

MINUTES OF THE MEETING
LONG RANGE BUILDING SUBCOMMITTEE

April 10, 1979
7:00 p.m.
Room 104
State Capitol Building

Subject: Executive Session

Tap 3: Side 1, Track 1 (705)

The meeting was called to order by Chairman Dan Yardley with all members present. Also present was Judy Rippingale, Fiscal Analyst.

LEWIS AND CLARK TRAM. Rep. South recommended using \$275,000, renewable resource money to put the tram back in operation to comply with the Supreme Court decision. If the Link Bros. were not satisfied with this amount, he suggested putting \$350,000 in HB 483 as another option, to buy out the contract. Language would be included in both bills stating that if the \$275,000 was not satisfactory the Board of Examiners could negotiate an out of court settlement to buy out the contract not to exceed \$350,000, general fund. Rep. South said in the final analysis it would be better to buy out the contract and not be involved.

Sen. Himsel asked if the \$350,000 was a negotiated figure. Rep. South said negotiations so far have come down to \$432,000 and it was his opinion they would negotiate down from this. It is a risk anyway the committee goes.

Mr. Elison said he was only concerned, at this point, with the satisfaction of the Supreme Court decree. There is a separate contract dealing with the concessions. The lowest settlement they have at this point is \$432,000 to satisfy the court decision. If the state buys out the contract there will be no tram and the people would visit the caverns on foot. The Fish and Game would continue to operate the park.

Robert Wambach, Director, Fish and Game, said there is no problem with the concession contract. In fact, the shop compliments the park. The department has recommended raising the fee this year. The department hires 15 to 25 seasonal guides each year.

SENATE JOINT RESOLUTION 11. The LFA has recommended an amendment to SJR 11 requiring the approval of the Board of Investments. Representatives from Labor and Industry agreed with this amendment, as they had planned to do this anyway.

Sen. Himsel asked who determined the interest rate. Jim Murphy said the committee may want to indicate something about this in the bill

Page 2
April 11, 1979

and the Board of Investments would determine the rate from there.

Sen. Himsel had a problem with this because it is employers money and they should not be denied a rate of interest. Mr. Murphy suggested that the Board of Investment would be responsible to determine a fair rate of return.

Dave Lewis explained that the Board is going to have to be assured a rate of return equivalent to what they could get on the open market or they would not approve the investment.

Sen. Fasbender moved to include the amendment. The question was called and the motion carried, all members in favor.

Sen. Fasbender moved Do Pass As Amended on SJR 11. The motion carried, all members in favor.

HOUSE BILL 818. Rep. South moved Do Not Pass on HB 818 due to insufficient funds. The motion carried with all members in favor.

HOUSE BILL 542. Sen. Fasbender moved to Table HB 542 to address the question of the Deaf and Blind School in HB 417. Rep. Yardley informed the committee that the sponsor of the bill has asked that it not be tabled to give him a chance on the floor of the House. Therefore, Sen. Fasbender moved Do Not Pass on HB 542. The question was called. the motion carried with all members in favor

HOUSE BILL 824. Rep. Yardley pointed out that this bill is subject to SB 300. If that bill passes there will be no funds available for renewable resource projects.

Rep. South offered an amendment, line 21, page 1, change \$113,200 to \$38,000. This would allow the Corvallis unit to hire two technicians to do survey work to expand the program state wide. It would also allow \$3,000 for the company that supplies the bugs. If this amendment passes the committee would also have to amend line 20 to be a grant for Agriculture Experiment station at Corvallis.

The question was called and the motion carried.

Rep. Yardley said the committee should look at the Cove Irrigation Co. and the Glenn Lake Irrigation District, both funded at 5%.

Sen. Himsel moved to amend line 17, page 2 (Glenn Lake Irrigation District) increasing the appropriation to 25% or \$100,000. He felt this would at least give them some money they could do something with. This project ought to be treated the same as the parks.

Rep. South asked Sen. Himsel what he intended to do with HB 743, appropriating \$400,000 to this project. Sen. Himsel said he would oppose killing that bill. Sen. Fasbender asked if he intended to

April 16, 1979

do the same thing with the Cove Irrigation Co. Sen. Himsl thought he would propose to fund that project at 25% also. He went on to say renewable resource money ought to be spent on these types of projects, more so than on park projects.

