBP	2,050,000	6,710,000
HB 6     RRGL	6,550,000	
HB 7     RDGP	429,000	
HB 11    TSEP	15,869,800	
HB 14    W/WW	18,428,686	
HB 14    Buildings	<u>0</u>	<u>37,500,000</u>
Subtotal LRP Allocations	43,327,486	44,210,000
<u>Other Infrastructure Allocations</u>		
Sec. 4    Minimum Local Govt Water/Sewer	150,000,000	0
Sec. 5    Treasure State Regional Water Projects	10,000,000	0
Sec. 6(4) Dept. of Commerce Technical Assistance	750,000	0
Sec. 7(3) Dept. of Justice Projects	<u>0</u>	<u>2,000,000</u>
Subtotal Other Infrastructure Allocations	160,750,000	2,000,000
Total Allocations	204,077,486	46,210,000
Unallocated balance	<u>\$258,612,439</u>	<u>\$73,090,000</u>

The HB 632-602 unallocated balance of \$258.6 million is available to various forms of state and local government entities for water and wastewater projects, referred to as “competitive grants.” These funds must be encumbered by December 31, 2024, and fully spent by December 31, 2026. The legislation lists the process for project application and match requirements. The HB 632-604 unallocated balance of \$73.1 million is available to state government entities for capital projects that meet the requirements of ARPA. HB 632 allows up to 2.5% in Sec. 2 and 2.0% in Sec. 7 of the unallocated balances to be expended for administrative costs (not included in the chart above). There is no time limitation related to the use of the HB 632-604 capital project funds. The allocations of the 632-604 funds for the LRP bills, containing program-approved projects that have been identified and vetted, will not require the assessment of the commissions and are authorized to proceed by HB 632.

HB 632 interactions are seen throughout this report and are shown within the federal special funding source. More information on HB 632 is found in Volume 1 of the 2023 Biennium Fiscal Report.

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

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## Changes to the Capital Development Account

The 2019 Legislature created a new funding policy and account for the capital development of state and local government infrastructure. This account has been referred to as a “working rainy-day fund” or “pay as you go fund.” In accordance with 17-7-208, MCA, the executive must propose annual transfers of general fund into a new capital developments account for appropriations to the Department of Administration, Architecture and Engineering Division (A&E) for capital projects subject to legislative authorization.

Capital development account funds, in current law, can be used for capital development projects, defined as:

- a) renovation, construction, alteration, site, or utility projects with a total cost of \$2.5 million or more;
- b) new facility with a construction cost of \$250,000 or more; or
- c) purchase of real property for which an appropriation is required to fund the purchase.

Funds in this account may also be transferred to fund local government infrastructure projects.

The legislature amended the uses of the capital developments account with the passage of SB 191. Unobligated balances in the account:

- 1) may be used to pay down the debt service on bonds for capital projects previously authorized by the legislature if allowed without penalty by the terms of the bond issuance; and
- 2) must be used to delay, forego, or reduce the amount of an issuance of bonds authorized by the legislature.

The legislature provided a general fund transfer of \$165.0 million to the capital development account in SB 191. These funds could be used to pay down the \$67.1 million in existing general fund general obligation bonds balances or to delay, forgo, or reduce the \$38.4 million in unissued general fund general obligation bond authority. It is not possible to predict which of the bond issues or authority would be positioned to take advantage of the new uses of the account.

For more information on the status of the capital development account, see F-30 of this report.

# LONG-RANGE BUILDING PROGRAM

## PROGRAM BUDGET COMPARISON

Figure 8 compares the 2021 biennium appropriated budget to the 2023 biennium appropriated budget by type of expenditure and source of funding.

Figure 8

Program Comparison - Long-Range Building Program				
Budget Item	Budget 2021 Bien.	Budget 2023 Bien.	Biennium Change	Biennium % Change
	Appropriated / <u>Authorized</u>	Appropriated / <u>Authorized</u>		
LRBP Project Costs	\$180,798,973	\$0	(\$180,798,973)	-100.00%
<i>Major Repairs</i>	0	33,899,242	33,899,242	-
<i>Capital Development</i>	0	220,050,705	220,050,705	-
LRBP Project Costs	\$180,798,973	\$253,949,947	73,150,974	40.46%
Agency Project Appropriations <sup>1</sup>	23,600,000	81,296,006	57,696,006	244.47%
FWP Capital Program Appropriations <sup>1</sup>	42,433,400	71,136,150	28,702,750	67.64%
SBECF Project Costs	3,600,000	3,700,000	100,000	2.78%
17-7-210 O&M	0	4,202,061	4,202,061	-
<b>Total Costs</b>	<b>\$250,432,373</b>	<b>\$414,284,164</b>	<b>\$163,851,791</b>	<b>65.43%</b>
General Fund	\$0	\$1,937,741	\$1,937,741	-
Capital Projects	33,580,973	144,012,005	110,431,032	328.85%
State Special	42,266,400	67,030,868	24,764,468	58.59%
Federal Special	58,136,000	117,020,293	58,884,293	101.29%
Proprietary <sup>2</sup>	4,750,000	2,074,027	(2,675,973)	-56.34%
Authorization <sup>2</sup>	72,149,000	82,209,230	10,060,230	13.94%
Bond Issue/Loans	39,550,000	0	(39,550,000)	-100.00%
<b>Total Funds</b>	<b>\$250,432,373</b>	<b>\$414,284,164</b>	<b>\$163,851,791</b>	<b>65.43%</b>
<sup>1</sup> includes major repairs and capital development appropriations made directly to various agencies				
<sup>2</sup> Does not require appropriation but requires approval of the legislature				

## PROGRAM DISCUSSION

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 to present a single, comprehensive, and prioritized plan for allocating state resources for 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 funds (long-range building major repairs and capital development accounts). The LRBP is administered by the Department of Administration, Architecture and Engineering Division (A&E).

## SUMMARY OF LEGISLATIVE ACTION

The 67<sup>th</sup> Legislature authorized a LRBP budget in HB 5 and HB 14 that consists of 144 projects with total costs of \$410.1 million, along with establishing future O&M appropriations of \$4.2 million into the respective agency base budgets. HB 5 and HB 14 also appropriate funds to several agencies and programs. The LRBP budget is 65.4% greater than the appropriations of the 2019 Legislature. The following list details the distribution of funding across programs and purposes.

- LRBP – 61.3% of the budget is dedicated to the construction and major repairs of state buildings
- Fish, Wildlife, and Parks (FWP) Capital Program – 17.2% of the budget is dedicated to land acquisition, recreational facility maintenance, and grants to recreationalists for various recreational activities

## LONG-RANGE BUILDING PROGRAM

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- Other Agency Projects – 19.6% of the budget is appropriated directly to state agencies and is dedicated to construction and maintenance of state buildings
- SBCEP Projects – 0.9% of the budget is dedicated to energy conservation improvements to state buildings

The following project types were funded in the LRBP budget (items are not mutually exclusive):

- 66 major repairs projects, 11.4% of the budget
- 43 capital development projects, 71.3% of the budget
- 14 land acquisition, land/water maintenance, and recreation site improvements, 17.3% of the budget
- 28 new building, additions, storage space projects, 47.7% of the budget

### BUDGET HIGHLIGHTS

Some of the major LRBP highlights include:

- MT Veterinarian Diagnostic & Ag Analytical Labs - \$36.1 million construction of a new combined lab on the Montana State University campus. This project has been on the drawing board for at least a decade. During the 2017/2018 interim, interim committees researched the need for construction of the new lab. The new Veterinary Diagnostic Laboratory will be constructed adjacent to the old Marsh Laboratory Complex. The new facility is in response to failing lab accreditation requirements. The new lab will feature enhanced biosecurity and accommodate future growth and testing capabilities. The Department of Agriculture lab is included in the plan. The new ag laboratory will provide chemistry testing services for agricultural feed, fertilizer, pesticide and chemical groundwater protection
- UM Forestry Conservation & Science Lab - \$45.0 million construction of a new/replacement building on the University of Montana campus. The project will consolidate all the forestry programs into one facility and provide state of the art science lab teaching facilities for the campus. The building will be constructed using cross laminated timber, which supports key industries throughout the state, and will be designed to a high environmental standard (LEED certification) with energy conservation and efficiency at its core
- Butte TECH Heating System Upgrades Phases 1 and 2 - \$6.0 million replacement a portion of Montana Technological University's failed steam distribution system. This project will upgrade the existing 80 to 100-year-old systems of tunnels and replace failed direct buried piping with new tunnel sections. Little to no repair work has been done on the tunnels. Adding tunnels to the remainder of the campus will protect infrastructure that is a direct burial. This project will significantly reduce the TECH campus deferred maintenance backlog

Figure 9 shows by agency the projects approved by the legislature for all the major repair, capital development, and FWP capital projects included primarily in HB 5 and HB 14. Detailed project descriptions follow Figure 9.

