

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on February 13, 1989, at 8:10 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Carroll South, Staff Researcher, Legislative Fiscal Analyst's Office

Announcements/Discussion: None

LONG RANGE BUILDING PROGRAM

Tape 41:A:000

DEPARTMENT OF INSTITUTIONS: BOB ANDERSON, Department of Institutions (DOI), presented the department's four additional items that needed to be talked about.

Montana Developmental Center, Remodel Cottage 16 AB & C: Mr. ANDERSON distributed EXHIBIT 1, that contained the Department of Administration, Architecture and Engineering Division's (A&E) latest figures for the additional funds needed, \$201,891. The original appropriation for approximately \$1,000,000 made last session was put into this biennium.

Montana State Hospital, Galen, Replacement of Celotex and Cork Ceiling Tiles: MR. ANDERSON distributed EXHIBIT 2, a financial worksheet for this project. He said that they had worked with A&E and Mr. Cleve Johnson, Department of Health and Environmental Sciences (DHES), and had come up with the determination that the tiles had to be replaced. DHES has agreed that the department needs to immediately replace the cork tiles, and has given the department an extension through the next biennium for the celotex. The extension would enable the DOI to send the celotex to an approved laboratory for a flame test rating. The additional request for this biennium would be \$15,000 to replace the cork.

A discussion ensued (41:A:044) about the purpose of the DHES inspection, the size of the area, and other details of the project. MR. ANDERSON said the citation was the result of a HCFA inspection for Medicaid Certification, and went through EXHIBIT 2, the costs of replacing the cork.

Montana State Hospital, Warm Springs, Renovation of Intake Unit:

MR. ANDERSON (41:A:231) repeated that the unit could generate \$312,000 annually, but that until the unit was functioning, monies in the amount of \$210,000 would be needed to meet the payments of the loan from the Department of Commerce, Health Care Financing Administration. The Governor's Office had said that there was no money available in the budget for the total amount of the project, \$370,000, and told the department to go ahead with this presentation to the Long Range Planning Committee. He distributed EXHIBIT 3, an amortization schedule, which outlines the figures and the arrival at the \$210,373.23 figure. With the project beginning in November, 1989, and with a 26 month construction period, revenues would not be realized until January, 1992.

A discussion followed (41:A:262) about the facility, the nature of the intake program, what the renovations would accomplish, and what the renovations entailed. MR. ANDERSON said that the money was for doors, a fire alarm system, and various other renovations to meet fire codes. MR. SOUTH clarified that the Intake Unit was the only building on the Warm Springs campus that could be brought up to Medicaid standards without spending millions. He stated that the Medicaid patients would be 65 years old and over, or between the ages of 18 and 21, and that insurance or private pay would cover the other patients. He said that the average length of stay would be 10-15 days. MR. SOUTH also clarified the nature of the bonds. He stated that the bonds would pay for the renovation over time, but that until the unit was producing its own revenue, the state would have to make the bond payments.

REP. THOFT (41:A:464) asked about the impact of privatizing Boulder's operation, and a discussion followed. Mr. South stated that the renovation being considered was needed immediately to ensure Medicaid certification, and that the complex process of privatization would not occur within the next 2 bienniums. MR. ANDERSON added that even if the population of the Montana Developmental Center were decreased, there would be some programs there. This remodeled facility would be used for the care of the medically needy, fragile patients, and that certification would have to be maintained. MR. SOUTH said that the oversized nature of the entire facility was a problem. It was designed for 1200, and housed 175. He clarified that 50 of the present population could not be placed in the community, and that an additional 30-40 would probably remain at Boulder because of lack of services in the community.

MR. SOUTH (41:A:649) also reminded the committee that the state needed to be careful about closure of Montana Developmental Center, and dependence upon private entities to take care of the residents. He said that a change in the law would be needed so that the courts could force the private sector to take the more problematic residents. SEN. HIMSL stated that the committee

really didn't have any choices, and noted that the project was about to go out to bid, \$210,000 short.