Rep. Lund said the committee should have a plan, if they are going to do this for one they will have to do it for all the water projects.

Rep. South said they ought to first determine whether they want to fund the projects.

Rep. Lund asked how much the Department of Natural Resources had in this account. The department anticipated a balance of \$2,300,000 as of July 1, 1979.

Sen. Fasbender questioned the feasibility and economics of these projects. If the project cannot support itself and the state becomes involved, we are obligating the state to continue to support these types of projects. They should be able to take the 5% and generate federal money and make the projects go themselves. If they cannot do this, no amount is going to make it work.

Rep. South asked how the Glenn Lake Irrigation District is going to raise the other \$300,000 if the committee funds them at \$100,000. Sen. Himsl asked the committee to consider how much federal money 25% could trigger if DNR thought 5% was enough.

Rep. South responded to this asking the committee to recall the testimony given on the Cove Irrigation Co. They said that 5% would not do them any good. Rep. Lund pointed out that this project is unique in that some of the users are not paying for the water.

The question was called on Sen. Himsl's motion to increase the Glen Lake appropriation. The motion failed on a roll call vote with four voting no, three yes, and one pass.

Rep. South, given the fact that the Cove Irrigation Co. testified that \$40,000 would not benefit them at all, moved to strike lines 24 and 25 on page 1 and lines 1 and 2 on page 2.

The question was called. The motion carried with Sen. Etchart voting no.

Rep. South moved to strike lines 22 and 23 on page 2, and said this language is not necessary because the appropriation for the Boulder project is being reappropriated. Rep. South amended his motion to also strike lines 20 and 21 on page 2. The question was called and the motion carried, all in favor.

Rep. Lund moved to amend page 3, line 1, strike 'project.' Page 3, line 1, following 'funds' strike 'is' and insert "remaining from." Page 3, line 2, following 'project' insert "and the solid

April 18, 1979

waste management project." The question was called and the motion carried, all in favor.

The loan to the Department of Health was left in the bill in the event the coal tax litigation is resolved, they would be able to sell the bonds.

Sen. Fasbender moved to add two more projects from renewable resource funds: the Lambeth Recreation Area at \$50,000 and the Lost Creek Area at \$87,500. Each of these will be matched with the same amount of Bureau of Reclamation funds. The question was called and the motion carried with Sen. Thiessen voting no.

Rep. South suggested that the committee determine how they want to comply with the court decision on the Lewis and Clark tramway. He believed the committee could use the renewable resource money to repair the tramway and moved to include in HB 824 an appropriation of \$275,000 for the renovation of the tramway. A substantial amount of language would have to be included referring to HB 417 with the cash settlement. He had problems doing this, but felt the state had made a very bad decision entering into this contract. But, the legislature has to make a decision as to whether or not they are going to comply. The essence of the motion is that the state will comply with the Supreme Court decision.

Rep. South explained that the reason he felt it is important to include the cash settlement is testimony indicated it would actually cost \$800,000 to put the tram in operable condition. This puts some incentive on the Link Bros. to pursue the out of court settlement. They are presently getting approximately \$12,000 a year and the tram is not even operating, because they get a share of every ticket sold.

Sen. Himsel commented that this seems to be a strange place to be using this money. Rep. South said the law clearly stated that this money is available for recreation purposes.

The question was called and the motion carried, all in favor.

Rep. South explained a recommendation from the Education Subcommittee. The subcommittee had promised MSU they would come up with \$1,000,000 for the state's share of the computer they have purchased. Rep. South moved to take the \$46,200 proposed to be appropriated to the Forestry Division of DNR from the Long Range Building account and fund it with renewable resource money. This would free up \$46,200 in Long Range Building funds and take this project out of HB 417 and place it in HB 824. The question was called and the motion carried unanimously.

Sen. Fasbender moved Do Pass As Amended on HB 824. The question was called and the motion carried all in favor.

House Bill 743. Rep. Kvaxlen moved Do Not Pass on HB 743. The

April 17, 1979

Motion carried with Senators Thiessen, Himsel and Etchart voting no.