# LONG-RANGE BUILDING PROGRAM

Figure 9

Long-Range Building Program HB 5 and HB 14 - 2023 Biennium								
Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Capital Dev. Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
Major Repairs Appropriations								
<b>A&amp;E Appropriations</b>								
<b>Department of Administration</b>								
1 VRF Piping Replacement, Scott Hart Building			900,000					900,000
2 Executive Residence Renovation (Increase)			440,500					440,500
3 Mechanical Upgrade - 5 South Last Chance Gulch			575,000					575,000
4 Mechanical Upgrade - 2800 Airport Rd - DNRC Hangar			1,000,000					1,000,000
5 Campus Facilities Repairs & Maintenance			400,000					400,000
6 COVID-19 Remote/Office Workspace Study & Planning Fund (funded with HB 632 federal funds)					1,400,000			1,400,000
7 Legislative Staff Workspace Renovation and Reorganization	500,000							500,000
8 Removal and Replacement of Legislative Chambers Carpeting	1,000,000							1,000,000
<b>Department of Corrections</b>								
9 MSP Unit F Boiler System / Controls	230,000							230,000
10 Finalize Departmental Master Plan	575,000							575,000
11 PHYCF Door Control Systems	350,000							350,000
12 MWP Door Control System	520,000							520,000
13 Dr. X Building Door Control System	350,000							350,000
14 MSP Replace Fixture Cell Combo Units on High Side	1,013,480							1,013,480
15 MCE Laundry						1,300,000		1,300,000
<b>Department of Natural Resources and Conservation</b>								
16 Swan Unit Office Siding and House Wrap	210,000							210,000
17 Stillwater Unit Shop Remodel	50,000							50,000
<b>Department of Public Health and Human Services</b>								
18 MSH Foundation Repair	200,000							200,000
19 MSH Roof Replacement Main Building	600,000							600,000
20 MMHNCC Roof Replacement	550,000							550,000
21 MMHNCC New Flooring D-Wing	174,262							174,262
22 MVH SCU Courtyard				75,000				75,000
23 MVH Roof Resurface				144,000				144,000
24 EMVH Facia Replacement				200,000				200,000
25 MVH Building Major Maintenance				117,000				117,000
<b>Montana School for the Deaf and Blind</b>								
26 Upgrade Sprinkler System in Bitterroot Building	150,000							150,000
27 Sprinkler Systems- Mustang Center & Dining Room	150,000							150,000
28 Campus-Wide Access Control System (funded with HB 632 federal funds)					120,000			120,000
29 Replace Lift in Bitterroot Building	80,000							80,000
30 Replace Roof on Cottage Buildings	530,000							530,000
<b>Montana University System</b>								
31 TECH Heating System Upgrades Phase 1	2,480,000							2,480,000
32 UM FLBS Sewer Treatment Plant (funded with HB 632 federal funds)					1,750,000			1,750,000
33 MSU Reid Hall Fire System Upgrades	1,700,000							1,700,000
34 UM Urey Lecture Hall Roof	350,000							350,000
35 UM Mansfield Library Roof Replacement	1,200,000							1,200,000
36 MSU Haynes Hall Lab Ventilation Upgrades (funded with HB 632 federal funds)					1,600,000			1,600,000
37 TECH Fire Alarm Upgrades	200,000							200,000
38 MSU Montana Hall Fire System Upgrades	455,000							455,000
39 MSU BLGS Art Annex Safety and System Upgrades (funded with HB 632 federal funds)					1,200,000			1,200,000
40 HC Donaldson Building HVAC Upgrades (funded with HB 632 federal funds)					1,000,000			1,000,000

# LONG-RANGE BUILDING PROGRAM

Figure 9 - Continued

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Capital Dev. Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
41 UMW Heating System Replacement and Repair	2,495,000							2,495,000
42 UM Stone Hall Roof Replacement	400,000							400,000
43 MSU NTHN Vande Bogart Library Roof Replacement	325,000							325,000
44 MSU Lewis Hall Roof Replacement	1,600,000							1,600,000
45 MSU NTHN Auto Tech Building System Improvements (funded with HB 632 federal funds)					535,000			535,000
46 UM Clapp Building Elevator Modernization	300,000							300,000
47 UMW Roof Replacements	450,000							450,000
48 TECH Roof Replacements	800,000							800,000
49 MSU NTHN Brockmann Center HVAC and Energy Project (funded with HB 632 federal funds)					855,000			855,000
<b>Office of Public Instruction</b>								
50 MT Learning Center Civil Infrastructure Upgrades (funded with HB 632 federal funds)					300,000			300,000
<b>Total A&amp;E Major Repairs Appropriations</b>	<b>\$19,987,742</b>	<b>\$0</b>	<b>\$3,315,500</b>	<b>\$536,000</b>	<b>\$8,760,000</b>	<b>\$1,300,000</b>	<b>\$0</b>	<b>\$33,899,242</b>
<b>Agency Major Repairs Appropriations</b>								
<b>Department of Environmental Quality (SBECP)</b>								
51 State Building Energy Conservation Program			3,700,000					3,700,000
52 Remediation of Leaking Petroleum Tanks				2,000,000				2,000,000
Subtotal Department of Environmental Quality Projects	\$0	\$0	\$3,700,000	\$2,000,000	\$0	\$0	\$0	\$5,700,000
<b>Department of Military Affairs</b>								
53 Great Falls AFRC Roof Replacement	204,350				613,050			817,400
54 Kalispell AFRC Roof Replacement	357,496				642,104			999,600
55 Lewistown RC Roof Replacement	91,500				91,500			183,000
56 Billings AFRC Backup Generator	213,500				640,500			854,000
57 Libby RC Loading Ramp Expansion	38,125				114,375			152,500
58 Ft Harrison Bldg 530 Roof Replacement					244,000			244,000
59 Post Engineers Remodel					473,850			473,850
60 Billings FMS Compound Fencing					99,450			99,450
61 FTH Range Vault Latrines					99,450			99,450
62 AASF Waste Tanks					137,250			137,250
63 Helena FMS MEP Rigid Concrete Paving Expansion					434,625			434,625
64 LSH Concrete Loading Ramp					122,000			122,000
65 Missoula FMS Rigid Concrete Paving					106,750			106,750
Subtotal Department of Military Affairs Projects	\$904,971	\$0	\$0	\$0	3,818,904	\$0	\$0	\$4,723,875
<b>Department of Transportation</b>								
66 Facilities Repair and Maintenance					2,300,000			2,300,000
Subtotal Department of Transportation Projects	\$0	\$0	\$0	\$2,300,000	0	\$0	\$0	\$2,300,000
<b>Total Major Repairs</b>	<b>\$20,892,713</b>	<b>\$0</b>	<b>\$7,015,500</b>	<b>\$4,836,000</b>	<b>\$12,578,904</b>	<b>\$1,300,000</b>	<b>\$0</b>	<b>\$46,623,117</b>
<b>Capital Development Appropriations</b>								
<b>A&amp;E Capital Development Projects</b>								
<b>Department of Administration</b>								
67 State Health Lab Renovation							6,000,000	6,000,000
68 Commodities Warehouse Expansion							1,779,230	1,779,230
69 MAES Greenhouse Laboratories (increase)		2,000,000						2,000,000
70 Capitol Complex Building Renovations-Remote & Office Workspace Improvements		10,000,000						10,000,000
71 Mazurek Building Renovations					3,000,000			3,000,000
72 <b>HB 14</b> - Liquor Warehouse Expansion (funded with HB 632 federal funds)							6,500,000	6,500,000
<b>Department of Corrections</b>								
73 Food Factory Expansion, Authority Increase						500,000		500,000
<b>Department of Justice</b>								
74 MLEA Scenario Training Building					3,851,475			3,851,475
<b>Department of Natural Resources and Conservation</b>								
75 <b>HB 14</b> - Eastern Land Office Facilities & Shop		2,250,000						2,250,000

