

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - 1st SPECIAL SESSION

#### SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By REP. MARY ELLEN CONNELLY, on January 6, 1992,  
at 1:30 P.M., in Room 317, Capitol Building, Helena.

#### ROLL CALL

#### Members Present:

Rep. Mary Ellen Connelly, Chair (D)  
Sen. Bob Hockett, Vice Chairman (D)  
Rep. Francis Bardanouve (D)  
Sen. Ethel Harding (R)  
Sen. J.D. Lynch (D)  
Rep. Bob Thoft (D)

Staff Present: Jim Haubein, Principal Fiscal Analyst (LFA)  
Jane Hamman, Senior Budget Analyst (OBPP)  
Jo Lahti, Secretary

Please Note: These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

Announcements/Discussion: This meeting was called to reconsider  
previous Executive Action.

CHAIR CONNELLY explained this meeting was called at the request  
of SEN. LYNCH who was upset at the Executive Action taken on  
Saturday eliminating \$142,000 funding for Retrofitting Windows in  
the Museum for Montana College of Mineral Science.

MOTION: SEN. LYNCH moved to reconsider Committee action in  
adopting cutting the \$142,000 funding for repairing the Windows  
in the Museum at Montana Tech, Butte, and to put that amount back  
into funding.

#### Discussion:

That coupled with the motion cutting the \$50,000 for the  
Metallurgy Building Remodeling at Montana Tech, is too much. His  
feeling is, there is no use remodelling the building if windows

can't be replaced because this building had a fire, and the windows are leaking. It was never on the hit list. In exchange, he would rather the \$50,000 for the Plan for the Metallurgy Building Remodeling be eliminated. It is more important to save the Museum than to plan to remodel in the future.

Commissioner Hutchinson clarified, it has always been the priority of the University System that existing buildings be cared for before planning, remodeling or building new buildings. Their higher preference would be for the repair of the windows at Montana Tech. The windows are high priority.

Tom O'Connell, State Architect, said they refer that sort of project to the DNRC for funding under their energy retrofit program. Typically, windows do not have a good enough pay back to receive funding under the energy saving program. The windows fell between not being eligible for retrofit money, and not being a high priority on the building program, so they were taken out of the funding proposal.

There will be a shortfall between the \$142,000 for the windows, and the \$50,000 deletion of the Plan for the Metallurgy Building Remodeling of about \$92,000. The windows were prioritized by Montana Tech but not the University System.

Mr. Marks, Director of the Department of Administration, explained how this list was developed. The Committee wanted to take out about 8% of that amount so Mr. O'Connell reviewed what the Long Range Building Program had prioritized going into the last Session, and tried as near as possible to eliminate some of the lower priorities. The windows project was never prioritized during the Long Range Process, nevertheless it was put on the list. The list did include the Multipurpose Building for the Northern Ag Research Center. The Committee felt that would be a difficult one to take out, so they had to find about that much additional money to eliminate somewhere.

REP. BARDANOUVE would support the reconsideration motion if other projects totaling \$142,000 would replace this. However, he wanted to know where the money would come from. Depending on the projects selected, REP. THOFT agreed.

**VOTE:** Six members voted to reconsider previous action eliminating funding for the windows in the museum at Montana Tech. **MOTION CARRIED.**

Discussion:

Mr. O'Connell discussed how to replace the \$142,000 if the window funding was allowed. Under the Department of Institutions EXHIBIT 1 Roads and Parking Lots Maintenance project covering improvements at the Veterans Home, Warm Springs and Eastmont campuses for \$37,625 could be considered for elimination since it was a somewhat lower priority project. Another project for

consideration could be the \$44,000 for kitchen upgrades for Military Affairs. The Department of Health is not comfortable with some of their kitchens statewide. He would like to see them upgraded, but they don't use those on a day-to-day basis. He recommended \$39,000 be removed from that project, leaving \$5,000 to upgrade the very worst kitchens. He would consider the Plan for the Metallurgy Building Remodeling at Montana Tech for \$50,000 be cut out since it is one of the lower priority projects recommended in the Long Range Building Program. Although he disliked doing so, he explained the Hazardous Materials Abatement which was originally a \$650,000 project was reduced during the session, ending up with a \$617,500 project, and was further reduced on Saturday. EXHIBIT 2 This project takes care of such things as underground storage tanks, PCBs, asbestos, etc. It would not delete a project per se, but some money could be taken out of that for each of the projects it covers.

**MOTION/VOTE:** SEN. LYNCH moved funding for all projects mentioned by Mr. O'Connell, \$37,625, \$39,000, \$50,000. \$15,375 totalling \$142,000, be eliminated and put into the general fund. Motion was seconded by SEN. HOCKETT. Motion was reluctantly adopted.

**MOTION/VOTE:** SEN. LYNCH moved the \$142,000 funding for the windows in the museum at Montana Tech be restored. MOTION CARRIED.

