

MINUTES OF THE MEETING
LONG RANGE BUILDING SUBCOMMITTEE

March 5, 1979
7:30 p.m.
Room 104
State Capitol Building

Subject: House Bill 317

Tape 1: Side 1, Track 1 (000)

The meeting was called to order by Chairman Dan Yardley. Members present were: Representative South, Representative Kvaalen, Senator Etchart, Senator Himsl and Senator Thiessen. Senator Fasbender and Representative Lund were not present. Also present was John LaFaver, Legislative Fiscal Analyst.

Purpose of the meeting was to hear testimony on House Bill 317. The bill was presented by Phil Hauck, Department of Administration on behalf of Representative Bardanoue. Mr. Hauck explained that the original bill contained two supplementals. \$800,000 for a lecture hall at the University of Montana and \$50,000 for the housing appropriation at the prison.

Additional Supplemental Requests (015)

In addition, Mr. Hauck proposed several items to the committee for consideration.

The original request for the lecture hall at Missoula exceeded the anticipated amount when the actual bids came in. Due to an error in the first low bid the department will have to consider the second low bid which adds approximately \$81,000 to what would have been the low bid. Base level is now \$1,016,062.

The department originally requested \$50,000 for additional utility work on two new housing units at Montana State Prison. The request has been reduced to \$30,000.

Physical Plant, Eastern Montana College. Since the appropriation and supplemental bills were put together there have been a series of bid openings and new projects. The department has opened bids on the Physical Plant for shops and storage facilities. The original request by the institution was \$909,000. This was cut by the Regents to \$550,000 and the project was funded at \$510,000. When the bids were opened, base bid, alternate 1, they were \$62,000 short. Mr. Hauck requested the committee's consideration in this matter.

News Lodge, Pine Hills School. The department has opened bids for the second time on this project. They could award the base bid, however, funding will not allow the inclusion of an alternate

will substitute brick for stucco as an exterior finish. This substitute will require a supplemental appropriation of \$20,000.

Road Repair, Makoshika State Park. This has been addressed in another bill and will not have to be considered as a supplemental.

Renovate Crockett-Terrill Galen. Early completion of the project will allow movement of patients from Warm Springs to Galen in the first year of the biennium. This project is requesting \$100,000.

Renovate Hospital, Boulder. This project is \$75,000 short to award the low bid. The original appropriation was \$211,685 to make life-safety modifications in the non-ambulatory unit of the Boulder River School and Hospital. These modifications are necessary to maintain the facilities certification for federal reimbursement.

Possible Funding Sources (040)

Mr. Hauck provided a recap of supplemental requests with suggestions for possible funding sources (see attached Addendum).

Original Supplemental Requests total \$850,000. In the cash portion of the building program there was a request to renovate Galen for ICFMR patients for \$490,000. Originally, these patients were to come from the non-ambulatory unit at Boulder. Now, geriatric patients from Warm Springs will be moved to Galen. The change requires less extensive remodeling. Therefore, of the \$490,000 requested they will only need \$100,000 to meet criteria for federal reimbursements. This frees up \$390,000.

Additional Projects for Consideration (051)

Additional items were presented in an effort to give a better idea of what is involved. There is no need to take action on these projects which are listed on the attached Addendum.

If \$490,000 from the cash program of the budget is used, there is still a deficit of \$47,500 which Mr. Hauck recommended be removed from some program presently requested in the budget.

The supplementals requested are all firm bids, pending action by the committee. Mr. Hauck stated that there is a degree of urgency and asked for favorable consideration by the committee.

Lecture Hall, University of Montana (080)

Richard Bowers, President, University of Montana, explained that the original request was \$5.5 million to include space for Pharmacy, Psychology and the utility tunnel. This was funded at \$4 million. As a result, they were not able to include all the space needed for Psychology nor the lecture rooms. The original supplemental request was to build lecture halls, remodel the pharmacy area and to request the building fee money pledged to the Science Building. The Board of Regents changed this to include the utility tunnel.

The request was \$1 million and was reduced to \$300,000 by the Executive.

The present low bid is \$1,016,000. President Bowers respectfully requested the committee's favorable support of this request.

Andy van Teylingen, structural engineer, testified that this is desperately needed. He cited the pressure to increase the student faculty ratio as further evidence in support of this project. The University has 3 facilities that will hold over 200 students; two of these were not designed as classrooms. He stated that it is unfortunate that the utility tunnel is viewed as part of the project. However, the tunnel is necessary for ease of maintenance and to feed the campus from two outages. This building will be buried in the ground, as such, the initial cost is a little higher but in the long run, the building will be more energy efficient. Mr. van Teylingen urged favorable consideration by the committee.

Construction will begin as soon as the weather permits. The Lecture Hall and the Science Building are under separate contract, with the same company.

Cost of the tunnel will be \$216,000, the remainder will be for the lecture hall which will be used by any department needing the lecture space. The two bids total \$1,016,000, the deadline for signing the contract is 60 days, with about 40 remaining.

There was discussion on the inclusion of the clinical psychology department, which was originally part of this project. Discussion pointed out that due to the privacy of out-patients treated at the clinic, this was not recommended. Also discussed was the possible renovation of the existing building.

Senator Himsl questioned whether the interest made on the original appropriation could be used to make up this deficit. It was explained that the interest earned goes into the entire program and is available for appropriation.

Utility Projects, Prison (195)

Tim Barnard, Barnard Construction Company, stated that the original request was for \$50,000 but has been reduced to \$30,000. He stated that if the work is not done now, the cost will undoubtedly go up. He felt their bid was quite low and urged favorable action by the committee.