# LONG-RANGE BUILDING PROGRAM

Figure 9 - Continued

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Capital Dev. Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
<b>Department of Public Health and Human Services</b>								
76 Southwest MT Veterans' Home - Sixth Cottage							4,000,000	4,000,000
77 <b>HB 14</b> - SWMVH Enclosed Walkways		3,300,000						3,300,000
<b>Montana Historical Society</b>								
78 Heritage Center Museum / Betty Babcock Museum			41,000,000					41,000,000
<b>Montana University System</b>								
79 TECH Heating System Upgrades Phase 2		3,520,000						3,520,000
80 Music Building Renovations - AO							6,000,000	6,000,000
81 Rankin Hall Building Renovations - AO							6,000,000	6,000,000
82 UM Mansfield Library Renovation - AO							6,000,000	6,000,000
83 MSU Instructional Space Upgrades - AO							2,000,000	2,000,000
84 MSU Renne Library Renovations - AO							5,000,000	5,000,000
85 UM Montana Museum for Art and Culture (Increase) - AO							2,000,000	2,000,000
86 <b>HB 14</b> - UM Forestry Conservation & Science Lab		25,000,000					20,000,000	45,000,000
87 <b>HB 14</b> - MT Veterinarian Diagnostic & Ag Analytical Labs (partially funded with HB 632 federal funds)		9,850,000			26,200,000			36,050,000
88 <b>HB 14</b> - MAES Research and Wool Laboratories		11,000,000					1,300,000	12,300,000
89 <b>HB 14</b> - UM-W Block Hall Renovation (partially funded with HB 632 federal funds)		7,200,000			4,800,000			12,000,000
<b>Total A&amp;E Capital Development Appropriations</b>	\$0	\$74,120,000	\$41,000,000	\$6,851,475	\$37,500,000	\$500,000	\$60,079,230	\$220,050,705
<b>Agency Capital Development Appropriations</b>								
<b>Montana University System</b>								
90 General Spending Authority - AO							20,000,000	20,000,000
<b>Department of Military Affairs</b>								
91 Butte Readiness Center (Increase)		801,249			2,195,751			2,997,000
92 Havre Unheated Storage Building		105,530			316,590			422,120
93 Billings AFRC Unheated Storage Expansion		77,013			231,038			308,051
94 Malta Vehicle Maintenance Shop					17,877,000			17,877,000
95 Fort Harrison Barracks					6,000,000			6,000,000
96 FTH Bldg 64 RTI Addition/Remodel					2,164,500			2,164,500
97 FTH Bldg 1001 Draw Yard					811,980			811,980
98 FTH Rail Head Yard					811,980			811,980
99 LSHTA Barracks #1					2,164,500			2,164,500
100 Federal Spending Authority					3,000,000			3,000,000
<b>Department of Transportation</b>								
101 Terry 3-Bay (No Office)				400,000				400,000
102 White Sulphur 8-Bay				1,250,000				1,250,000
103 Philipsburg 5-Bay				825,000				825,000
104 Custer 5 Bay with office				825,000				825,000
105 Havre Welding Shop				400,000				400,000
106 Billings Welding Shop/Tow Plow Storage				650,000				650,000
107 Harlem 6-Bay Equipment Storage Building				915,000				915,000
108 Lincoln Airport Snow Removal Equipment Storage Building					450,000			450,000
109 Yellowstone Airport Terminal (Increase)					10,000,000			10,000,000
<b>Total Agency Capital Development Appropriations</b>	\$0	\$983,792	\$0	\$5,265,000	46,023,339	\$0	\$20,000,000	\$72,272,131
<b>Total Capital Development Appropriations</b>	\$0	\$75,103,792	\$41,000,000	\$12,116,475	\$83,523,339	\$500,000	\$80,079,230	\$292,322,836

# LONG-RANGE BUILDING PROGRAM

Figure 9 - Continued

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Capital Dev. Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
<b>Department of FWP Capital Program Projects</b>								
<b>Department of Fish, Wildlife, &amp; Parks</b>								
110 Future Fisheries				1,320,000				1,320,000
111 FAS Site Protection				2,050,000			400,000	2,450,000
112 Dam Maintenance				60,000				60,000
113 Community Fishing Ponds				200,000				200,000
114 Wildlife Habitat Maintenance				1,147,500	2,442,500			3,590,000
115 Forest Management				65,000				65,000
116 Migratory Bird Program				650,000				650,000
117 Upland Game Bird Enhancement Program				650,000				650,000
118 Smith River Corridor				200,000				200,000
119 Wildlife Habitat Improvement Program					2,000,000			2,000,000
120 Yellow Bay State Park Site Upgrade				1,200,000				1,200,000
121 Cedar Islands Infrastructure Upgrades				200,000				200,000
122 Hell Creek State Park				100,000	300,000			400,000
123 Admin Facilities Major Maintenance				1,762,150	500,000			2,262,150
124 Canyon Ferry Fish Cleaning Station					500,000			500,000
125 Tiber Reservoir Fish Cleaning Station					500,000			500,000
126 Smith River Eden Site Improvement				600,000				600,000
127 Flathead Lake Recreation Access				4,959,000	2,900,000			7,859,000
128 Fish Connectivity				200,000	1,025,000		615,000	1,840,000
129 Home to Hunt Access				850,000				850,000
130 Interpretation and Exhibit Upgrades				500,000				500,000
131 Lewis and Clark Caverns				600,000				600,000
132 Havre Area Office				1,760,000	500,000			2,260,000
133 Lower Yellowstone Access				4,000,000				4,000,000
134 Shooting Ranges Statewide				250,000	2,250,000			2,500,000
135 Montana Wild Avian Rehabilitation Building							600,000	600,000
136 Grant Programs				3,390,000	6,000,000			9,390,000
137 Diversified Lodging				500,000				500,000
138 Milltown SP				125,000			125,000	250,000
139 Fort Owen SP							390,000	390,000
140 Parks Maintenance				2,500,000				2,500,000
141 Hatchery Maintenance				7,600,000				7,600,000
<b>Total FWP Capital Development Appropriations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,438,650</b>	<b>\$18,917,500</b>	<b>\$0</b>	<b>\$2,130,000</b>	<b>\$58,486,150</b>
<b>Department of FWP Capital Program Projects - Land Acquisition</b>								
142 Habitat Montana				9,550,000	2,000,000			11,550,000
143 FAS Acquisition				780,000				780,000
144 Big Horn Sheep Habitat				320,000				320,000
<b>Total Land Acquisition Appropriations</b>	<b>\$0</b>	<b>\$0</b>		<b>\$10,650,000</b>	<b>2,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,650,000</b>
<b>Total Long-Range Building Program</b>	<b>\$20,892,713</b>	<b>\$75,103,792</b>	<b>\$48,015,500</b>	<b>\$65,041,125</b>	<b>\$117,019,743</b>	<b>\$1,800,000</b>	<b>\$82,209,230</b>	<b>\$410,082,103</b>
AO - Authority only - for amounts that do not require appropriation								



# LONG-RANGE BUILDING PROGRAM

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## PROJECT DESCRIPTIONS

LRBP appropriations and authorizations, amounting to \$410.1 million for capital projects, are approved in HB 5 and HB 14 from numerous different capital project, state special revenue, and federal special revenue accounts and include project funding from non-state resources made up of proprietary funds, higher education funds, and donations (Authority).

## LONG-RANGE BUILDING PROGRAM APPROPRIATIONS

The following descriptions are for projects appropriated in HB 5, unless otherwise noted. The numeric listing below is not a rank, but instead is provided to match the Long-Range Building Program projects table that begins on page F-13.

### Major Repair Projects

The following projects are appropriated to the A&E Division. For each project, the appropriation for the indicated project will fund:

#### *Department of Administration*

1. VRF (variable refrigerant flow) Piping Replacement, Scott Hart Building – the replacement of piping and fittings throughout the building and address ancillary piping and closed-loop water quality issues.
2. Executive Residence Renovation (Increase) – an increase in project funding provided by the 2019 Legislature as a result of construction inflation. Overall, the project will replace the electrical, plumbing, roof systems and renovate the interior and exterior finishes.
3. Mechanical Upgrade, 5 South Last Chance Gulch – the replacement of existing boilers, the air-cooled chiller, and upgrade to digital controls in place of pneumatic controls where practical. Included will be the replacement and repair of failing hydronic system components (hot water valves, balancing devices, etc.).
4. Mechanical Upgrade, 2800 Airport Rd. (DNRC Hangar) – the replacement of the steam boiler with a modern steam boiler and provide air handling equipment that will include air conditioning for the building.
5. Campus Facilities Repairs & Maintenance – capitol campus wide life safety, code compliance, deferred maintenance, accessibility, and energy-savings projects.
6. COVID-19 Remote/Office Workspace Study & Planning Fund – a statewide remote and office workspace study/plan for changes driven by the COVID-19 virus. This appropriation will be funded with federal ARPA funds.
7. Legislative Staff Workspace Renovation and Reorganization – the renovation and reorganization of Legislative Branch staff space to add efficiencies. The appropriation will also be used to replace the existing 20-year-old carpeting in the branch offices.
8. Removal and Replacement of Legislative Chambers Carpeting – the replacement of the existing 20-year-old carpeting in the House and Senate chambers.