Concerning the improvements to the University System, Rep. South felt the committee had to make a philosophical decision as to whether they want to sell general obligation bonds to finance improvements on campuses that would otherwise be provided for by revenue bonds. The advantage to the University System is they would have a more attractive interest rate on the sale of their bonds. They would get at least a 1% higher interest rate based on the credit of the state. HJR 23 and 28 and HB 761 all relate to projects at MSU and at Eastern. The resolutions request authorization to sell bonds. HB 761 is a bill that would place the improvements at MSU under the terms of a general obligation bond and would require a 2/3 vote of both houses to obligate the state.

There will always be an adequate amount of money coming into the state because, if enrollment drops off, the Board of Regents will be required to raise the student building fees.

Rep. South moved that this committee go on record in favor of approving general obligation bonds for these projects.

Sen. Etchart was concerned that this would be setting a precedent. Rep. South responded that we have already set a precedent last session when this same thing was done for Tech. Furthermore, he did not think this was a bad precedent.

Rep. South explained they are insuring the revenues will be available to retire the bonds by putting the good faith and credit of the state of Montana behind these bonds.

The question was called and the motion carried unanimously.

HOUSE BILL 504. Rep. Kvaalen moved Do Not Pass on HB 504. The question was called and the motion carried with Rep. Yardley and Sen. Etchart voting no.

HOUSE BILL 417: Department of Fish and Game. Mike Koehnke of the Budget Office presented a summary of the Fishing Access Site earmarked Revenue Fund Account 02305 which shows an ending balance of \$1,073,559. This included \$300,000 already in HB 417.

Rep. Kvaalen asked if they had only spent \$2,800,000 since the program began in 1973. The department said they had spent \$3,800,000 since 1973.

Sen. Falsbender asked how much land will become available in the biennium. The department said it was impossible to predict when a farmer is going to become a willing seller of his land. They felt the funding should be available when the opportunity arises.

Sen. Falsbender moved to put \$1,000,000 in the bill for fishing

April 11, 1979

plus the federal match of \$1,000,000. The question was called and the motion carried with Rep. Kvaalen passing.

Board of Education. Rep. Kvaalen moved to include \$8,000 to repair the roof at the School for the Deaf and Blind. The question was called and the motion carried all in favor.

Sen. Fasbender thought the committee should discuss the proposed Supreme Court Building because it is going to be related to the pre-planning of the State Library. In November of 1983 the library is going to have to vacate the building they are now occupying. One alternative would be to put the State Library in the basement of the Supreme Court Building.

Sen. Fasbender moved to eliminate the pre-planning money for the State Library. At a later time the committee will determine whether or not to include it in the Supreme Court Building. If the library is not included in this bill the pre-planning money will have to go back into the bill.

The amount of money needed to include the State Library with the Supreme Court is slightly more than \$2,000,000. This would be a savings, as the anticipated cost for a new Library is about \$3,000,000.

The difficulty Rep. Yardley saw with this is he had not planned to make a recommendation on the bonding portion of this bill without knowing what will happen to HB 425. Sen. Fasbender felt the committee should make a decision so that HB 425 could be amended to include this if the committee decided to accept this recommendation. This would also delay the building of the new Education Building.

Phil Hauck said the library would be about 37,000 square feet and the Court would be about 50,000 square feet. The lower two floors would be a sub-basement and a basement for the library with daylight to the east. The Justice Department would be the two upper floors for a four story building with two floors in the ground. He felt the functional capability of the two would be good and both would have separate entrances.

Sen. Himsel asked if the library would be more compatible with the Education Building. Mr. Hauck said this was the original plan, however, the Education Building seems to be quite a ways in the future.

The Department of Administration felt the most economical way to go is to combine the State Library with the Education Building. This would delete \$70,000 in pre-planning money for the State Library, contingent on the authorization of the Supreme Court Building and adding \$2,100,000 for the library, requiring an increase in the bonding capacity.

1979

The question was called on Sen. Fawcett's motion. The motion carried, all in favor. This deletes the \$70,000 pre-planning money.

Rep. South, continuing his plan to buy the computer at MSU, asked the committee to recall the previous discussion on the Capitol Land Grant program. With the balance in this program, less the expenditures in HB 417, he thought he could come up with \$848,550. Legally they can use this amount in the Capitol Complex. Rep. South's motion was to use that to offset Long Range Building fund money recommended for the Cogswell Building in the amount of \$848,550. Therefore, the entire amount will not come from the 03142 account. The question was called and the motion carried.