Jane Hamman, OBPP, called attention to a motion by REP. COBB that eliminated the \$8.5 Million for potential supplementals. EXHIBIT 3 is the planning list they used to conservatively arrive at trying to protect \$8.5 Million to get ready for the next session. Some of the amounts are certain, for example, the Livestock, Meat, and Poultry Inspection Program for \$155,000 is certain. It was small enough to have been put in the Miscellaneous category to get ready for next session. Property Reappraisal is somewhere between \$500,000 and \$1 Million, a \$750,000 figure was used. There will be a supplemental on Property Reappraisal. If they continued at the rate they are expending right now, it would be in excess of \$1 Million which is not acceptable. SRS Primary Care had \$5 Million added for FY 92. Managed Care has just been put into place, but they don't know how effectively that program speed up is going to work. Other states have had savings of from 8% to 23% of Primary Care budgets as a result of very careful implementation of a Managed Health Care Program. A supplemental might be needed somewhere between the \$4 to \$5 Million range.

REP. BARDANOUVE said supplementals are not usually planned for. They are requested when they are needed. Ms. Hamman explained there has never been a shortage of cash before. They are out of cash in the general fund and the school equalization account, and are running out of cash in the highway account. They have to plan differently now or they won't get through the next regular session. Fire suppression will cost at least \$1 Million. There have been increases in enrollment in the University System, and they have no idea what numbers to project. They put \$8.5 Million

in the budget as a tentative working figure in addition to the \$11.4 Million bottom line.

REP. THOFT did not like the money they are trying to save to start the next session being taken away to lessen that black hole. The SRS Committee spent their \$5 Million supplemental and are \$5 Million plus in the hole.

REP. THOFT explained the people at Lima Dam have spent a lot of time, effort and money. They have made a district out of it and can get bonds that will save interest. He did not wish to discuss Lima Dam. REP. CONNELLY said a proposal had been made that might save the state some money.

May Nan Ellingson, explained the Department has worked with the Red Rock River water and sewer district with the loan authorized last session. One of the big items in that facility is who owns the dam. If the dam is owned by the private water users group, then taxable bonds would have to be sold. That would cost the state about \$1 Million more than if tax exempt bonds could be sold. Very reluctantly, they have agreed to turn ownership of the facility over to the water and sewer district. As a result, the state can issue tax exempt 20-year bonds.

Payment for the dam by the district will be over a 30 years time period at 2% interest. They expect they can go to the market and sell long-term bonds and probably get about 6.75% interest rate because the bonds are paid over a 20-year period, but there will be payments coming in over a 30-year period even at a lower rate of interest. The state will subsidize this loan by approximately \$975,000. If they get a lower interest rate, that amount will be less. If a 30-year bond were financed, the interest rate would probably be higher because of the uncertainty of future interest rates which might be much higher. A 30-year bond was not cost-effective. Although it was approved on a 30-year basis at 3%, it is less costly to go with a 20-year bond. Given the conditions under which they are operating, it will cost approximately \$975,000 to subsidize this loan over the 30-year period. If they had refused to turn over the ownership, then that \$975,000 would have been increased.

The state is subsidizing this and is forcing other costs onto a lot of other people who are probably less able to bear them than these people are.

ADJOURNMENT

Adjournment: 3:30 P.M.

*M. E. Connelly*

REP. MARY ELLEN CONNELLY, CHAIR

*Jo Lahti*

JO LAHTI, SECRETARY

MEC/jl

HOUSE OF REPRESENTATIVES  
LONG-RANGE PLANNING SUBCOMMITTEE

ROLL CALL

DATE Jan. 6, 1992

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE	✓		
SEN. ETHEL HARDING	✓		
SEN. BOB HOCKETT, VICE-CHAIRMAN	✓		
SEN. J.D. LYNCH	✓		
REP. BOB THOFT	✓		
REP. MARY ELLEN CONNELLY, CHAIR	✓		

HR:1991  
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HOUSE OF REPRESENTATIVES

LONG-RANGE PLANNING SUBCOMMITTEE

ROLL CALL VOTE

DATE Jan. 6, 1992 AGENCY \_\_\_\_\_ NUMBER 1

MOTION: To reconsider previous Executive Action  
on Windows for Museum at Montana Tech.  
at Butte. To restore their funding

NAME	AYE	NO
REP. MARY ELLEN CONNELLY, CHAIR	✓	
SEN. BOB HOCKETT, VICE-CHAIRMAN	✓	
REP. BOB THOFT	✓	
SEN. ETHEL HARDING	✓	
REP. FRANCIS BARDANOUVE	✓	
SEN. J.D. LYNCH	✓	
TOTAL	6	