Physical Plant, Eastern Montana College (222)

Ken Heikes, Administrative Vice President, Eastern Montana College, explained that due to inflation they are \$62,000 short in order to provide required safeguards. The total appropriation was \$510,000. Total cost of the project was \$571,934 which is the reason for the \$62,000 supplemental. The bids were let in January

and they have received a 65 day extension since that time. As finances are available, construction will begin. The ultimate alternative is to rebid, which would not be to the advantage of the State.

Pine Hills Cottage (248)

Ron Phelps, Department of Institutions, testified that the brick exterior would be more compatible with the rest of the buildings and felt that within a short time the brick would pay for itself. Of the \$20,000 differential, \$12,000 is the difference between brick and stucco.

Boulder Non-Ambulatory (267)

Mr. Phelps stated that the \$75,000 addition will enable them to maintain the certification for intermediate care, without this, they would lose \$1 million in federal reimbursements. This will include a proper ventilation system for the lab, fire lane safety work and a clinical area for patient examinations.

They have the bid, but the project has been pending for several years related to changes in federal regulations. The request has been scaled down to meet minimum requirements.

Mr. Phelps had no doubt that the federal government would shut down reimbursement to the hospital if the project were abandoned. The case has been pending for so long they would have no choice. At the same time, there are no assurances as to how long they will remain certified once improvements have been made.

Galen IFC (324)

Gene Huntington, Office of Budget and Program Planning, stated that the plan is to move intermediate care patients from Warm Springs which will not require major structural changes in the existing facilities.

Mr. Phelps stated that this particular program is crucial to the department's plan to more optimally utilize the institutions. The hospital has 220 beds with a utilization rate of about 40%. At Warm Springs he felt there is a large number of patients inappropriately placed. In addition, a number of them are kept in very substandard buildings, namely Bolten Building. Movement of these patients will gain more reimbursement. He urged favorable consideration of this supplemental.

Mr. Hauck, on behalf of Representative Bardanoue, stated that the goal was to have this all done by July 1 so that the patients could be moved the first of the biennium. Mr. Hauck stated that this could, in fact, not be done before October 1. That is the reason this is in the supplemental request.

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The only effect these supplemental requests would have on the \$10 million cash program is that \$490,000 would be taken out and there would be a substitute made for \$100,000. \$350,000 of the supplementals requested will be taken out of the cash program.

John LaFaver stated that the cost figures seemed very low in relation to the changes the hospital requested. A summary of projects includes: remodeling of day rooms and recreation rooms, making some outside areas accessible, abating facilities for the handicapped, positive latches on patient room doors, grounded outlets in the patients rooms, etc. The request is for \$100,000.

There are 20 patients in the facility now, they anticipate moving in another 55.

Eastmont Furnishings (387)

Chairman Yardley indicated that 20 to 30 mentally retarded could be moved from Boulder if existing vacant facilities at Eastmont were furnished. This could be ready by July 1. This facility was built to meet all the federal criteria and would not require any remodeling. The original appropriation was \$54,000 which is still available to spend. Utilization has not been determined.

Executive Action (498)


Senator Etchart moved that \$34,000 for Eastmont furnishings be added to the supplemental and moved the amendments, dropping the Makoskika road repair. The motion includes: \$62,000, Physical Plant, EMC; \$1,016,000, Lecture Hall, U of M; \$20,000, Pine Hills Cottage; \$75,000, Boulder, Non-Ambulatory; \$30,000, Utility Projects, Prison; \$100,000, Galen ICF and \$34,000, Eastmont.

Senator Himsl was concerned that patients were being moved to Eastmont to get federal reimbursement at the expense of the welfare of the patients. It was explained that existing personnel and programs at Eastmont can be expanded to take care of these mentally retarded patients.

Mr. Phelps stated that if patients can be moved from substandard facilities to excellent facilities and provide the same level of professional staff, the quality of patient care is being upgraded. Generating more federal dollars is just an added advantage.

Question was called on the motion. The motion passed unanimously. Motion was made to recommend do pass on HB 317 to the full committee. Motion passed.

There was no further business. the meeting was adjourned at 9:00.


REP. DAN YARDLEY, Chairman


Secretary

GROUP - SUPPLEMENTAL REQUESTS

EXISTING SUPPLEMENTAL REQUESTS

Lecture Hall, University of Montana	\$ 300,000.00
Utility Projects, Prison	\$ 50,000.00
Total	<u>\$ 350,000.00</u>

EXISTING L. R. B. REQUEST

Calen ICFMR	\$ 490,000.00
Total	<u>\$1,340,000.00</u>

ADDITIONAL PROJECTS FOR CONSIDERATION IN L. R. B. P.

Record Center Roof	\$ 25,000.00
Heating Plants, Montana Tech	\$ 25,000.00
Modify Boulder Cottages	\$ 10,500.00
Swan River Tile	\$ 24,000.00
	<u>-\$ 84,500.00</u>
Total	<u>\$1,255,500.00</u>

SUPPLEMENTAL CONSIDERATIONS

Physical Plant, Eastern Montana College	\$ 62,000.00
Lecture Hall, University of Montana	\$1,015,000.00
Pine Hills Cottage	\$ 20,000.00
Boulder Non Ambulatory	\$ 75,000.00
Utility Projects, Prison	\$ 30,000.00
Calen ICF	\$ 100,000.00
	<u>-\$1,303,000.00</u>

DEFICIT	<u>\$ 47,500.00</u>
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