

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By Rep. Ernest Bergsagel, Chairman, on January 7, 1993, at 8:20 am.

ROLL CALL

Members Present:

Rep. Ernest Bergsagel, Chair (R)
Sen. Bob Hockett, Vice Chair (D)
Rep. Francis Bardanouve (D)
Sen. Ethel Harding (R)
Sen. Eleanor Vaughn (D)
Rep. Tom Zook (R)

Members Excused: NONE

Members Absent: NONE

Staff Present: Jim Haubein, Legislative Fiscal Analyst
Jane Hamman, Office of Budget & Program Planning
Sandra Boggs, Committee Secretary

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

Committee Business Summary:

Hearing: LONG RANGE BUILDING PROJECTS AND
CULTURAL AND AESTHETICS GRANT REVIEW
PROCESS

Executive Action: NONE

Announcements/Discussion:

Tape 1:A:80

CHAIRMAN ERNEST BERGSAGEL announced that unless committee members requested otherwise, he would be following the same procedures the committee has utilized in the past. **VICE-CHAIRMAN SEN. BOB HOCKETT** reminded members that written proxies submitted for executive actions would not be utilized if modifications or amendments to motions were made after the proxies were submitted. Amendments or modifications of motions would require a delay of 24 hours. in order for the member to reconsider their proxy vote.

HEARING ON LONG RANGE BUILDING PROJECTS

Tape No. 1:B:120

Informational Testimony: Tom O'Connell, Administrator of the Architectural and Engineering Division, made a presentation on the Long Range Building Projects. He reminded committee members that last session the legislature authorized the largest program in the history of the state at approximately \$144 million dollars. The program included major facilities across the state with over \$60 million dollars in bonds to be sold to finance the projects. He informed the committee that none of those bonds have been sold to date as the A & E Division is still in the planning process for all the projects. Mr. O'Connell distributed and reviewed a status sheet for each project, complete with an appropriations summary and highlights of the planning process. **EXHIBIT 1** Mr. O'Connell then introduced other staff members to review specific projects.

BUDGET ITEM ENGINEERING & PHYSICAL SCIENCE BUILDING, MSU:

Informational Testimony: Mr. Ralph DeCunzo, Montana State University, spoke regarding the Engineering and Physical Sciences Complex at Montana State University. Mr. DeCunzo described briefly the procedures followed by the Architectural and Engineering Division for all projects. At the request of SEN. HOCKETT, Mr. DeCunzo explained the Value Engineering Process followed by the Division. Through this process an independent design team reviews the building design plan and makes recommendations to the division for reducing unnecessary costs. Mr. DeCunzo stated that next time he comes before the committee he will bring handouts showing the money saved by this process.

Questions, Responses, and Discussion: REP. FRANCIS BARDANOUVE asked if delays in the construction of these buildings would cause the costs to increase due to inflation? Mr. DeCunzo agreed that timing was critical to complete the projects within budget. He also mentioned that a schedule for dispersing the bids to the business community over time was important as there is a limited number of large contractors who can do these projects, and this will affect inflation. He said he had no way of knowing how national construction costs will go and how that will affect Montana.

REP. BARDANOUVE asked Mr. DeCunzo how the division sees the bond market compared to when they are bidding the project. Mr. DeCunzo replied that he believed the projects were better off now than they were two years ago.

Jim Whaley, Architecture & Engineering Division, spoke regarding the Business Administration Building at the University of Montana. Mr. O'Connell reported that the Univ. of Mt currently has raised \$1.3 million dollars of the 2.3 million necessary for construction. Mr. O'Connell reminded members that the \$13 million in bonds had not yet been sold, and that the LRBP cash

had been removed in the last special session.

Mr. Whaley confirmed **CHAIRMAN BERGSAGEL's** remark that this building had recently suffered some controversy. Students reluctant to lose an intramural playing field have protested its location.

Mr. O'Connell pointed out to previous members of the Long-Range Planning Committee that some features originally approved for the building have been eliminated, and new designs have been drawn up.

BUDGET ITEM WOMEN'S CORRECTIONAL CENTER, BILLINGS:

Tape 1:A:890

Informational Testimony: **Mr. Whaley** spoke briefly concerning the Women's Correctional Facility to be located in Billings. The facility is designed with a program intensive concept of rehabilitating incarcerated women back into the community. **Mr. Whaley** explained that the facility was downsized from an original 124 bed facility to a 104 bed facility as the A&E Division realized that a 124 bed facility could not be built within budget. More money has to be spent on construction due to the poor clay soil base at the site, therefore less money is available for the larger facility.

Questions, Responses, and Discussion: **REP. BARDANOUVE** questioned whether a different site should be used due to these increased costs. **Mr. Whaley** explained that the 29 acre site, with accommodations for the soil base is costing the division \$16,000/acre, a fair market price.

SEN. HOCKETT stated that the facility had been proposed as a 250 bed facility and had already been downsized once by the committee. He asked if there was room for expansion on the site if, in the future that was necessary, and if there was going to be a pre-release center on site. **Mr. Mickey Gamble of the Department of Corrections and Human Services**, explained that the new women's facility was designed to be a model for innovative and progressive methods of rehabilitating women back into the community, and consequently was designed to rely heavily on the Billings community for programmatic and services support. Therefore, the 104 bed facility is designed with the ideal of having 80 to 90 women incarcerated at one time; with programs in place to house the other women within the community. **Mr. Gamble** explained that with these types of program initiatives it was imperative that the site be located in a large city.

Tape 1:A:360

Sally Johnson, Deputy Director of DCHS, spoke of the overwhelming pledges of support and ongoing cooperation of the Billings community with regard to the Women's Center. She stressed that although the soil may be poor this was the best overall site for

the facility within Montana. REP. BARDANOUVE again stated his concern of spending almost half a million dollars for a poor site.

Mr. O'Connell informed the committee that no bonds have been sold to fund the planning process, which has been funded by a loan from the general fund. REP. BARDANOUVE asked that since the loan will not be paid off in this FY would there be a problem with that? Mr. O'Connell said some bonds would be sold this FY to finance the prison expansion and there would likely be money left over to repay the loan. If the bonds aren't sold the loans will be extended into the next FY and they perceive no problem with the Department of Administration allowing them to do that.

BUDGET ITEM MONTANA DEVELOPMENTAL CENTER:

Tape:1:B:688

Informational Testimony: Mr. O'Connell next spoke concerning the Montana Development Center in Boulder, explaining that the Center was moving along as scheduled and is financed entirely by bonds. They can complete the project within budget, but it would be an extremely barebones facility. Therefore, they will be requesting an additional \$1.5 Million in bonds during this session. The additional funds would allow them to build a facility that will be a tremendous improvement over the older facility.