Women's Correctional Center: CURT CHISHOLM (41:B:007) presented the fourth issue: the move of a portion of the Women's Correctional Center into Unit 57, Forensic Unit, of the Warm Springs campus. This would be an escape measure for overcrowded conditions. He said that the project required minimal funding of \$45,200 for the retrofit.

A discussion followed about the department's options, the space available in Unit 57, the current Women's Correctional Center, and at the Billings Pre-Release Center. The status of Sen. Regan's bill, addressing the need for a new facility, was also discussed. These issues were clarified by Mr. Chisholm and Mr. Dan Russell. They described the over crowding at the Women's Correctional Center, the rise in population of female felons and female felons with violent offenses, and the need for some relief until the department completes the study regarding a new facility.

SEN. HIMSL (41:B:206) asked if the department's recommendation was for \$45,200 to be appropriated from the Long Range Building Program for temporary relief until a plan was presented at the next session. MR. CHISHOLM answered yes, and that the plan would take time as well. He said that this appropriation and solution would extend beyond that time frame and hopefully the money and effort would not be wasted.

REP. THOFT (41:B:267) asked if this unit would house the higher risk female felons, and Mr. Russell said yes. REP. HIMSL asked if this request was submitted to the governor for inclusion in his budget, and Mr. Chisholm said no, because they were not certain as to the status of the population. REP. THOFT asked how long it would take to complete the project, and Mr. Chisholm said less than 60 days. Some suggestions followed as to where monies might be found within the Capital Construction Program. REP. THOFT (41:B:361) said that the committee needed to look at the whole program and chip monies away here and there. He suggested that A&E be advised of the shortage of funds, and re-examine its priority list.

ADJOURNMENT

Adjournment At: 9:45 a.m.



REP. CONNELLY Chairperson

Long Range Planning

DATE _____

[illegible]

FINANCIAL RECAP

Remodel Cottages 16 AB & C
Montana Developmental Center
Mont A/E 87-13-05

Appropriation 57328	\$1,038,000
DNRC Energy Grant	<u>102,059</u>
FUNDS AVAILABLE	\$1,140,059
Architect fees	123,517
Plan review	757
Filing fees	4
Testing	800
Advertising	84
Architects estimate Base Bid	\$ 966,008
Alternate #1 complete south wing	124,335
Alternate #2 Well & corner guards	19,861
Alternate #3 Door & frame guards	9,888
Alternate #4 3 lifting tubs	42,000
Review Comments additions:	
Smoke Barriers	3,751
Fire Alarms	4,546
Nurse Call System	9,409
5% contingency	<u>58,990</u>
ESTIMATED CONSTRUCTION COST	\$1,363,950
Equipment:	
2 lifting tubs	28,000
18 dressing tables & laundry carts	36,000
Grab bars	<u>2,000</u>
TOTAL PROJECT COST	1,429,950
TOTAL ADDITIONAL FUNDS REQUIRED	289,891
Request priority 12	<u>88,000</u>
ADDITIONAL FUNDS BEYOND EQUIPMENT REQUEST	201,891

GALLEN - REPLACEMENT OF CELOTEX AND CORK CEILING TILES

	CELOTEX	CORK	TOTAL SQ FT	SHEET ROCK	PAINT	PAINT INHOUSE
				\$2.45	\$1.50	0.92
PATIENT ROOMS	13,308.75		13,308.75	\$32,606.44	\$19,963.13	\$4,653.03
STAIR WELLS	- 228.00		228.00	\$558.60	\$342.00	\$75.90
LOUNGE/RECEIVING AREAS		2,027.25	2,027.25	\$4,966.76	\$3,040.88	\$707.54
DINING ROOM		2,093.00	2,093.00	\$5,127.85	\$3,139.50	\$732.55
TOTAL	13,536.75	4,120.25	17,657.00	\$43,259.65	\$26,485.50	\$6,168.62
PAINT 25% (ARCH, CONTINGENCY, etc)				\$10,814.91	\$6,621.36	\$1,544.99