## LONG RANGE PLANNING

<b>UNIVERSITY SYSTEM</b>					
Replace Roofs	\$1,154,550	\$ 350,000	\$ 1,504,550		
Improve Underground Utilities	296,000	200,000	496,000		
Improve Handicap Access	335,000		335,000		
Improve Sidewalks & Fire Access	86,000		86,000		
Deferred Maintenance		\$ 600,000	600,000		
<b>MONTANA STATE UNIVERSITY</b>					
Centennial Mall		1,600,000	1,600,000		
Engineering/Physical Science Bldg.	1,165,290	2,168,200	\$18,401,510	22,235,000	
<b>UNIVERSITY OF MONTANA</b>					
Install Fire Alarm	70,000		70,000		
Plan Chem/Pharm Renovations	50,000		50,000		
Various Improvements		2,584,600	2,584,600		
Life Science Bldg			12,000,000		
Business Administration Bldg.	604,705	1,858,320	13,022,975	15,486,000	
<b>EASTERN MONTANA COLLEGE</b>					
Primary Electrical Vault	31,000	14,000	45,000		
Computer Equipment			600,000		
<b>MT. COLLEGE OF MINERAL SCIENCE</b>					
Plan Metallurgy Bldg. Remodel	50,000		50,000		
Retrofit Windows in Museum	142,000		142,000		
<b>NORTHERN MONTANA COLLEGE</b>					
Gym Repairs		1,700,000	3,000,000		
<b>AGRICULTURAL EXPERIMENT STATION</b>					
Multi-Pur. Bldg. N. Ag Resrch. Cntr.	150,000		150,000		
<b>WESTERN MONTANA COLLEGE</b>					
Repair Heating System	57,900		57,900		
Remodel Student Union		600,000	600,000		
<b>VOCATIONAL-TECHNICAL CENTER</b>					
Replace Carpet - Great Falls	60,000		60,000		
Total University System	\$4,252,445	\$3,000,000	\$0 \$12,000,000 \$11,075,120	\$31,424,485	\$61,752,050
Total Appropriated	\$8,032,298	\$3,000,000	\$14,112,356	\$34,823,332	\$61,260,830
					\$133,500,699

EXHIBIT 1  
DATE 4/6/92  
HB \_\_\_\_\_

**POSSIBLE SUBSTITUTIONS FOR COMMITTEE REDUCTIONS**

State Lands Office - Plains	\$235,000
Roads & Parking Lots - Institutions	37,625
Hazardous Materials Abatement - Admin.	22,875
Armory Additions - Military Affairs (Originally \$150,000)	71,500
<b>Totals</b>	<b>\$367,000</b>
Balance in the MSU General Fund Match	\$367,000

# LONG RANGE PLANNING

Table 2  
Capital Construction Program  
1993 Biennium

Agency	Capital Projects Fund	General Fund	State Special Revenue	Federal Special Revenue	Other Revenue	LRRF Bond Proceeds	Total
<b>ADMINISTRATION</b>							
Hazardous Materials Abatement					\$150,000		\$ 767,500
Construction Litigation	\$617,500				50,000		345,000
Alternate Water Supply	345,000				123,014		50,000
Property Acquisition			\$500,000	\$1,000,000	500,000		123,014
Statewide Building Retrofit							2,000,000
<b>Total Department of Administration</b>	\$962,500	\$0	\$500,000	\$1,000,000	\$823,014	\$0	\$ 3,285,514
<b>COMMERCE</b>							
Pavement - West Yellowstone Airport				\$ 465,957	\$ 51,773		\$ 517,730
<b>FISH, WILDLIFE, &amp; PARKS</b>							
Remove Underground Storage Tanks			\$ 150,000				\$ 150,000
Headquarters Maint. & Improvements			85,000				85,000
Property Development			360,000				360,000
State Parks Development & Improve.			3,798,500	1,124,500			4,923,000
Fish Hatchery Maintenance			37,500	112,500			150,000
Fishing Access Site Improvements			286,000	858,000			1,144,000
Motorboat Access Site Facilities			67,000	201,000			268,000
River Restoration			219,000				219,000
Fishing Access Site Acquisition			881,000				881,000
Wildlife Habitat Maintenance			304,000				304,000
Wildlife Habitat Acquisition			4,923,356				4,923,356
Waterfowl Habitat Enhancement			399,500				399,500
Bighorn Sheep Habitat Acquisition			48,500				48,500
<b>Total Dept. of Fish, Wildlife, &amp; Parks</b>	\$ 0	\$0	\$11,559,356	\$2,296,000	\$0	\$0	\$13,855,356
<b>STATE LANDS</b>							
Maint. & Improve. Projects	\$118,280			\$ 100,000			\$ 218,280
Construct Unit Office	235,000						235,000
Construct Greenhouses			191,900				191,900
<b>Total Department of State Lands</b>	\$353,280	\$0	\$ 191,900	\$ 100,000	\$0	\$0	\$ 645,180

1  
1/6/92  
S. Bonville



EXHIBIT 3  
DATE Jan. 6, 1992  
NO. \_\_\_\_\_

AGENCY/DESCRIPTION	AMOUNT/RANGE	General Fund
Livestock Meat & Poultry Inspection		\$155,000
Dept. of Revenue/Property Reappraisal		750,000
SRS/Primary Care		5,000,000
DFS/Foster Care		2,000,000
State Lands/ Fire Suppression (MINIMUM)		1,000,000
	TOTAL	\$8,905,000