Questions, Responses, and Discussion: REP. BARDANOUVE asked how the increased costs would affect the payout of bonds. Mr. O'Connell said that their office would be providing paperwork to explain how the payout of bonds would be affected, however, with the current favorable interest rates Montana should see a good return on the investment. REP. BARDANOUVE requested that the A&E Division present the committee with a chart of the layout of the facility.

BUDGET ITEM MAJOR EXPANSION PROJECT, MONTANA STATE PRISON:

Tape 1:B:713

Informational Testimony: Mr. Whaley explained that the Major Expansion Project at the Montana State Prison has been in a state of flux since the DOA suspended the project in June 1992 to allow the July Special Session to review the project. The Special Session did not take any action on the project and the DOA re-initiated the project in July. No bid date is scheduled and no bonds will be issued until the 53rd Legislature has the opportunity to review recommendations of the DCHS and the governor. The \$1.2 million project to refurbish buildings and add a new vocational educational building needs to be done whether the prison is expanded or not. These projects will be developed all the way through the bidding process. The \$10.5 million portion of the project will only go through design development until further direction is given by the legislature.

Mr. Whaley stated that at the request of the DCHS the A&E Division is investigating the construction feasibility of a boot camp to house 25 inmates at Swan River Youth Camp. His division should be able to provide information on the feasibility next week. They are also completing a feasibility study for the construction of a laundry facility at Warm Springs.

Tape 1:B:865

Questions, Responses, and Discussion: SEN. HOCKETT asked if it was feasible to return to using inmate labor on the expansion project which would save the state approximately \$4 million dollars. Mr. Gamble reported that corrections officials on a national level want to see more inmate labor used because of the money savings and inmate training opportunities available. He reported that too much money is spent on institutionalizing people and that their proposal would include programs to use the community as a resource in rehabilitating inmates. Therefore, they would endorse the use of inmate labor.

Tape 1:B:104

Mr. O'Connell pointed out that the executive budget for the prison includes a debt service of \$1.2 million dollars. He stated that the prison could not be built now even though they have authority for it due to this amount built into the budget for debt service payments.

Mr. Gamble added that there will be some retrofit of the current facilities that they are working on right now, and they will be returning with figures.

REP. BARDANOUVE reminded the committee that SEN. LYNCH is still in the legislature and that passing a bill allowing significant savings through utilizing inmate labor would be difficult to pass.

CHAIRMAN BERGSAGEL stated he understood the committee would be receiving a proposal regarding the state prison and some other projects discussed and that the committee would be taking on the inmate labor issue.

BUDGET ITEM EASTERN MONTANA VETERAN'S HOME:

Tape 1:B:223

Informational Testimony: Mr. O'Connell spoke on the Eastern Montana Veterans Home. He explained that although the project was not a bonded project last session it was approved in the 1989 Session of the Legislature. He said the facility had been scaled back to an 80 bed nursing home due to the lack of money to build a bigger facility. He informed the members that the \$1.9 million dollars in state funds to help build the facility came from the two cent Cigarette Tax fund. There will be two bills introduced into the legislature to dedicate the money from this fund for the

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operation and maintenance of this facility.

Questions, Responses, and Discussion: REP. BARDANOUVE expressed his reservations about having a state run nursing home, believing the private homes could do a better job.

SEN. HOCKETT asked if federal funds would be available for any of the operating costs of the facility. Mr. O'Connell replied that operational costs would be partially reimbursed by federal Medicare/Medicaid funds.

BUDGET ITEM LIBBY ARMORY:

Tape 1:B:438

Informational Testimony: Mr. Arbuzel, A & E Division, reported on the Libby Armory project. This small project is basically completed but will be slightly over budget. The Department of Military Affairs is in the process of deciding if it should allocate more money for the project or scale it back. Scaling it back may jeopardize federal funds for the project.

Questions, Responses, and Discussion: Mr. Arbuzel recommended that REP. BARDANOUVE delay his question of how the pentagon's decision to down-size the National Guard would affect the building of a new armory until the Department of Military Affairs makes a presentation to the committee.

Mr. O'Connell reminded the committee that no bonds have been sold for any of the building projects authorized by the committee in the past. The A&E Division will be continuing the planning process with plans to sell bonds in the future. In addition, he reminded the committee that the legislature must provide some direction to the division before they can proceed with the prison project. He assured the committee that the Division would be back in front of the committee with a recommendation for action.

Tape 2:A:995

HEARING ON STATUS OF BONDING FOR NEW PROJECTS

Informational Testimony: Mr. Haubein, Legislative Fiscal Analyst, referred the members to the LFA's Budget Analysis for the 1995 Biennium. EXHIBIT 2 SECTION F He pointed out that the information contained within this section would be helpful to the members as questions about bond issues come up. He also pointed out that on November 16, 1992 the Department of Administration refinanced existing bonds at a savings to the state of \$3.9 million.

Mr. Haubein also pointed out that capital projects funds come from 29% of the cigarette tax, interest earnings, and supervisory fees assessed by the A&E Division. As years go by less and less money is available to address building needs. Page F5, Table 4 shows requests for building maintenance, \$62 Million has been

requested, but only approximately \$5.7 million is available to address the needs. He presented copies of HB 16 and HB 46 to the committee. **EXHIBITS 3 & 4 Mr. Haubein** informed the committee that both bills take funds from the two-cent cigarette tax to fund operations of the veterans home. The tax was originally passed to finance construction of the Eastern Montana Veterans' Home. Those funds have been set aside and since then the tax funds have been going into the capital projects fund. If the two bills pass it will impact the \$5.7 Million just discussed. **REFER TO EXHIBITS 3 & 4** He said the bills would not affect the money in Capital Projects in 1993 but beginning in 1994 approximately \$600,000 out of the fund, and \$760,000 out of money currently going to debt service. Therefore \$1.3 Million would be lost per FY from the capital projects fund.

Tape 2:A:294

Questions, Responses, and Discussion: **CHAIRMAN BERGSAGEL** asked if the \$760,000 removed from debt service would have to get a general fund appropriation. **Mr. Haubein** replied that debt service is a statutory appropriation and would not need a separate appropriation.

SEN. HOCKETT asked if because the Vets helped pass the two-cent tax they feel entitled to the funds? **SEN. ETHEL HARDING** replied that was how they got the tax passed.

Mr. O'Connell said that if HB 46 and HB 16 pass, some long-range building projects will have to be deleted and he will prepare recommendations if that becomes necessary.