TOTAL COST				\$54,074.56	\$33,106.86	\$7,713.61

CELOTEX AREAS ONLY				\$41,456.00	\$25,381.00	\$5,922.93
CORK AREAS ONLY				\$12,618.00	\$7,725.00	\$1,502.61

SUSPENDED CEILING AREA		5,282.00		\$16,501.00	\$10,102.00	\$2,557.25

Suspended ceiling area. Will require removal of cork tile under suspended ceiling. (Assumes ORES will accept specs as documentation of fire rating.) If not replacement will be necessary.				*****		
TOTAL COST WITH LOBBIES				70,575.56	43,209.86	10,002.11

DATE 2-18-89

HB RBO.

Department of Institutions
Renovation of
MSH Intake Unit

Commencement Date - October 2, 1989 Beginning draw down \$11,000.00

Payment Due	Interest To	Interest Rate	Interest Payment	Principal Payment	Total Payment	Draw Downs
11-20-89	12-1-89	8.00%	\$142.25		\$142.25	
12-20-89	1-1-90	8.00%	\$74.74		\$74.74	
1-10-90	2-1-90	8.00%	\$74.74		\$74.74	\$8,100.00
2-20-90	3-1-90	8.00%	\$117.22		\$117.22	
3-20-90	4-1-90	8.00%	\$129.78		\$129.78	
4-20-90	5-1-90	8.00%	\$125.59		\$125.59	\$16,200.00
5-10-90	6-1-90	8.00%	\$232.75	\$928.95	\$1,161.70	\$1,800.00
6-20-90	7-1-90	8.00%	\$237.84	\$977.60	\$1,215.44	\$2,000.00
7-20-90	8-1-90	8.00%	\$251.83	\$1,033.15	\$1,284.98	
8-20-90	9-1-90	8.00%	\$245.69	\$1,033.15	\$1,278.84	\$33,000.00
9-20-90	10-1-90	8.00%	\$447.96	\$2,003.74	\$2,451.70	\$49,600.00
10-20-90	11-1-90	8.00%	\$764.55	\$3,506.77	\$4,271.32	\$82,800.00
11-20-90	12-1-90	8.00%	\$1,282.30	\$6,094.27	\$7,376.57	
12-20-90	1-1-91	8.00%	\$1,283.64	\$6,094.27	\$7,377.91	\$82,800.00
1-20-91	2-1-91	8.00%	\$1,786.67	\$8,854.27	\$10,640.94	
2-20-91	3-1-91	8.00%	\$1,575.82	\$8,854.27	\$10,430.09	\$66,200.00
3-20-91	4-1-91	8.00%	\$2,076.25	\$11,218.56	\$13,294.81	\$46,500.00
4-20-91	5-1-91	8.00%	\$2,297.43	\$12,940.78	\$15,238.21	
5-20-91	6-1-91	8.00%	\$2,286.09	\$12,940.78	\$15,226.87	
6-20-91	7-1-91	8.00%	\$2,127.25	\$12,940.78	\$15,068.03	
7-20-91	8-1-91	8.00%	\$2,110.23	\$12,940.78	\$15,051.01	
8-20-91	9-1-91	8.00%	\$2,022.31	\$12,940.78	\$14,963.09	
9-20-91	10-1-91	8.00%	\$1,871.98	\$12,940.78	\$14,812.76	
10-20-91	11-1-91	8.00%	\$1,846.45	\$12,940.78	\$14,787.23	
11-20-91	12-1-91	8.00%	\$1,701.80	\$12,940.78	\$14,642.58	
12-20-91	1-1-92	8.00%	\$1,670.60	\$12,940.78	\$14,611.38	
1-20-92	2-1-92	8.00%	\$1,582.67	\$12,940.78	\$14,523.45	
			\$30,366.43	\$180,006.80	\$210,373.23	\$389,000.00

Construction Loan Period - 26 Months

Required Payment Total on Construction Loan \$210,373

Projected Revenue for 26 Month Construction Period \$1,712,894

Net Revenue to General Fund During Construction Period \$1,502,521