Department of Institutions. Larry Zanto, Director, explained that he and his staff have gone through the Long Range Building proposal which included almost \$900,000 for the building in Billings which is no longer being considered. Therefore, this amount should be available for the Prison. In addition, they have identified another \$541,000 for a total of \$1,428,000 which could perhaps help with the Stillwater project.

Gene Huntington, Budget Office, explained that it was the understanding of his office that a plan was to be developed to handle the population problem, not necessarily the Stillwater project. He asked if the committee was going ahead with the Stillwater plan.

Sen. Himsel asked how critical is the project at Pine Hills for the cottage and the warehouse at Mountain View. Mr. Zanto said the warehouse at Mountain View was one of the things they looked at in trying to come up with money for the prison population problem, however, they felt the cottage at Miles City is important and did not delete it. It was their feeling that the new cottage would go a long way in helping to solve some of their legal problems.

Sen. Himsel asked if \$928,000 was realistic for a 28 bed unit and wondered if this could be scaled down. The department thought that probably the plans could be modified. Mr. Hauck said the figures should be accurate and included the demolition of two buildings.

The projects the department is considering to delete are as follows:

- the Warren Building renovation at \$110,000
- the construction of the warehouse at Mountain View at \$172,000
- cut the amount for roof repair at Mountain View by \$44,000
- the waterline at the Veteran's home at \$72,000
- the paving and drainage at the Center for the Aged at \$180,000
- delete \$10,000 for the maintenance of natural gas lines and the improvements of boiler facilities

for a total of \$588,000. They felt the rest of the maintenance projects were absolutely necessary and were uneasy about some of

April 10, 1979

The projects they have suggested be deferred.

Rep. South said he had talked with Mr. Hauck and they agreed that the \$884,000 and the \$172,000 for the warehouse at Mountain View, freeing up \$1,000,000, would be sufficient. Deleting the other projects would not really accomplish that much and is a very small amount. This \$1,000,000 plus the \$3,000,000 in the conference committee should be enough without doing substantial damage to the department's Long Range Building program.

Mr. Zanto was concerned that using the \$1,000,000 to deduct away from the \$3,000,000 might cause some problems because that Long Range Building money cannot be used for anything operational. Rep. South thought the idea was to let the conference committee decide whether they would add the \$1,000,000 on top of the \$3,000,000.

Rep. Yardley asked about the status of the Stillwater project. It was explained that this has been discussed with DNR. They have a tentative site picked out and they know there is enough work to be done. This would be 6 miles from Omi which is between Kalispell and Eureka.

Rep. Kvaalen was concerned that the committee was setting the direction for the Stillwater project without knowing what they were getting into.

Rep. Bardanouve said he had talked to Mr. Isaacs of DNR who did not feel it would be necessary to have housing on the grounds. The longest distance anyone would have to travel would be about 8 miles.

Sen. Thiessen asked why this couldn't be put on the grounds of the ranch. Mr. Zanto responded that the Stillwater camp made more sense in that they can do some good for the Stillwater Forest and the state through increased timber sales.

Rep. South moved to delete the \$884,000 and the \$172,000 freeing up \$1,056,000 from the Long Range Building program. Included in the motion, the committee would inform the conference committee that there is \$1,000,000 available in the Long Range Building bill for capital construction. This would not obligate the committee to any capital construction.

Rep. Lund was very disappointed with this. There has to be some kind of planning. In the last three sessions they have had to come up with something for a prison at the end of the session. We are still going to be short and they will have to ask for more money next session. He felt this was absolutely a "Mickey Mouse" approach.

Rep. South agreed with this, but did not feel there was any alternative.

Sen. Fishert stated that the Senate amendment to SB 300 allowed for

Page 10
April 19, 1979

just about any combination. It provides \$3,000,000 and charges the Department of Institutions to come up with a plan. It was set up this way because they did not feel they had the time to come up with a rational decision.

The question was called and the motion carried, all in favor.

Curt Chisholm, Institutions, suggested an amendment of HB 417 to include the Geothermal project at Warm Springs. He submitted the amendment worked out jointly with the Department of Administration. The only other choice is to turn down the project. He asked for the chance to review the project and come up with something that protects all parties involved.

Sen. Thiessen moved to accept this amendment. The motion carried.