Jane Hamman, Office of Budget and Program Planning, said her office did not support diverting the funds from the capital projects fund when there is not enough money in the fund now to cover costs.

Tape 2:A:410

CHAIRMAN BERGSAGEL asked why the emphasis on a state veterans home with so many private nursing homes in the state and was told that the strength of the veterans lobby was the reason for the emphasis. **SEN. HARDING** informed **CHAIRMAN BERGSAGEL** that Montana has the largest per capita number of veterans than any other state, and that population is reaching the age that they will need nursing home care and so are determined to push for a state veterans' home. **Ms. Hamman** suggested looking at the utilization of private nursing homes by veterans. She suspects that families in Montana prefer to keep elders at home rather than nursing homes. **CHAIRMAN BERGSAGEL** suggested considering programs that enable elderly people to stay at home, which may be a better way to spend money.

Informational Testimony: Bill Pratt, Director of Organizational Services, Montana Arts Council, presented three options for conducting hearings on the Cultural and Aesthetic Projects Grants. **EXHIBIT 5.** After some discussion the committee decided to conduct the hearings as they have in the past with all applying organizations given the opportunity to testify before the committee if they wish. The committee assured the Arts Council that applicant organizations having to travel a long way, or applying for a small amount of money, would not be penalized for deciding not to make a presentation to the committee.

**HEARING ON DECLINING CASH BALANCES IN RESOURCE INDEMNITY TRUST
INTEREST FOR GRANTS**

Tape 2:A:218

Informational Testimony: Mr. Haubein referred the committee to **EXHIBIT 6**, the Resource Indemnity Trust Accounts.

Tape 2:B:253

He reported that last session there was concern that for the 1993 session there be \$1 million available each for grants in the Water Development and Renewable Resources categories, and \$3 Million dollars in Reclamation. Currently there is not that much, so the committee may wish to take some action on this. Recent actions have resulted in more and more of this money being taken to fund operations of the Department of Natural Resources and Conservation and less and less for the grants. Last session there was a joint meeting with the Natural Resources Subcommittee to discuss this problem.

Tape 2:B:308

Ms. Hamman reminded members that amendments being proposed to the governor's budget indicate that there will be adjustments forthcoming to increase some of the RIT, decrease the general fund, and increase the grants.

Ray Beck, Department of Natural Resources and Conservation, said his department is working on legislation to combine the Water Development and Renewable Resource Development grant programs and rename them the Renewable Resource Grant and Loan Program. They will also restructure the Reclamation and Development Grant Program by separating the two objectives which are mineral reclamation and crucial state need projects. This will mean that funds will be available specifically for reclamation projects. Some concerns have been expressed that not enough money is being spent in that area. The crucial state need projects have mainly been financing economic and rural revitalization projects. This program will be called the Rural Revitalization Program. Their proposal will also ask that the grant programs be at the top of the budget so they no longer receive their funds after the money has flowed through the agencies. They will not be available then for getting used as

general funds. This action will cause an initial shortfall. They will recommend to allocate 20% of the RIT proceeds to the Renewable Resource Grant and Loan Program and 20% to the Reclamation fund.

Ms. Hamman assured **REP. BARDANOUE** that no money will be taken from the operations budget when the Grant money is moved to the top of the budget. **Mr. Haubein** explained to the committee that the DNRC receives its money for operations through the Natural Resources Appropriations Subcommittee.

Questions, Responses, and Discussion: **CHAIRMAN BERGSAGEL** asked if, with the passing of that legislation, the Long-Range Planning Committee would have a fixed amount of grants to deal with in the future and the Natural Resources Subcommittee when dealing with operational costs within the DNRC would have to use more general fund monies rather than these sources? **Mr. Beck** explained no general funds would be used, because they would be using the proceeds that go into the RIT account that will offset the additional expenditures for the grant. Due to the complexity of the trust accounts he and the committee decided a training on how the RIT and Coal Tax Trust Accounts are funded would be held for the committee next week.

HOUSE LONG-RANGE PLANNING SUBCOMMITTEE

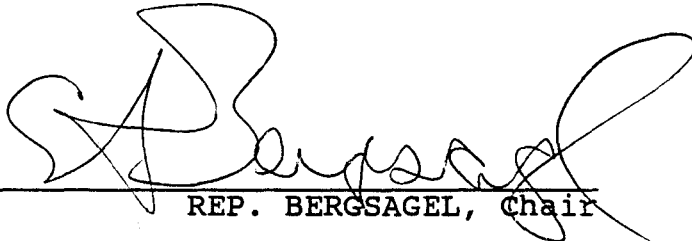
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Tape 2:B:619

ADJOURNMENT

Adjournment: 11:30 a.m.



REP. BERGSAGEL, Chair



SANDRA BOGGS, Secretary

EB/sb

HOUSE OF REPRESENTATIVES

LONG - RANGE PLANNING

SUB-COMMITTEE

ROLL CALL

DATE

1/7/93

NAME	PRESENT	ABSENT	EXCUSED
SEN. BOB HOCKETT, VICE-CHAIR	✓		
REP. FRANCIS BARDONOUVE	✓		
SEN. ETHEL HARDING	✓		
SEN. ELEANOR VAUGHN	✓		
REP. TOM ZOOK	✓		
REP. ERNEST BERGSAGEL, CHAIR	✓		

November 13, 1992

ENGINEERING/PHYSICAL SCIENCES COMPLEX - MSU

Appropriation Summary:

\$18,401,510	LRBP Bonds
452,765	LRBP Cash (Planning)
<u>3,380,725</u>	<u>Private</u>
\$22,235,000	Total

Highlights:

1. CTA Architects/Engineers of Billings was appointed by Board of Examiners.
2. The Architectural program and schematic design have been completed.
3. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.
4. The Special Session eliminated unspent LRBP cash for planning, the general fund portion of the appropriation, and increased the private funds required for the project.
5. The Department of Administration provided framework by which MSU could reinstate the planning on July 31, 1992.
6. MSU submitted proposal to complete the design development with private funds (approx. \$350,000) on October 19, 1992, which has subsequently been approved by the A/E Division.
7. MSU anticipates that they will have private funds (\$700,000) available upon completion of the design development which will allow the planning to immediately continue through the construction document phase.
8. If the private funds for planning are available as per MSU estimates, the plans will be completed in August, 1993.
9. MSU believes they will have the balance of the private funds necessary for construction committed in time to schedule an October, 1993 bid date. (this will be formalized in a financial plan agreement between the University System and the Director of the Department of Administration.)