#### *Department of Corrections*

9. MSP Unit F Boiler System/Controls – the replacement of the existing boilers at the Treasure State Correctional Training Center with high efficiency boilers, new heating pumps, and flue pipes. New hot water heaters will also be installed.

## LONG-RANGE BUILDING PROGRAM

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10. Finalize Departmental Master Plan – the completion of a full evaluation of the existing physical and operational conditions of existing Department of Corrections facilities and generate strategic plans for growth and improvements.
11. PHYCF Door Control Systems – the upgrade of the door control system to the newer technology at the Pine Hills Youth Correctional Facility.
12. MWP Door Control System – the replacement of the door control system at the Montana Women’s Prison with remote controlled door locks and intercoms with a video system that will be operated from a secure location.
13. Dr. X Building Door Control System – the replacement of keyed locks with a building-wide door control system at the Xanthopoulos Building in Warm Springs.
14. MSP Replace Fixture Cell Combo Units on High Side – the replacement of the combined toilet/sink fixtures located in each cell on the high security side of the Montana State Prison.
15. MCE Laundry – the replacement of the tunnel washer, press, conveyor, shuttle elevators, pass through dryers, and associated laundry equipment at the Montana State Prison and Montana State Hospital laundries. This project is funded with Montana correctional enterprise funds.

### *Department of Natural Resources*

16. Swan Unit Office Siding and House Wrap – the replacement of siding, the addition of weather-resistant barriers, and the addition of exterior rigid foam insulation. The project includes the replacement of broken windows, soffit and fascia, and some metal roof panels.
17. Stillwater Unit Shop Remodel – upgrades to the foundation, replacement of the floor slab, installation of floor drains, insulation of ceiling and walls, and the installation of an energy efficient heating source at the Stillwater Unit Shop.

### *Department of Public Health and Human Services*

18. MSH Foundation Repair – the replacement of a portion of the foundation and an investigation of the remainder at the Montana State Hospital.
19. MSH Roof Replacement Main Building – the replacement of the roof on the main building at the Montana State Hospital.
20. MMHNCC Roof Replacement – the replacement of the roof on the main building at the Montana Mental Health Nursing Care Center.
21. MMHNCC New Flooring D-Wing – the replacement of flooring in the D-wing of the main hospital at the Montana Mental Health Nursing Care Center so the wing can be returned to use.
22. MVH SCU Courtyard – improvements, including the elimination of a blind curve, construction of a four-foot retaining wall, and the addition of a gazebo at the special care unit of the Montana Veterans’ Home courtyard.
23. MVH Roof Resurface – the repair and resealing of eight sections of the existing building’s roof at the Montana Veterans’ Home.
24. EMVH Fascia Replacement – the replacement of rotting fascia on the Eastern Montana Veterans’ Home building.
25. MVH Building Major Maintenance – the replacement of flooring in the Montana Veterans’ Home.

# LONG-RANGE BUILDING PROGRAM

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## *Montana School for the Deaf and Blind*

26. Upgrade Sprinkler System in Bitterroot Building – the replacement of the sprinkler system in the Bitterroot Building (main education and classroom building) on the Montana School for the Deaf and Blind campus.
27. Sprinkler Systems- Mustang Center & Dining Room – the installation of a sprinkler system in the Mustang Athletic Building and the adjacent dining room on the Montana School for the Deaf and Blind campus.
28. Campus-Wide Access Control System – a new access control system that will allow for enhanced tracking and control. This appropriation will be funded with federal ARPA funds.
29. Replace Lift in Bitterroot Building – the replacement of the existing wheelchair lifts at the Bitterroot Building (main education and classroom building) on the Montana School for the Deaf and Blind campus.
30. Replace Roof on Cottage Buildings – an increase in funding provided by the 65<sup>th</sup> Legislature to replace the roofing systems on the cottages at the Montana School for the Deaf and Blind.

## *Montana University System*

31. TECH Heating System Upgrades Phase 1 – upgrades to the existing steam tunnels and replacement of failed direct buried piping with new tunnel sections at the Montana Technological University campus.
32. UM FLBS Sewer Treatment Plant – the replacement of the existing sewer treatment facility at the Flathead Lake Biological Station. This appropriation is funded with federal ARPA funds.
33. MSU Reid Hall Fire System Upgrades – the construction of a fire suppression and alarm system in Reid Hall on the Montana State University campus.
34. UM Urey Lecture Hall Roof – the replacement of the existing roof membrane with a new single-ply membrane on the Urey Lecture Hall on the University of Montana campus.
35. UM Mansfield Library Roof Replacement – the replacement of the roof membrane on the Mansfield Library at the University of Montana campus. The membrane will be ballasted to enable the future installation of solar panels.
36. MSU Haynes Hall Lab Ventilation Upgrades – the upgrade of the mechanical ventilation system in Haynes Hall on the Montana State University campus. This appropriation is funded with federal ARPA funds.
37. TECH Fire Alarm Upgrades – the replacement of fire alarm systems in several buildings on the Montana Technological University campus.
38. MSU Montana Hall Fire System Upgrades – the construction of a fire suppression system in Montana Hall on the Montana State University campus.
39. MSU BLGS Art Annex Safety and System Upgrades – the replacement of life-safety systems, including fire emergency exit lighting and alarm systems and fire suppression systems, in the Art Annex Building on the Montana State University campus. This appropriation is funded with federal ARPA funds.
40. HC Donaldson Building HVAC Upgrades – the replacement of HVAC and building control systems in the Donaldson Building at the Helena College. This appropriation is funded with federal ARPA funds.
41. UMW Heating System Replacement and Repair – the installation of a second low-pressure boiler that eliminates the need for the high-pressure biomass boiler at the University of Montana, Western campus.
42. UM Stone Hall Roof Replacement – the replacement of the existing sloped roofing and attic insulation for Stone Hall on the University of Montana campus.

## LONG-RANGE BUILDING PROGRAM

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43. MSU NTHN Vande Bogart Library Roof Replacement – the replacement of the roof membrane and insulation components of the Vande Bogart Library on the Montana State University, Northern campus.
44. MSU Lewis Hall Roof Replacement – the replacement of the underlayment and insulation, and upgrades to the snow/ice fall protection and roof structure, along with replacing of missing or broken clay tiles on Lewis Hall at the Montana State University campus.
45. MSU NTHN Auto Tech Building System Improvements – the replacement of the failing roof deck fasteners and upgrades to the original exhaust and combustion system on the Automotive Technology Building at the Montana State University, Northern campus. This appropriation is funded with federal ARPA funds.
46. UM Clapp Building Elevator Modernization – the upgrade and modernization of the main elevator in the Clapp Building on the University of Montana campus.
47. UMW Roof Replacements – the replacement of roofs on the Business and Technology Building, Engineers House, and the Chancellor’s Residence on the Montana State University, Western campus.
48. TECH Roof Replacements – the replacement of roofs on the Chancellor’s Residence and the Science and Engineering, Math and Computer Science, Chemistry/Biology, and Highlands College buildings on the Montana Technological University campus.
49. MSU NTHN Brockmann Center HVAC and Energy Project – the upgrades of the mechanical equipment and envelope in the Brockmann Center at the Montana State University, Northern campus. This appropriation is funded with federal ARPA funds.

### ***Office of Public Instruction***

50. MT Learning Center Civil Infrastructure Upgrades – the restoration of the sewer collection system (SS) including removal of existing clay-tile sanitary/sewer mains, installation of new polyvinyl chloride (PVC) SS mains, restoration & sealing of existing manholes, cleaning of existing sanitary/sewer services as possible, and the installation of bypass pumping as needed at the Montana Learning Center at Canyon Ferry Lake. This appropriation is funded with federal ARPA funds.

### **Agency Major Repair Projects**

The following projects are appropriated to the indicated agencies. For each project, the appropriation for the indicated project will fund:

#### ***Department of Environmental Quality (SBECP)***

51. Energy Improvements – the State Building Energy Conservation Program (SBECP) – improvements to state facilities that will reduce water/energy costs and uses the water/energy cost savings to repay the appropriation over time (for more information, refer to the SBECP on page F-33).
52. Remediation of Leaking Petroleum Tanks – the cleanup of leaking petroleum tanks where no responsible party is available.