University System. Sen. Fasbender moved to amend HB 414, page 8 line 2, taking out the student plant funds. This would change \$220,000 to \$927,800 and \$276,400 to \$610,400. Also on page 8, line 6, change \$300,000 to \$700,000 and \$529,500 to \$458,555. The question was called and the motion carried unanimously.

Sen. Fasbender moved to strike the \$225,000 in the Bonds Proceeds Insurance Clearance Account on line 4 to be placed in line 3 as other funds and that MSU, Film and Television, line 4 be struck and replaced with Visual Communications. This puts it into the hands of the Board of Regents, to decide whether to go ahead with the building and where it will be built. They would also have to come up with a source of funding.

The question was called and the motion carried, all in favor.

Rep. South moved to amend line 12, page 8. The appropriation would be \$1,000,000, Long Range Building, with language to allow MSU to generate the other \$1,500,000 for the total purchase price of the computer. This is using the \$846,000 from the Cogswell Building, \$51,000 from the legislative restrooms, \$46,000 from the Forestry Division of DNR, and a portion of the \$1,056,000 from Institutions, so there is adequate money to do this.

The computer has to be replaced now. This would be the same ratio of support given to UM when they purchased their computer.

The question was called and the motion carried.

Sen. Fasbender moved to amend line 8, page 9, strike \$4,300,000 and insert \$3,500,000 and recommended that the bonding portion go to Appropriations to determine whether they want this in the bill. This proposal was discussed at length by the committee.

Rep. South made the motion to strike the bonding portion and let it go to the Senate, who can reinstate this section if they want.

April 10, 1970

Sen. Etchart seconded the motion and the motion carried.

Mr. Hatch submitted 4 amendments for consideration, relating to the University System's authorization to spend their own funds or to solicit private funds. They include:

- the Social Science Building at UM
- the Classroom and Lab Building at EMC requesting \$6,000,000
- the Yellow Bay Lab at UM for \$840,000
- the Luebeck Forest at UM for \$635,000

These have all been reviewed and approved by the Board of Regents. This is mainly an attempt to let the legislature know they are going after these funds.

Concerning the lab at Tech, Rep. South asked how that related to the remodeling of the Gym for lab space. It was explained that one is a lab for research and the other is strictly a teaching lab. The research is funded with federal dollars and they were not sure where the operation and maintenance would come from.

Dr. Brandy said that if they can come up with \$6,000,000 a significant portion of the operation and maintenance would come from the state. For this reason, they wanted it to be very clear to the legislature that they were seeking these funds.

Sen. Fasbender moved to accept these amendments.

Administration had three more amendments concerning the Universities, requesting Long Range Building funds. Two of them are planning funds; \$30,000 for the Clinical Psychology Building at UM and \$90,000 for Lewis/Cooley Hall at MSU. The third is for roof repair at WMC requesting \$25,000.

The last item is \$24,000 to tile the bathrooms and kitchen at the Swan River Youth Camp. This was a recommendation from the Institution's Subcommittee. The total amount of the amendments is \$169,000.

Rep. South said there should be enough money for the tile at Swan River but was in opposition to repairing the roof at Western, saying they ought to vacate the old gym.

Dr. Brandy said the issue is the use of the basement area for ceramics and art. If this building is lost, there will be a space problem at the College.

Rep. South moved to accept the 4 amendments asking for authorization to pursue federal and private funds and the Swan River project. The question was called and the motion carried. Senators Etchart and Tarpesen were absent for this vote and all those following.

Sen. Fasbender moved to accept the planning money for the Clinical

April 17, 1979

Technology Building at UM for 300,000. Rep. South felt they could just barely get this in the bill. The question was called and the motion carried.

Rep. South moved Do Pass As Amended on HB 417. The question was called and the motion carried, all in favor.

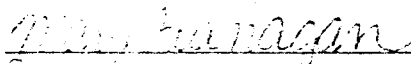
Sen. Fasbender said he thought it would be better to put section 9 back in the bill. He felt there was a greater chance of the Long Range Building Committee's recommendations being changed substantially by the Senate if this is not put in by the Appropriations Committee. This would give the committee more control of the program.

Rep. South said he would bring this up at the next Appropriations Committee meeting.

The meeting was adjourned at 10:30 p.m.

Respectfully submitted.


REP. DAN YARDLEY, Chairman


Secretary