10. \$18,401,510 of bonds will be issued in October, 1993 (as per HB #2 from the July Special Session they cannot be issued before July 1, 1993.)
11. Assuming an October, 1993 bond sale, the debt service will commence in April, 1994, with an interest payment of \$512,681 and in October, 1994 with a principle and interest payment of \$1,867,126 based on current interest rates.
12. Construction of the new facilities will be completed in October, 1995 while the completion of the renovated spaces will be approximately nine months later in July, 1996.

November 13, 1992

BUSINESS ADMINISTRATION BUILDING - U OF M

Appropriation Summary:

\$13,022,975	LRBP Bonds
183,606	LRBP Cash (Planning)
<u>2,279,419</u>	<u>Private</u>
\$15,486,000	Total

Highlights:

1. L'Heureux, Page, Werner Architects of Great Falls was appointed by Board of Examiners.
2. The architectural program and schematic design have been completed.
3. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.
4. The Special Session eliminated unspent LRBP cash for planning and increased the private funds required for the project.
5. The Department of Administration provided framework by which U of M could reinstate the planning on July 31, 1992.
6. U of M requested to complete the planning process with private funds (approx. \$870,000) on August 12, 1992, which has subsequently been approved by the A/E Division.
7. Plans will be completed in July of 1993.
8. UM believes they will have the balance of the private funds necessary for construction committed in time to schedule a September, 1993 bid date. (This will be formalized in a financial plan agreement between the University System and the Director of the Department of Administration.)
9. \$13,022,975 of bonds will be issued in September, 1993 (as per HB #2 from the July Special Session they cannot be issued before July 1, 1993).

EXHIBIT 4
DATE 1/7/93
HB _____

10. Assuming a September, 1993 bond sale, the debt service will commence in March, 1994 with an interest payment of \$362,831 and in September, 1994 with a principle and interest payment of \$968,399 based on current interest rates.
11. Construction of the facility will be completed in June, 1995.

November 13, 1992

WOMEN'S CORRECTIONAL CENTER - BILLINGS

Appropriation Summary:

\$10,075,600 LRBP Bonds

Highlights:

1. Miller-Levine Architects of Billings was appointed by Board of Examiners.
2. The Architectural program has been completed and work is progressing on the schematic design.
3. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.
4. The Special Session did not take any action that modified or changed the project.
5. The Department of Administration reinitiated the project on July 20, 1992.
6. Since no planning funds (cash) were appropriated, design costs are being paid by means of a general fund loan to be repaid when bonds are sold.
7. Plans will be completed in June of 1993.
8. A bid opening is scheduled for August, 1993, and \$10,075,600 of bonds will be issued at that time.
9. Assuming a September, 1993 bond sale, the debt service will commence in March, 1994 with an interest payment of \$280,714 and in September, 1994 with a principle and interest payment of \$749,230 based on current interest rates.
10. With the sale of bonds the general fund loan for planning (approx. \$730,000) will be repaid from bond proceeds.
11. Construction of the facility will be completed in January, 1995.

November 13, 1992

CONSOLIDATE MONTANA DEVELOPMENTAL CENTER - BOULDER

Appropriation Summary:

\$ 8,665,000 Montana Health Facility Bonds

Highlights:

1. Taylor Architects of Bozeman was appointed by Board of Examiners.
2. Work is progressing on the Architectural Program.
3. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.
4. The Special Session did not take any action that modified or changed the project.
5. The Department of Administration reinitiated the project on July 20, 1992.
6. Since no planning funds (cash) were appropriated, design costs are being paid by means of a general fund loan to be repaid when bonds are sold.
7. At this time it is anticipated that the project will be broken into two "bid packages" to accommodate the infrastructure work, the occupied facilities, and the new facility construction.
8. Plans will be completed in December, 1993 for Bid Package I and in June of 1994 for Bid Package II.
9. A bid opening is scheduled for February of 1994 for Bid Package I (estimated to cost approx. \$7,100,000 and including all the new construction) and for July of 1994 for Bid Package II (estimated to cost approx. \$700,000 and including the warehouse and recreation facilities.)
10. \$7,965,000 of bonds will be issued in February, 1994 for Bid Package I and the planning costs; \$700,000 of bonds will be issued in July of 1994 for Bid Package II.

11. Assuming a February, 1994 bond sale for Bid Package I, the debt service will commence in August, 1994, with an interest payment of \$221,911 and in February, 1995 with a principle and interest payment of \$592,284 based on current rates.
12. Assuming a July, 1994 bond sale for Bid Package II, the debt service will commence in January, 1995, with an interest payment of \$19,503 and in July, 1995, with a principle and interest payment of \$52,053 based on current rates.
13. The bonds will be sold through the Montana Health Facilities Authority and debt service will be covered by Medicaid/Medicare reimbursements.
14. With the sale of bonds, the general fund loan for planning (approx. \$875,000) will be repaid from bond proceeds.
15. Construction of all the facilities in both Bid Package I and Bid Package II will be completed in February of 1995.

November 13, 1992

MAJOR EXPANSION, MONTANA STATE PRISON - DEER LODGE

Appropriation Summary:

\$19,360,745	LRBP Bonds
<u>877,500</u>	<u>LRBP Cash (Planning)</u>
\$20,238,245	Total

Highlights:

1. Architects Design Group of Kalispell was appointed by Board of Examiners.
2. The Architectural Program has been completed for the entire expansion project.
3. The Schematic Design has been completed for Bid Package I (housing, recreation, education) which has an estimated cost of approximately \$10.75 million.
4. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.
5. The Special Session did not take any action that modified or changed the project.
6. The Department of Administration reinitiated the project on July 20, 1992.
7. In September of 1992, Governor Stephens in conjunction with the Department of Corrections and Human Services, announced a plan to explore community based programs as an alternative to the major expansion at the Prison.
8. Design development for the Bid Package I will continue and is scheduled to be completed in February of 1993.
9. Design development and construction documents will continue for support buildings (Bid Package II) which will be needed regardless of whether or not additional beds are constructed at the Prison.
10. Plans for Bid Package II, (estimated to cost approximately \$1,200,000 and including the low security kitchen, the bus repair facility, and the high security vocational industries building) will be completed in February of 1993.
11. A bid opening for Bid Package II scheduled for March of 1993.

12. \$1,200,000 of bonds will be issued in March of 1993.
13. Assuming a March, 1995 bond sale, the debt service will commence in September, 1993 with an interest payment of \$33,433 and in March, 1994 with a principle and interest payment of \$89,233 based on current interest rates.
14. Construction for all of the facilities in Bid Package II will be completed in January of 1994.
15. No bid date is scheduled and no bonds will be issued for Bid Package I until the 53rd Legislature has an opportunity to review recommendations of the Department of Corrections and Human Services and of the Governor.