#### ***Department of Military Affairs***

53. Great Falls AFRC Roof Replacement – a new roof at the Great Falls Armed Forces Reserve Center.
54. Kalispell AFRC Roof Replacement – a new roof at the Kalispell Army National Guard Reserve Center.
55. Lewistown RC Roof Replacement – a new roof at the Lewistown Army National Guard Readiness Center.

## LONG-RANGE BUILDING PROGRAM

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56. Billings AFRC Backup Generator – a backup generator for the Command and Control Center at the Billings Armed Forces Reserve Center.
57. Libby RC Loading Ramp Expansion – the construction of a two-tier military vehicle loading ramp at the Libby Readiness Center.
58. Fort Harrison Bldg 530 Roof Replacement – the replacement of the roof on building 530 at Ft. Harrison near Helena.
59. Post Engineers Remodel – a remodel of the Post Engineers Maintenance Building to accommodate 24 personnel and create a 415 square foot conference room at Ft. Harrison near Helena.
60. Billings FMS Compound Fencing – the construction of a fence around the perimeter of the Billings field maintenance shop (FMS).
61. FTH Range Vault Latrines – provision of permanent vault style latrines at the training area at Ft. Harrison near Helena.
62. AASF Waste Tanks – the removal of the existing waste oil burner from the aircraft storage hangar and the installation of an above ground 400-gallon tank for jet fuel and a 600-gallon tank for used oil at the Army Aviation Support Facility.
63. Helena FMS MEP Rigid Concrete Paving Expansion – the construction of approximately 1,763 square yards of military equipment parking rigid concrete pavement at the Helena field maintenance shop.
64. LSH Concrete Loading Ramp – the construction of a concrete loading ramp at Limestone Hills Training Area.
65. Missoula FMS Rigid Concrete Paving – the replacement of rigid concrete pavement and installation of required storm water drainage structures, fencing, and curbing at the Missoula field maintenance shop.

### *Department of Transportation*

66. Facilities Repair and Maintenance – the routine preventative maintenance and small construction projects at Department of Transportation facilities statewide.

### **Capital Development Projects**

The following capital development projects are appropriated to the A&E Division. For each project, the appropriation for the indicated project will fund:

### *Department of Administration*

67. State Health Lab Renovation – an increase in laboratory space at the Department of Health and Human Services (DPHHS) Montana Public Health Lab in the Cogswell Building on the capitol complex. The project is authority only, does not require appropriation, and is funded with CARES Act federal funds previously accepted in the DPHHS budget.
68. Commodities Warehouse Expansion – the installation of a 2,720 square foot freezer unit and an additional 5,280 square feet of dry storage space at the DPHHS warehouse in Helena. The project is authority only, does not require appropriation, and is funded with CARES Act federal funds previously accepted in the DPHHS budget.
69. MAES Greenhouse Laboratories (increase) – the construction of two greenhouses. The project was initially funded at \$2.0 million in the 2019 session, intended to fund the construction of greenhouse labs at four agricultural experiment stations, but due to construction inflation the appropriation would only fund two. The new appropriation will fund the construction of greenhouse labs at the Central Ag and Northern Ag Research Centers.

## LONG-RANGE BUILDING PROGRAM

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70. Capitol Complex Building Renovations-Remote & Office Workspace Improvements – improvements related to remote work and office workspace in the state buildings on the capitol complex.
71. Mazurek Building Renovations – the renovation of Mazurek Building on the capitol complex. Prior to starting the renovations, a workgroup must be formed to make determinations and recommendations on the needs of the occupants with consideration of the highest level of efficiencies in the building.
72. HB 14 - Liquor Warehouse Expansion – construction to expand the Department of Revenue Liquor Warehouse in Helena by 35,000 square feet. This appropriation is funded with federal ARPA funds.

### ***Department of Corrections***

73. Food Factory Expansion, Authority Increase – increased project/construction costs to complete the addition of 3,200 square feet to the existing building, increase the size of the tray line to support the additional meals, and install additional chillers, coolers, and freezer space.

### ***Department of Justice***

74. MLEA Scenario Training Building – the construction of a training building that will replicate indoor and outdoor environments and simulate circumstances of real-time emergency assistance calls. The facility will be located at the Montana Law Enforcement Academy in Helena.

### ***Department of Natural Resources***

75. HB 14 - Eastern Land Office Facilities & Shop – the construction of a new 6,000 square foot office building and 2,500 square foot shop in Miles City.

### ***Department of Public Health and Human Services***

76. Southwest MT Veterans' Home - Sixth Cottage – the construction of the sixth cottage at the Southwest Montana Veterans' Home in Butte. The project is authority only, does not require appropriation, and is funded with donations.
77. HB 14 - SWMVH Enclosed Walkways – the installation of covered/enclosed walkways that will connect all existing buildings on the Southwest Montana Veterans' Home campus in Butte.

### ***Montana Historical Society***

78. Heritage Center Museum/Betty Babcock Museum – an appropriation of the dedicated distribution of the lodging facilities sales tax, enacted in SB 338 by the 2019 Legislature, to augment previous appropriations and authorizations from the 2005 legislative session and complete the funding package for the construction of the new Heritage Center in Helena.

### ***Montana University System***

79. TECH Heating System Upgrades Phase 2 – upgrades to the existing steam tunnels and replace failed direct buried piping with new tunnel sections at the Montana Technological University campus. This project is a continuation of the Phase 1 project as seen above.
80. Music Building Renovations – authority only (AO) – renovations to provide life safety and deferred maintenance improvements and address classroom and rehearsal space modernization in the Music Building on the University of Montana campus. The project is authority only, does not require appropriation, and is funded with university funds, including federal funds, donations, grants, or higher education funds.
81. Rankin Hall Building Renovations – AO – renovations to provide life safety and deferred maintenance improvements and space modernization in Rankin Hall on the University of Montana campus. The

## LONG-RANGE BUILDING PROGRAM

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- project is authority only, does not require appropriation, and is funded with university funds, including federal funds, donations, grants, or higher education funds.
82. UM Mansfield Library Renovation – AO – the remodel of the existing facility to repurpose the existing space into instructional space and to address life safety, deferred maintenance, and modernization at the Mansfield Library on the University of Montana campus. The project is authority only, does not require appropriation, and is funded with university funds including federal funds, donations, grants, or higher education funds.
  83. MSU Instructional Space Upgrades – AO – renovations that will upgrade major building systems, including mechanical, electrical, and networking components, address life safety and fire suppression issues, energy efficiency, accessibility improvements, replace obsolete and worn out furniture and finishes, and upgrade technology on the Montana State University campus. The project is authority only, does not require appropriation, and is funded with university funds including federal funds, donations, grants, or higher education funds.
  84. MSU Renne Library Renovations – AO – the renovation, reprogramming, and modernization of the Renne Library on the Montana State University campus. The project is authority only, does not require appropriation, and is funded with university funds including federal funds, donations, grants, or higher education funds.
  85. UM Montana Museum for Art and Culture (Increase) – AO – the increase of project authority provided in the 59th Legislative Session for the construction of a Montana Museum of Art & Culture Building on the University of Montana campus. The project is authority only, does not require appropriation, and is funded with university funds including federal funds, donations, grants, or higher education funds.
  86. HB 14 - UM Forestry Conservation & Science Lab – the construction of a new Forestry and Conservation Building, constructed with cross laminated timber, including space to house a science laboratory. The new building will be on the University of Montana campus.
  87. HB 14 - MT Veterinarian Diagnostic & Ag Analytical Labs – the construction of a new facility to house the operations of the Department of Livestock veterinary diagnostic program and provide higher level bio-safety level containment and added functional capacity. The project includes new space for the Department of Agriculture to provide testing for agricultural feed, fertilizer, pesticide and chemical groundwater protection. The combined labs will be located adjacent to the Marsh Lab on the Montana State University campus.
  88. HB 14 - MAES Research and Wool Laboratories – the construction of five chemistry and instrumentation research laboratories at CARC, NARC, NWARC, SARC and WTARC, one horticulture research and teaching building at WARC, and one multidisciplinary wool laboratory to support the Montana Agricultural Experiment Stations.
  89. HB 14 - UM-W Block Hall Renovation – upgrades and renovations including: updating gas valves and plumbing fixtures in the laboratory, modernizing classrooms, and abating asbestos throughout the Block Hall Building on the University of Montana, Western campus.

### Agency Capital Development Projects

The following capital development projects are appropriated to the indicated agencies. For each project, the appropriation for the indicated project will fund:

#### *Montana University System*

90. General Spending Authority – AO – major maintenance, new construction, renovations, Americans with Disabilities Act (ADA), and code compliance upgrades or other project elements necessary to complete

## LONG-RANGE BUILDING PROGRAM

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the projects on university campuses across the state. The project is authority only, does not require appropriation, and is funded with university funds including federal funds, donations, grants, or higher education funds. The Office of the Commissioner of Higher Education will distribute the authority in accordance with Board of Regents approval and priorities.

### *Department of Military Affairs*

91. Butte Readiness Center (Increase) – an increase in project costs for the construction of a new readiness center in Butte. The increase in authority is related to a shortfall in the original appropriation, construction inflation, and the addition of furniture and equipment costs.
92. Havre Unheated Storage Building – the construction of an unheated equipment storage building at the Havre Readiness Center.
93. Billings AFRC Unheated Storage Expansion – an addition to the existing unheated equipment storage building at the Billings Armed Forces Reserve Center.
94. Malta Vehicle Maintenance Shop – the construction of a new vehicle maintenance shop on the Malta Army Reserve campus.
95. Fort Harrison Barracks – the design and construction of the barracks and supporting infrastructure at Fort Harrison near Helena.
96. FTH Bldg 64 RTI Addition/Remodel – the renovation of the 1,023 square feet of existing space in the Regional Training Institute Building 64 and the construction of an additional 2,363 square feet of new classroom space at Fort Harrison near Helena.
97. FTH Bldg 1001 Draw Yard – the installation of an eight-foot-tall chain link fence, security gates and gravel base to create multiple secured compound sections at Fort Harrison near Helena.
98. FTH Rail Head Yard – a paved/surfaced secure compound space for military vehicles and equipment to load and unload trains at Fort Harrison near Helena.
99. LSHTA Barracks #1 – the construction of barracks for National Guard soldiers at Limestone Hills training area near Townsend.
100. Federal Spending Authority – repairs, maintenance, and improvements in the Department of Military Affairs facilities statewide.

### *Department of Transportation*

101. Terry 3-Bay (No Office) – the construction of a three-bay equipment storage building with no office or rest room at the current MDT Section site in Terry.
102. White Sulphur 8-Bay – the construction of an eight-bay equipment storage building with an office and rest room at the current MDT Section site near White Sulphur Springs.
103. Philipsburg 5-Bay – the construction of a five-bay equipment storage building with an office and rest room at the current MDT Section site located in Philipsburg.
104. Custer 5 Bay with office – the construction of a five-bay equipment storage building with an office and rest room at the current MDT Section site in Custer.
105. Havre Welding Shop – the construction of a new welding shop building at the current location in Havre.
106. Billings Welding Shop/Tow Plow Storage – the demolition of the existing and construction of a new welding shop with tow plow storage bay building in Billings.
107. Harlem 6-Bay Equipment Storage Building – construction of a six-bay equipment storage building with an office and rest room at a new site in Harlem.



## LONG-RANGE BUILDING PROGRAM

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108. Lincoln Airport Snow Removal Equipment Storage Building – construction of a building on the airfield to store snow removal equipment at the Lincoln Airport.
109. Yellowstone Airport Terminal (Increase) – an increase to the appropriation provided by the 66<sup>th</sup> Legislature for the construction of a new 30,000 square foot terminal building at the West Yellowstone Airport.

### Department of Fish, Wildlife, and Parks Capital Program

The following capital development projects are appropriated to the Department of Fish, Wildlife, and Parks. For each project, the appropriation for the indicated project will fund:

110. Future Fisheries – statewide fish habitat restoration projects.
111. FAS Site Protection – the installation and rehabilitation of basic facilities at Fishing Access Sites (FAS) across the state.
112. Dam Maintenance – the maintenance and repair of nine FWP owned dams.
113. Community Fishing Ponds – the construction or improvement of public fishing ponds in communities across the state.
114. Wildlife Habitat Maintenance – the maintenance of wildlife management areas and lands in accordance with state requirements and the good neighbor policy.
115. Forest Management – the management of forestry projects on wildlife management areas in accordance with statutory requirements.
116. Migratory Bird Program – the protection, conservation, and enhancement of wetland habitat across the state.
117. Upland Game Bird Enhancement Program – the provision of grants to landowners to restore/establish habitat for upland game birds and requirement of a level of public hunting access on project areas. It also provides funding for the pheasant release program.
118. Smith River Corridor – the improvement of existing recreational infrastructure and facilities within the Smith River corridor.
119. Wildlife Habitat Improvement Program – enhancements at wildlife habitats through noxious weed management.
120. Yellow Bay State Park Site Upgrade – realigning of the entrance road, paving of the existing internal road system, replacing of the antiquated comfort station, installing a storage/maintenance building, and construction of new visitor lodging at Yellow Bay State Park.
121. Cedar Islands Infrastructure Upgrades – the designation of camping areas and the installation of composting latrines, fire rings, and signage at Cedar Islands on Flathead Lake.
122. Hell Creek State Park – improvements to mitigate the shoreline erosion issues within the concession area portion of Hell Creek State Park.
123. Admin Facilities Major Maintenance – ongoing maintenance and repairs at administrative FWP facilities statewide.
124. Canyon Ferry Fish Cleaning Station – the acquisition of a site, development of the plans and bid documents, and the installation of power, water, and sewer systems. Permitting for the station will require a level II treatment system.
125. Tiber Reservoir Fish Cleaning Station – the acquisition of a site, development of the plans and bid documents, and the installation of power, water, and sewer systems. Permitting for the station will require a level II treatment system.
126. Smith River Eden Site Improvement – the purchase of an easement and subsequent installation of waste disposal infrastructure at the Eden Bridge take-out location along the Smith River.

## LONG-RANGE BUILDING PROGRAM

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127. Flathead Lake Recreation Access – the acquisition and development of two separate parcels of land, one to be developed as a fishing access site and one as a new state park on Flathead Lake.
128. Fish Connectivity – the construction of fish passages, barriers, screens, ladders, or fish habitat projects statewide.
129. Home to Hunt Access – the access to public lands through private lands by easements, leases, or fee title purchases at available locations across the state.
130. Interpretation and Exhibit Upgrades – updates and upgrades to interpretative signage and exhibits at state parks across the state.
131. Lewis and Clark Caverns – the replacement of an existing drain field and, if funds are available, begin the planning for replacement of the comfort stations at the Lewis and Clark Caverns.
132. Havre Area Office – the construction of an office, workspace, and equipment and vehicle storage to replace the current rental space in Havre.
133. Lower Yellowstone Access – the acquisition and development of recreational access sites on the Lower Yellowstone River.
134. Shooting Ranges Statewide – development of public shooting ranges statewide.
135. Montana Wild Avian Rehabilitation Building – the development of a housing and rehabilitation building for wild birds, primarily raptors, at the Fish Wildlife and Parks Rehabilitation Center in Helena. This project would be funded with private donations and grants.
136. Grant Programs – four grant programs for local entities and communities: the off-highway vehicle grants, the recreational trails program grants, the land and water conservation fund grants, and the trails and recreational facilities grant program.
137. Diversified Lodging – the construction/installation of lodging such as yurts, wall tents, and prefabricated cabins, and small houses at state parks statewide where public camping, staff, and park infrastructure are currently in-place.
138. Milltown SP – improvements to a donated parcel of land, as required by the donor, that includes fencing and designing/installing fall protection features at Milltown State Park.
139. Fort Owen SP – improvements to the historic park that include interpretation upgrades, acquisition of an approximately 0.9-acre parcel for visitor parking, and other site improvements at the Fort Owen State Park. The project is authority only, does not require appropriation, and is funded with donations.
140. Parks Maintenance – major maintenance including projects addressing public health and safety issues, electrical upgrades, sign replacements, vandalism repairs, roof replacements, asphalt maintenance, hazard tree removal, and emergency repairs to existing infrastructure and facilities at park sites across the state.
141. Hatchery Maintenance – the major maintenance, replacement, repairs, and modifications of infrastructure for the 10 state fish hatcheries across the state.

### ***Department of Fish, Wildlife, and Parks Land Acquisition***

142. Habitat Montana – the acquisition of wildlife habitats through conservation easement, fee title acquisition, or long-term lease. The appropriation is funded with a portion of the revenue from the deer and elk auction licenses as well as earmarked license fees.
143. FAS Acquisition – the acquisition, either by lease or fee title, for fishing access to lakes, streams and rivers across the state.
144. Big Horn Sheep Habitat – the acquisition of bighorn sheep habitat through easement, lease, or fee title. This project is funded with big horn sheep auction revenues.