November 13, 1992

EASTERN MONTANA VETERANS' HOME - GLENDIVE

Appropriation Summary:

\$ 1,991,897	LRBP Cash
<u>3,699,237</u>	<u>Federal Funds</u>
\$5,691,134	Total

Highlights:

1. CTA Architects/Engineers of Billings was appointed by Board of Examiners.
2. The Architectural Program, preliminary design, and construction documents have been completed.
3. The Federal Fund (65% of project costs) are available for construction.
4. The final plans are currently being reviewed by the Veterans' Administration, and all other interested parties.
5. A February, 1993, bid date is anticipated with construction to begin in the Spring.
6. Construction of the facility will be completed in April of 1994.

November 13, 1992

CONSTRUCT LIBBY ARMORY

Appropriation Summary:

\$ 400,000	LRBP Bonds
<u>827,000</u>	<u>Federal Funds</u>
\$ 1,227,000	Total

Highlights:

1. Architects Northwest of Kalispell was appointed by the Board of Examiners.
2. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.
3. The Special Session did not take any action that modified or changed the project.
4. The Department of Administration reinitiated the project on July 20, 1992.
5. The Federal funds are available for construction.
6. Since no planning funds (cash) were appropriated, design costs are being paid by means of a general fund loan to be repaid when the bonds are sold.
7. The Construction Documents will be completed in December of 1992.
8. A February, 1993 bid date is anticipated with construction to begin in April, 1993. Bonds will be sold in conjunction with the Montana State Prison bond sale in March, 1993.
9. Assuming a March, 1993 bond sale, the debt service will commence in September, 1993 with an interest payment of \$11,144 and in March, 1994, with a principle and interest payment of \$29,744 based on current interest rates.
10. With the sale of bonds, the general fund loan for planning (approximately \$43,000) will be repaid from bond proceeds.
11. Construction of the facility will be completed in about April of 1994.

LONG RANGE PLANNING

Executive Budget Recommendation

The Executive Budget recommends \$34.8 million in total amount of capital projects for the 1995 biennium. This is over \$100 million more than approved for the 1993 biennium. Table 1 shows the total capital projects appropriated for each biennium since 1983 and the executive recommendation for the 1995 biennium.

Table 1
Capital Projects Appropriated by Biennium

Biennium	Total Projects	Capital Projects Funds	G.O. Bonds
1983	\$60,294,450	\$11,700,007	\$35,833,505
1985	65,897,869	10,870,292	39,334,695
1987	38,270,308	10,517,666	8,550,000
1989	17,686,787	6,246,547	0
1991	32,864,127	7,514,608	3,822,800
1993	141,463,185	8,382,298	61,260,830
1995 Recommended	34,839,186	5,768,536	0

Table 2 shows the projects for the 1995 biennium recommended in the Executive Budget. The table lists the projects by agency, priority number as assigned by the Department of Administration's Architecture and Engineering Division (A&E) staff, and proposed funding source.

Issues

Funding for Building Repairs

HE is responsible for overseeing the maintenance of 2,360 state buildings. Many of these buildings are old and in constant need of repair. Table 4 provides a summary of agency requests for repairs and/or renovations for existing buildings for the 1995 biennium. The requested funding source for the \$62 million is the capital projects fund. During the 1995 biennium, only \$5.8 million is available in this fund to address these needs. The requests for projects supported by other funds are those included in the Executive Budget.

As Table 1 on Page F-1 shows, capital projects funds have declined by almost 50 percent from the 1983 biennium to the 1995 biennium.

Table 4
Long Range Repairs Requests
1995 Biennium
(Millions)

Agency	Capital Projects Fund	State Special Fund	Federal Special Fund	Other Funds	LRBF Bond Proceeds	Totals
Administration	\$4.62	\$0.00	\$0.00	\$0.10		\$4.72
Fish, Wildlife, and Parks	2.29	9.22	3.77	0.05		15.33
State Lands	0.44					0.44
Livestock		1.20				1.20
Labor			0.28			0.28
Transportation		0.63				0.63
Family Services	1.49					1.49
School for Deaf and Blind	0.23					0.23
Military Affairs	2.07	0.00	0.33			2.40
Corrections and Human Services	6.28					6.28
University System	<u>44.64</u>	—	—	—	<u>0.40</u>	<u>44.99</u>
Totals	\$62.06	\$11.05	\$4.38	\$0.15	\$0.35	\$77.99

Funding for Fish, Wildlife, and Parks Projects

Approximately \$18.7 million or 53.6 percent of the projects recommended in the Executive Budget are for the Department of Fish, Wildlife and Parks (FWP). Table 5 lists the projects for state parks included in the Executive Budget, with the funding source as stated by FWP.

Table 6
Debt Service For 1983A Bond Series

Fiscal Year	1983 Issue	1992 Refinancing Bonds	Savings
1993	\$10,800,673	\$12,383,825	(\$1,583,152)
1994	11,511,367	9,062,196	2,449,171
1995	10,716,226	10,674,833	41,393
1996	10,482,091	10,501,118	(19,027)
1997	3,113,237	2,949,945	163,292
1998	(39,318)	(272,640)	233,322
1999	(6,874)	(229,308)	222,434
2000	8,744	(215,596)	224,340
2001	3,924	(220,675)	224,599
2002	383	(228,728)	228,245
2003	594	(219,684)	220,278
2004	1,623	(218,753)	220,376
2005	7,196	(210,772)	217,968
2006	2,596	(215,129)	217,725
2007	(6,209)	(223,459)	217,250
2008	(4,514)	(220,944)	216,430
2009	(7,554)	(224,894)	217,340
2010	<u>151,776</u>	<u>(64,159)</u>	<u>215,935</u>
	\$46,735,195	\$42,807,176	\$3,928,019

As Table 6 shows, debt service costs will actually be \$1.6 million higher in fiscal 1993 under the refinancing, but will be \$2.5 million lower in the 1995 biennium. Under the refinancing, the bonds for four buildings (Eastern Montana College, MSU, Department of Labor and Industry, and the State Fund) were included. The four agencies transfer funds to the Department of Administration for their portion of the debt service payment. However, the four will continue making payments, based on the 1983A bond schedules, to the general fund. This results in increased general fund debt service costs in fiscal 1993, but additional revenue in 1998 and beyond to help pay debt service due on the new bonds.

New Bonds

Table 7 shows the additional general obligation bonds that are scheduled for sale in calendar 1993 to finance projects approved by the 1991 Legislature.

Table 7
Additional Bonds for New Project

Project Building	Anticipated Amount	Anticipated Sale Date
Montana Prison Expansion	\$ 1,200,000	March, 1993
Women's Correctional Center	\$10,075,600	September, 1993
MSU Engineering/Physical Science Bldg.	\$18,401,510	October, 1993
UofM Business Admin. Bldg.	\$13,022,975	September, 1993

Table 8 shows anticipated total general fund costs for debt service in the 1995 biennium and through the life of the bonds. Included in the total general fund costs are debt service for:

1) Western Montana College (WMC) bonds issued in 1985 to build a swimming pool. The pool was never built, due to lack of revenue. In the 1989 session, the legislature approved the transfer of the bond proceeds (less \$280,000 appropriated to WMC) to the capital projects fund and the assumption of the remaining debt service as a general fund obligation;

2) the 1992 Refinancing Bonds; and

3) the additional bonds detailed in Table 7 for projects approved by the 1991 Legislature. The debt service estimates are based on average interest rates of 5.911 percent and level debt service payments for 15 years.

Table 8
General Fund Debt Service

Fiscal Year	1985 Series Total (WMC)	1992 Refinancing Debt Service Schedule	New Bonds	Total Debt Service
1993	150,460	\$12,383,825	\$0	\$12,534,285
1994	149,327	9,062,196	1,319,837	10,531,360
1995	147,689	10,674,833	4,374,442	15,196,964
1996	150,017	10,501,118	4,362,952	15,014,087
1997	137,991	2,949,945	4,354,968	7,442,924
1998	153,012	(272,640)	4,337,416	4,217,788
1999	143,682	(229,308)	4,349,874	4,264,248
2000	156,744	(215,596)	4,330,920	4,272,077
2001	145,548	(220,675)	4,322,757	4,247,630
2002	0	(228,728)	4,322,788	4,095,060
2003	0	(219,684)	4,314,355	4,094,671
2004	0	(218,753)	4,313,510	4,094,757
2005	0	(210,772)	4,299,288	4,088,511
2006	0	(215,129)	4,310,398	4,095,269
2007	0	(223,459)	4,286,176	4,062,717
2008	0	(220,944)	4,287,520	4,066,576
2009	0	(224,894)	4,169,504	3,884,610
2010	0	(64,159)	0	(64,159)
	\$1,334,470	\$42,807,176	\$65,997,721	\$110,139,375

1 HOUSE BILL NO. 16
2 INTRODUCED BY PAVLOVICH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE
5 MAINTENANCE, OPERATION, IMPROVEMENT, AND CONSTRUCTION OF
6 STATE NURSING HOMES AND DOMICILIARY HOMES FOR VETERANS IN
7 MONTANA THROUGH CREATION OF THE VETERANS' HOME MAINTENANCE
8 AND IMPROVEMENT ACCOUNT; DEDICATING A PORTION OF CIGARETTE
9 TAX PROCEEDS TO THE ACCOUNT; STATUTORILY APPROPRIATING
10 ACCOUNT FUNDS TO THE DEPARTMENT OF CORRECTIONS AND HUMAN
11 SERVICES FOR THE MAINTENANCE, OPERATION, AND IMPROVEMENT OF
12 STATE NURSING HOMES AND DOMICILIARY HOMES FOR VETERANS AND
13 TO THE DEPARTMENT OF ADMINISTRATION FOR CONSTRUCTION OF A
14 40-BED STATE NURSING HOME AND DOMICILIARY HOME FOR VETERANS
15 IN GALEN IF THE STATE HOSPITAL AT GALEN IS CLOSED BY ACTION
16 OF THE LEGISLATURE; AMENDING SECTIONS 16-11-119, 17-5-408,
17 AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
18 DATE."

19
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

21 NEW SECTION. **Section 1.** Veterans' home maintenance and
22 improvement account -- statutory appropriation. There is an
23 account in the state treasury to be known as the veterans'
24 home maintenance and improvement account, funds from which
25 may be used only as follows:

1 (1) The department of corrections and human services
2 shall use account funds for the maintenance, operation, and
3 improvement of state nursing homes and domiciliary homes for
4 veterans in Montana, and except as provided in subsection
5 (2), all funds in the veterans' home maintenance and
6 improvement account are statutorily appropriated, as
7 provided in 17-7-502, to the department of corrections and
8 human services, to be used for the maintenance, operation,
9 and improvement of state nursing homes and domiciliary homes
10 for veterans in Montana.

11 (2) If the state hospital at Galen is closed by action
12 of the legislature, there is statutorily appropriated, as
13 provided in 17-7-502, to the department of administration
14 from the veterans' home maintenance and improvement account
15 an amount sufficient to construct a 40-bed state nursing
16 home and domiciliary home for veterans in Galen.

17 **Section 2.** Section 16-11-119, MCA, is amended to read:

18 "16-11-119. (Temporary) Disposition of taxes --
19 retirement of bonds. (1) Except as provided in subsection
20 (2), all money collected under the provisions of 16-11-111,
21 less the expense of collecting the taxes, must be paid to
22 the state treasurer and deposited as follows:

23 (a) 2 cents of the excise tax on each package of
24 cigarettes in the veterans' home maintenance and improvement
25 account created in [section 1];

EXHIBIT 3

DATE 1/7/93

HB

1 (b) 72.79% of the amount remaining after the deposit
2 designated in subsection (1)(a) in the long-range building
3 program fund in the debt service fund type; and

4 (c) 27.21% of the amount remaining after the deposit
5 designated in subsection (1)(a) in the long-range building
6 program fund in the capital projects fund type.

7 (2) In fiscal year 1993, \$1,133,624 is transferred from
8 the long-range building program fund in the capital projects
9 fund type to the general fund. (Terminates June 30,
10 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

11 16-11-119. (Effective July 1, 1993) Disposition of
12 taxes -- retirement of bonds. All moneys money collected
13 under the provisions of 16-11-111, less the expense of
14 collecting all the taxes levied, imposed, and assessed--by
15 said--section, shall must be paid to the state treasurer and
16 deposited as follows:

17 (1) 2 cents of the excise tax on each package of
18 cigarettes in the veterans' home maintenance and improvement
19 account created in [section 1];

20 (2) 72.79% of the amount remaining after the deposit
21 designated in subsection (1) in the long-range building
22 program fund in the debt service fund type; and

23 (3) 27.21% of the amount remaining after the deposit
24 designated in subsection (1) in the long-range building
25 program fund in the capital projects fund type.