# LONG-RANGE BUILDING PROGRAM

## FUTURE OPERATIONS AND MAINTENANCE COSTS

When approving the construction of new buildings, or additions to existing space within buildings, the legislature considers the future costs of operations and maintenance (O&M). In the 2019 session, the legislature amended statute to require O&M funds to be appropriated when new building/space projects are authorized. This ensures that this new ongoing cost is built in the agency base budget for future biennia. When the new building/space is expected to be in use in the upcoming biennium the O&M appropriations are included in the agency budget within HB 2. However, if the new building/space will not be completed and not put into use until future biennia the appropriation is included in the long-range planning bill that authorizes the project. Figure 10 shows the future cost projections for new space projects appropriated and authorized by the 67<sup>th</sup> Legislature.

Figure 10

O&M Appropriations <i>17-7-210, MCA Required for Future Biennia</i>						
Agency	Project	General Fund	State Special	Federal Special	Prop.	Total
<b>HB 5</b>						
DMA	Have Unheated Storage Building	\$250		\$250		\$500
DMA	Billings AFRC Unheated Storage Expansion	300		300		600
DOJ	MLEA Scenario Training Building	150,000				150,000
FWP	Have Area Office		26,261			26,261
DPHHS	Southwest Montana Veterans Home Sixth Cottage		1,200,000			1,200,000
HB 5 Agency O&M Appropriations		\$150,550	\$1,226,261	\$550	\$0	\$1,377,361
<b>HB 14</b>						
DOL	MT Veterinarian Diagnostic Lab	427,100	738,588		274,027	1,439,715
DOAg	Ag Analytical Lab	172,030	24,894			196,924
MSU	UM Forestry Conservation & Science Lab	798,659				798,659
MSU	MAES Research and Wool Laboratories	389,402				389,402
HB 14 Agency O&M Appropriations		\$1,787,191	\$763,482	\$0	\$274,027	\$2,824,700
<b>Total Future O&amp;M Agency Appropriations</b>		<b>\$1,937,741</b>	<b>\$1,989,743</b>	<b>\$550</b>	<b>\$274,027</b>	<b>\$4,202,061</b>

The state’s ongoing cost for the O&M of new space created by projects approved by the 2021 Legislature will add \$4.2 million to agency base budgets in the 2023 biennium. These costs will be payable from all fund types including general fund, state and federal special revenues, and proprietary funds. The O&M appropriations are intended to become a part of the agencies base budget for future biennia, and until the building is complete and operational the associated funding may not be spent and must be reverted to the originating account at the end of each fiscal year.

## FUNDING

Funding for the Long-Range Building Program comes from various sources: the LRBP capital projects accounts, state special revenue accounts, federal special revenue accounts, and other non-state funds (such as university funds, private funds, and capitol land grant funds).

### Long-Range Building Program Major Repairs Account:

While not the largest source of funding for capital projects, the LRBP major repairs account is the primary source of funding for the major maintenance of general fund supported buildings in the state building program. The dedicated revenues of the LRBP include:

- 2.6% distribution of cigarette tax revenue
- 12.0% distribution of coal severance tax revenue

# LONG-RANGE BUILDING PROGRAM

- HB 2 appropriated general fund transfer (transfers to bring annual major repairs spending to the level of 0.6% of the current replacement value of all LRBP eligible buildings)

Figure 11 provides the fund balance of the LRBP major repairs account for the 2023 biennium. The account is projected to begin the 2023 biennium with a negative balance of \$1.2 million. The negative balance results from lower than anticipated revenues in the 2021 biennium. The account will never actually go negative, but instead the negative balance indicates an imbalance between the projected revenues and total appropriation authority in the account. Total revenues of the LRBP major repairs account, including short-term interest earnings, supervisory fees charged by A&E, and SBCEP energy savings transfers is projected to be \$29.5 million in the 2023 biennium.

Figure 11

LRBP Major Repairs Account Fund Balance Analysis - 2023 Biennium					
Account 05007					
	FY 2020	FY 2021	FY 2022	FY 2023	2023 Bien.
	Actual	Projected	Projected	Projected	Projected
Calculated Beginning Fund Balance	\$20,784,497	\$18,084,284	(\$4,117,149)	(\$9,651,047)	(\$4,117,149)
Project Reversions	0		1,953,369		1,953,369
Proposed Project Deletion	0	0	970,100		970,100
Adjustments to Fund Balance	0	(12,612)	0	0	0
Beginning Fund Balance	20,784,497	18,071,672	(1,193,680)	(9,651,047)	(1,193,680)
Revenues <sup>1</sup>					
Cigarette Tax	\$1,555,542	\$1,561,155	\$1,530,161	\$1,493,584	\$3,023,745
Coal Severance Tax	5,413,782	4,674,899	4,244,593	3,738,443	7,983,036
Interest Earnings	380,463	36,594	64,913	64,913	129,825
Supervisory Fees	77,261	465,974	288,186	288,186	576,372
Energy Savings Transfer	(120,252)	0	111,000	111,000	222,000
HB 2 Major Repairs Transfers <sup>2</sup>	<u>11,500,000</u>	<u>432,000</u>	<u>8,589,879</u>	<u>8,941,581</u>	<u>17,531,460</u>
Total Revenues	18,806,797	7,170,622	14,828,731	14,637,707	29,466,438
Expenditures					
Operating Costs-A & E Division <sup>3</sup>	2,292,121	2,490,591	2,393,385	2,406,683	4,800,068
Prior Biennia Projects <sup>3</sup>	19,214,890	26,868,852	0	0	0
2023 Biennium Projects	0	0	<u>20,892,713</u>	0	<u>20,892,713</u>
Total Expenditures/Appropriations	21,507,011	29,359,443	23,286,098	2,406,683	25,692,781
Estimated Ending Fund Balance	\$18,084,284	(\$4,117,149)	(\$9,651,047)	\$2,579,977	\$2,579,977
<sup>1</sup> HJ2 Projections <sup>2</sup> Beginning in the 2023 Biennium - HB 2 Appropriated Transfer <sup>3</sup> HB 2 <sup>3</sup> Assumes all appropriation authority is expended in FY 2021					

The LRBP major repairs account supports \$4.8 million of administrative costs for the A&E Division. Funding for these costs are transferred from the capital projects account to an A&E state special account and are appropriated in HB 2. The administrative costs shown in Figure 11 do not include the increased costs associated with the HB 13 pay plan. The legislature appropriated \$20.9 million for LRBP projects from the major repairs account. As a result, the balance by the end of the 2023 biennium is projected to be \$2.6 million. The account balance will be retained in the LRBP major repairs account and will be available for future appropriation.

### Capital Land Grant Capital Projects Account:

Capitol land grant (CLG) revenues, derived from trust lands designated in the Enabling Act for the state capitol complex, are used as a source of LRBP funding for capital projects. Funding from this source may only be used for projects on the Montana Capitol Complex (10-mile radius from the Montana Capitol building) per the requirements of the Enabling Act. As seen in Figure 12, the account is projected to begin the 2023 biennium

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with a negative balance of \$606,979. The negative balance results from lower than anticipated revenues in the 2021 biennium. The account will never actually go negative, but instead the negative balance indicates an imbalance between the projected revenues and total appropriation authority in the account. Total revenues of the CLG account is projected to be \$3.8 million in the 2023 biennium.

Figure 12

Capitol Land Grant Account Fund Balance Analysis - 2023 Biennium					
Account 05008					
	FY 2020 Actual	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	2023 Bien. Projected
Beginning Fund Balance	\$4,873,931	\$5,508,966	(\$606,979)	(\$2,107,854)	(\$606,979)
Revenues <sup>1</sup>					
Land Grant Interest & Earnings	<u>2,187,043</u>	<u>1,844,245</u>	<u>1,814,625</u>	<u>1,939,231</u>	<u>3,753,856</u>
Total Revenues	2,187,043	1,844,245	1,814,625	1,939,231	3,753,856
Expenditures					
Prior Biennia Projects <sup>2</sup>	1,552,008	7,960,189	0	0	0
2023 Biennium HB 5 Projects	<u>0</u>	<u>0</u>	<u>3,315,500</u>	<u>0</u>	<u>3,315,500</u>
Total Expenditures/Appropriations	1,552,008	7,960,189	3,315,500	0	3,315,500
Estimated Ending Fund Balance	\$5,508,966	(\$606,979)	(\$2,107,854)	(\$168,623)	(\$168,623)

<sup>1</sup>HJ 2  
<sup>2</sup>Assumes all appropriation authority is expended in FY 2021

CLG account funds are appropriated for four specific projects and one campus wide project in HB 5. Total appropriations are \$3.3 million, which provides a projected negative balance of \$168,623 at the end of the biennium. The negative balance shows that appropriations exceed anticipated revenues, however the program will manage spending from the account and not allow spending to exceed available revenues.