1 16-11-119. (Effective August 15, 1993) Disposition of
2 taxes -- retirement of bonds. All moneys money collected
3 under the provisions of 16-11-111, less the expense of
4 collecting all the taxes levied, imposed, and assessed--by
5 said--section, shall must be paid to the state treasurer and
6 deposited as follows:

7 (1) 2 cents of the excise tax on each package of
8 cigarettes in the veterans' home maintenance and improvement
9 account created in [section 1];

10 (2) 70.89% of the amount remaining after the deposit
11 designated in subsection (1) in the long-range building
12 program fund in the debt service fund type; and

13 (3) 29.11% of the amount remaining after the deposit
14 designated in subsection (1) in the long-range building
15 program fund in the capital projects fund type."

16 **Section 3.** Section 17-5-408, MCA, is amended to read:

17 "17-5-408. Percentage of income, corporation license,
18 and cigarette tax pledged. (1) (a) The state pledges and
19 appropriates and directs to be credited as received to the
20 debt service account 9-8% for fiscal year 1990 and 0.7% for
21 fiscal year 1991 of all money received from the collection
22 of the individual income tax and 1% for fiscal year 1990
23 and 0.5% for fiscal year 1991 of all money, except as
24 provided in 15-31-702, money received from the collection of
25 the corporation license and income tax, as provided in

1 15-1-501, and such additional amount of said taxes, if any,
 2 as may at any time be needed to comply with the principal
 3 and interest and reserve requirements stated in 17-5-405(4).
 4 (b) No more than the percentages described in
 5 subsection (1) of such tax collections may be pledged for
 6 the purpose of 17-5-403(2). The pledge and appropriation
 7 herein made shall be and remain at all times by this section
 8 are a first and prior charge upon all money received from
 9 the collection of said the enumerated taxes.

10 (2) The Except for the amount credited to the veterans'
 11 home maintenance and improvement account under 16-11-119,
 12 the state pledges and appropriates and directs to be
 13 credited to the debt service account 70.89% of all money
 14 received from the collection of the excise tax on cigarettes
 15 which that is levied, imposed, and assessed by 16-11-111.
 16 The state also pledges and appropriates and directs to be
 17 credited as received to the debt service account all money
 18 received from the collection of the taxes on other tobacco
 19 products which that are or may hereafter be levied, imposed,
 20 and assessed by law for that purpose, including the tax
 21 levied, imposed, and assessed by 16-11-202. Nothing herein
 22 shall This section may not impair or otherwise affect the
 23 provisions and covenants contained in the resolutions
 24 authorizing the presently outstanding long-range building
 25 program bonds. Subject to the provisions of the preceding

1 sentence, the pledge and appropriation herein made shall be
 2 and remain at all times by this section a first and
 3 prior charge upon all money received from the collection of
 4 all taxes referred to in this subsection (2)."

5 **Section 4.** Section 17-7-502, MCA, is amended to read:

6 "17-7-502. Statutory appropriations -- definition --
 7 requisites for validity. (1) A statutory appropriation is an
 8 appropriation made by permanent law that authorizes spending
 9 by a state agency without the need for a biennial
 10 legislative appropriation or budget amendment.

11 (2) Except as provided in subsection (4), to be
 12 effective, a statutory appropriation must comply with both
 13 of the following provisions:

14 (a) The law containing the statutory authority must be
 15 listed in subsection (3).

16 (b) The law or portion of the law making a statutory
 17 appropriation must specifically state that a statutory
 18 appropriation is made as provided in this section.

19 (3) The following laws are the only laws containing
 20 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
 21 [section 11; 10-3-203; 10-3-312; 10-3-314; 10-4-301;
 22 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-31-702;
 23 15-36-112; 15-37-117; 15-65-121; 15-70-101; 16-1-404;
 24 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704;
 25 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504;

1 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506;
 2 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604;
 3 19-15-101; 20-4-109; 20-6-406; 20-8-111; 20-9-361;
 4 20-26-1503; 22-3-811; 23-5-136; 23-5-306; 23-5-409;
 5 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206;
 6 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102;
 7 53-6-150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101;
 8 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808;
 9 80-2-103; 80-11-310; 82-11-136; 82-11-161; 85-1-220;
 10 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-306.

11 (4) There is a statutory appropriation to pay the
 12 principal, interest, premiums, and costs of issuing, paying,
 13 and securing all bonds, notes, or other obligations, as due,
 14 that have been authorized and issued pursuant to the laws of
 15 Montana. Agencies that have entered into agreements
 16 authorized by the laws of Montana to pay the state
 17 treasurer, for deposit in accordance with 17-2-101 through
 18 17-2-107, as determined by the state treasurer, an amount
 19 sufficient to pay the principal and interest as due on the
 20 bonds or notes have statutory appropriation authority for
 21 the payments. (In subsection (3): pursuant to sec. 7, Ch.
 22 567, L. 1991, the inclusion of 19-6-709 terminates upon
 23 death of last recipient eligible for supplemental benefit;
 24 and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of
 25 22-3-811 terminates June 30, 1993.)"

1 NEW SECTION. **Section 5.** Codification instruction.
 2 [Section 1] is intended to be codified as an integral part
 3 of Title 10, chapter 2, part 4, and the provisions of Title
 4 10, chapter 2, part 4, apply to [section 1].
 5 NEW SECTION. **Section 6.** Effective date. [This act] is
 6 effective on passage and approval.

-End-

1 HOUSE BILL NO. 46

2 INTRODUCED BY J. JOHNSON

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT RESERVING 2 CENTS OF
5 THE CIGARETTE TAX FOR THE OPERATION AND MAINTENANCE OF STATE
6 VETERANS' NURSING HOMES; AMENDING SECTION 16-11-119, MCA;
7 AND PROVIDING AN EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 16-11-119, MCA, is amended to read:

11 "16-11-119. (Temporary) Disposition of taxes --
12 retirement of bonds. (1) Except as provided in subsection
13 (2), all money collected under the provisions of 16-11-111,
14 less the expense of collecting the taxes, must be paid to
15 the state treasurer and deposited as follows: 72.79% in the
16 long-range building program fund in the debt service fund
17 type and 27.21% in the long-range building program fund in
18 the capital projects fund type.

19 (2) In fiscal year 1993, \$1,133,624 is transferred from
20 the long-range building program fund in the capital projects
21 fund type to the general fund. (Terminates June 30,
22 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

23 16-11-119. (Effective July 1, 1993) Disposition of
24 taxes -- retirement of bonds. Two cents of the cigarette tax
25 imposed under the provisions of 16-11-111 on each package of

1 cigarettes must be deposited in the state special revenue
2 fund to the credit of the department of corrections and
3 human services for the operation and maintenance of state
4 veterans' nursing homes. All moneys remaining revenue
5 collected under the provisions of 16-11-111, less the
6 expense of collecting all the taxes levied, imposed, and
7 assessed by said section, shall must be paid to the state
8 treasurer and deposited as follows: 72.79% in the long-range
9 building program fund in the debt service fund type and
10 27.21% in the long-range building program fund in the
11 capital projects fund type.

12 16-11-119. (Effective August 15, 1993) Disposition of
13 taxes -- retirement of bonds. Two cents of the cigarette tax
14 imposed under the provisions of 16-11-111 on each package of
15 cigarettes must be deposited in the state special revenue
16 fund to the credit of the department of corrections and
17 human services for the operation and maintenance of state
18 veterans' nursing homes. All moneys remaining revenue
19 collected under the provisions of 16-11-111, less the
20 expense of collecting all the taxes levied, imposed, and
21 assessed by said section, shall must be paid to the state
22 treasurer and deposited as follows: 70.89% in the long-range
23 building program fund in the debt service fund type and
24 29.11% in the long-range building program fund in the
25 capital projects fund type."

- 1 NEW SECTION. **Section 2.** Effective date. [This act] is
- 2 effective July 1, 1993.

-End-

Long Range Planning Joint Subcommittee
January 7, 1993
Page Two

Option A.

- * Testimony is grouped by grant category.
- * Each applicant (or legislative representative) testifies and may request the committee to modify the recommended grant amount if applicant is:
 - unable to carry out project even in part,
 - unable to meet the contingency, and
 - in disagreement with the Citizen's Advisory Committee's appraisal of its proposal.
- * If more than one application is submitted by an organization, it may testify on all applications at one time.
- * The hearing process usually takes two weeks.

Option B.

- * All applicants recommended for \$4,500 or less are encouraged NOT to testify.
- * Time is allowed for testimony to request change in recommended amounts.
- * This may eliminate 27 to 47 applications. At ten minutes/per testimony this equals between 5 (1.5 days) and 8 hours (2.25 days) of testimony.

Option C.

- * Only applicants recommended for more than \$4,500 for special projects and capital expenditures are requested to testify.
- * Time is allowed for applicants in any grant category to testify to request a change in the recommended amount.
- * This may eliminate between 41 to 56 applications. At ten minutes per application this equal between 7 (2 days) and ten hours (3 days) of testimony.

NOTE: In light of the long history of urging applicants to testify on behalf of their requests, the Citizen's Advisory Committee believes it critical that the Council be able to assure applicants that the Long Range Planning Joint Subcommittee will not penalize applicants for not testifying.

Resource Indemnity Trust Interest Accounts

Resource Indemnity Trust Interest Accounts

Table 1 Resource Indemnity Trust Interest Accounts 1995 Biennium						
	Water Development	Renewable Resources	Reclamation & Development	Hazardous Waste/ CERCLA	Environmental Quality Protection	Total*
Percent of RIT Interest	30%	8%	46%	12%	4%	100%
Beginning Balance	\$890,367	\$0	\$0	\$1,169,906	\$915,135	\$2,975,408
Revenues						
RIT Interest	\$5,254,545	\$1,401,212	\$8,056,969	\$2,101,818	\$700,606	\$17,515,151
Coal Tax	391,053	391,053				\$782,106
Loan Repayments	1,186,651	152,180				\$1,338,831
NR Damage Repayment Interest (STIP)				100,000	110,000	\$0
Administrative Fees	10,000					\$10,000
State Owned Proj. Rev.	538,604					\$538,604
Total Funds Available	\$8,271,220	\$1,944,445	\$8,056,969	\$3,371,724	\$1,725,741	\$23,370,100
Appropriation						
Bond Debt Service	\$1,400,373	\$433,900	\$0	\$0	\$0	\$1,834,273
DNRC Cent Serv Div	285,101	26,854	256,654			568,609
DNRC Water Res Div	2,268,545		1,604,942			3,873,487
DNRC CARD	515,045	447,558	928,663			1,891,266
DNRC State Water Proj	1,785,000					1,785,000
State Project Ownership Transfer	125,041					125,041
Missouri Water Reservations	328,099					328,099
DSL Reclamation Div			1,945,111			1,945,111
DSL Central Mgmt			63,592			63,592
DH&ES Envir Div				2,207,080	972,849	3,179,929
Reserved Water Rights Compact Comm			674,564			674,564
Weatherization Modification Review	20,000					20,000
Water Courts	1,046,712					1,046,712
State Library		200,000	177,000			377,000
Environmental Quality Council			27,256			27,256
Pay Plan	0	0	0	0	0	0
Total Appropriations	\$7,773,916	\$1,108,312	\$5,677,782	\$2,207,080	\$972,849	\$17,739,939
Projected Available for Grants	\$372,978	\$627,100	\$2,379,187			\$3,379,265
Projected Available for Water Storage	\$124,326	\$209,033				\$333,359
Projected Biennium Ending Balance	\$0	\$0	\$0	\$1,164,644	\$752,892	\$1,917,536

*After allocations to environmental contingency and oil and gas mitigation accounts.

As Table 1 shows, \$124,326 from the water development account and \$209,033 from the renewable resources account are allocated for water storage projects. The water storage account receives 25 percent of funds available for grants in the two accounts. This money is set aside for statewide water storage projects, established by Senate Bill 313 enacted during the 1991 session. The bill prohibited the use of the funds during the 1993 biennium. In the 1995 biennium, the Executive Budget includes a budget modification to spend these funds as part of the funding for the Tongue River Dam project.

The remainder of the funds shown at the bottom of Table 1 are available for grants: \$372,978 in the water development account and \$627,100 in the renewable resources account. Table 2 lists the grant and loan applications reviewed by DNRC and its recommendations for funding in priority order. The right-hand column of the table shows the cumulative total of the grants. The total available funds from the two accounts (\$1,000,078) will allow funding through priority 15 (Town of Winnet).

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Long Range Planning SUBCOMMITTEE

DATE 1/7/93

DEPARTMENT(S) _____

DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
Anna Miller	DNRC	
Carleen Rayne	mt Arts Council	
Anthony Fishbaugh	" "	
Ray Beck	DNRC	
Blk Foster	mt Arts Council	
Marnie Miller	MT. Bur of Mines & Geol.	
Mick Gamble	DCHS	
Bob Mullen	Labor & Industry	
John Twilley	DNRC	
JIM KHALE	AIE	
Dan Anderson	DCHS - MH	
Alicia Johnson	DCHS	
Ralph DeGuzo	AIE DIV.	
Robert Lusk	DCHS	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT
FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.