Capital Development Account:

The capitol development (CD) account, established in HB 553 in the 2019 session, was developed to provide a cash funding source of revenue for capital projects. The account, per 17-7-208, MCA receives funds from several sources including:

1. Appropriated general fund transfers from HB 2
  - a. 1.0% of the amount of the state general fund revenue, as determined by or before August 15 of the year preceding a legislative session less the:
    - i. general fund general obligation bond debt service, and
    - ii. projected general fund debt service for general fund general obligation bonds proposed in the executive budget.
  - b. Recommendations for the appropriated transfers may be eliminated by the executive or the legislature.
2. Overflow funding from the budget stabilization reserve fund (BSR) as provided in 17-7-130 (6)
  - a. If the balance of the BSR exceeds an amount equal to 4.5% of all general fund appropriations in the second year of the biennium, then 50.0% of any funds in excess of that amount must be transferred to the capital development account.
3. Other deposits/transfers made by the legislature

Figure 13 provides the fund balance projection for the CD account. The account is projected to begin the 2023 biennium with a balance of \$4.7 million resulting from a budget stabilization fund overflow deposit from FY 2019. The HB 2 appropriated transfer did not occur for the 2023 biennium, but instead the legislature provided

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a general fund transfer of \$165.0 million in SB 191. In addition, the legislature approved a general fund transfer of \$58.6 million in HB 14. In total, the revenues of the account total \$223.6 for the 2023 biennium.

Figure 13

Capitol Development Account Fund Balance Analysis - 2023 Biennium					
Account 05031					
	FY 2020 Actual	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	2023 Bien. Projected
Beginning Fund Balance	\$0	\$0	\$4,702,398	\$153,198,606	\$4,702,398
Revenues					
Transfers from Budget Stabilization Acct.	0	4,702,398	0	0	0
HB 2 Capital Development Transfer	0	0	0	0	0
HB 14 GF Transfer	0	0	58,600,000	0	58,600,000
SB 191 GF Transfer	<u>0</u>	<u>0</u>	<u>165,000,000</u>	<u>0</u>	<u>165,000,000</u>
Total Revenues	0	4,702,398	223,600,000	0	223,600,000
Expenditures					
Prior Biennia Projects	0	0	0	0	0
2023 Biennium Projects	<u>0</u>	<u>0</u>	<u>75,103,792</u>	<u>0</u>	<u>75,103,792</u>
Total Expenditures/Appropriations	0	0	75,103,792	0	75,103,792
Estimated Ending Fund Balance	\$0	\$4,702,398	\$153,198,606	\$153,198,606	\$153,198,606

Appropriations from the CD account included in HB 5 and HB 14 will support major construction projects in the LRBP. Total appropriations in the 2023 biennium were \$75.1 million. As a result, the fund is expected to finish the 2023 biennium with a balance of \$153.2 million. This balance could be available to pay down current general fund debt service, cash out projects appropriated from general fund general obligation bond proceeds where the bonds are not yet issued, or fund future capital development projects.

### EXECUTIVE BUDGET COMPARISON

Figure 14 provides the legislative changes from the executive budget proposal.

Figure 14

Executive Budget Comparison - Long-Range Building Program				
Budget Item	Executive Proposal 2023 Bien.	Appropriated 2023 Bien.	Change	% Change
	<u>Proposed</u>	<u>Appropriated / Authorized</u>		
LRBP Project Appropriations			\$0	-
A&E Major Repairs	36,312,364	33,899,242	(2,413,122)	-6.65%
A&E Capital Development	223,992,876	220,050,705	(3,942,171)	-1.76%
A&E Project Appropriations	\$260,305,240	\$253,949,947	(6,355,293)	-2.44%
Agency Project Appropriations <sup>1</sup>	18,970,335	81,296,006	62,325,671	328.54%
FWP Capital Improvement Costs <sup>1</sup>	66,886,150	71,136,150	4,250,000	6.35%
SBECF Project Costs	3,700,000	3,700,000	0	0.00%
17-7-210 O&M	0	4,202,061	4,202,061	-
<b>Total Costs</b>	<b>\$349,861,725</b>	<b>\$414,284,164</b>	<b>\$64,422,439</b>	<b>18.41%</b>
General Fund	\$0	\$1,937,741	1,937,741	-
Capital Projects	78,878,627	144,012,005	65,133,378	82.57%
State Special	57,733,625	67,030,868	9,297,243	16.10%
Federal Special	50,940,243	117,020,293	66,080,050	129.72%
Proprietary <sup>2</sup>	0	2,074,027	2,074,027	-
Authorization <sup>2</sup>	91,309,230	82,209,230	(9,100,000)	-9.97%
Bonds	71,000,000	0	(71,000,000)	-100.00%
<b>Total Funds</b>	<b>\$349,861,725</b>	<b>\$414,284,164</b>	<b>\$64,422,439</b>	<b>18.41%</b>

<sup>1</sup> Includes major repairs and capital development appropriations made directly to various agencies

<sup>2</sup> Does not require appropriation but requires approval of the legislature

# LONG-RANGE BUILDING PROGRAM

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The changes from the executive budget request net to an increase of \$64.4 million or 18.4%. The most significant changes from the executive proposal were the changes in funding. Along with the ability to use federal ARPA funds in the budget, ARPA funds also freed-up general funds to allow one-time-only uses of funds through the building program.

Significant additions to the LRBP budget by the legislature include:

- Block Hall Renovation – \$12.0 million of capital development funds and ARPA federal special revenue
- Capitol Complex Building Renovations - Remote & Office Workspace Improvements – \$10.0 million of capital development funds
- O&M Appropriations – \$4.2 million of general fund, state special revenue, federal special revenue, and proprietary funds
- Southwest MT Veterans' Home - Sixth Cottage – \$4.0 million authorization to use donations for the construction project
- Heritage Center Museum/Betty Babcock Museum – \$4.0 million increase from the executive proposal
- Mazurek Building Renovations – \$3.0 million of state special revenues

## OTHER LEGISLATION

- HB 632, Implementing the American Rescue Plan Act (ARPA) – This legislation provides funding in accordance with the rules, current and future, governing expenditure of ARPA funds as determined by the federal government. The area of direct interaction with the LRBP include:
  - “Section 35. Coordination instruction -- House Bill No. 5. (1) If both House Bill No. 5 and [this act] are passed and approved, then the appropriations for the OPI MT Learning Center Civil Infrastructure Upgrades and the UM FLBS Sewer Treatment Plant in [section 2(1)] of House Bill No. 5 are void and there is allocated to the department of administration \$2,050,000 for those projects from the funds appropriated in [section 2].
  - (2) If both House Bill No. 5 and [this act] are passed and approved, then the appropriations for the following projects in [section 2(1)] of House Bill No. 5 are void and there is allocated to the department of administration \$6,710,000 for the following projects from the funds appropriated in [section 7]:
    - (a) MSU Haynes Hall Lab Ventilation Upgrades;
    - (b) MSU BLGS Art Annex Safety and System Upgrades;
    - (c) UM-HC Donaldson Building HVAC Upgrades;
    - (d) MSU-N Auto Tech Building System Improvements;
    - (e) MSDB Card Lock System;
    - (f) MSU-N Brockmann Center HVAC and Energy Project; and
    - (g) COVID-19 remote and office workspace study and planning.”
  - “Section 39. Coordination instruction -- House Bill No. 14. (1) If both House Bill No. 14 and [this act] are passed and approved, then there is allocated from the funds appropriated in [section 7] to the department of administration:
    - (a) \$26,200,000 for the MT Veterinarian Diagnostic & Ag Analytical Labs;
    - (b)(a) \$6,500,000 for Liquor Warehouse Expansion; and
    - (c)(b) \$4,800,000 for the UM-W Block Hall Renovation.
  - (2) (a) If both House Bill No. 14 and [this act] are passed and approved, then there is allocated

## LONG-RANGE BUILDING PROGRAM

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- \$26,200,000 from the funds appropriated in [section 20] to the department of administration for the MT Veterinarian Diagnostic & Ag Analytical Labs.
  - (b) If it is determined that the project identified in (2)(a) is ineligible for funding from the appropriations in [section 20], the allocation in (2)(a) is void and there is allocated \$26,200,000 from the funds appropriated in [section 7] to the department of administration for the MT Veterinarian Diagnostic & Ag Analytical Labs.”
- 
- SB 191 – This legislation changes budget stabilization reserve fund (BSRF) overflow (half deposited into the capital developments fund and half into the general fund) and adds to the uses of the capital development fund (for more information on this topic see page F-29)