

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 13, 1993, at 7:30 A.M.

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: RESOURCE INDEMNITY TRUST & COAL TAX
TRUST ACCOUNTS; DEPARTMENT OF LIVESTOCK;
AND MONTANA UNIVERSITY SYSTEMS

Executive Action: NONE

ANNOUNCEMENTS/DISCUSSION

CHAIRMAN ERNEST BERGSAGEL announced that the Department of Military Affairs has changed the status of the lead to be removed from armories across the state. The lead had been classified as hazardous material, but is now classified as a salvageable material. ARCO will now pay, in theory, for a certain amount of the salvage work by applying their receipts for the lead to the balance owed them by the department.

Tape 1:A:026

CHAIRMAN BERGSAGEL announced that the proxy voting sheets were now designed and would be placed by the secretary into the member's notebooks.

HEARING ON RESOURCE INDEMNITY TRUST & COAL TAX TRUST ACCOUNTS

Tape No. 1:A:040

Informational Testimony: Ray Beck, Administrator, Department of Natural Resources and Conservation, Conservation and Resource Development Division, introduced other members of his division who would be presenting testimony: John Tubbs, Bureau Chief, Resource Development Bureau, Anna Miller, Financial Advisor, Wayne Wetzell, Deputy Director, DNRC. The Division presented the committee with an explanation of how the Resource Indemnity Trust and Coal Tax Trust accounts work, including where the revenue comes from and how funds flow through to the different agencies and accounts. EXHIBITS 1 - 8.

Mr. Beck said that after the principal of the RIT reaches \$10 million the net earnings can be appropriated. After reaching \$100 million the net earnings and tax receipts shall be appropriated. Currently the account is \$80 million. The tax proceeds for 1994 are \$4.8 million, and for 1995 it is \$4.9 million.

Mr. Tubbs explained that the Reclamation and Development Grants Program funds two types of projects: Mineral Development (oil and gas); and Crucial State Need projects. One example of a crucial state project is the Dispute Resolution Center. This Center will be run out of the governor's office and will attempt to avoid litigation.

Mr. Tubbs said that there is approximately \$23 Million available from the RIT for the various programs. He further stated that the first obligation of appropriations to state agencies is to retire debt services.

Mr. Tubbs referred the committee to EXHIBIT 4. This graph shows the difference between the amount of funds available in interest earnings from RIT, and the amount of grants that are able to be funded.

Questions, Responses, and Discussion:

Tape 1:A:505

SEN. ETHEL HARDING asked what happens to the money that has brought the funds down. Mr. Tubbs said the difference between where the grant dollars stop and the revenues stop is state appropriations to agency operations. The pay plan has increased the cost of operations, and is automatically built into the budget. This is reducing the amount of money available for grant dollars and next session there may not be a grant program. The only money this committee gets to allocate is on EXHIBIT 4, the allocations for administrative costs are made by the Natural Resources committee. Any changes would have to be made by that committee.

SEN. BOB HOCKETT asked why some allocations, such as the \$2.7

million for the Tongue River Dam, were not built into the **EXHIBIT 3**. **Mr. Tubbs** said that exhibit only represented the water development grants and RIT grants. It does not reflect all allocations for all projects, \$300,000 flows to the Tongue River Dam project.

CHAIR BERGSAGEL asked that the DNRC permit the Department of Livestock to interrupt their presentation and present their testimony to the committee.

HEARING ON DEPARTMENT OF LIVESTOCK

Tape 1:A:649

Informational Testimony: **Cork Mortensen, Executive Secretary to the Board of Livestock**, presented testimony on behalf of improvements for the diagnostic laboratory in Bozeman. **EXHIBIT 9**.

Larry Stackhouse, Veterinarian, Department of Livestock, explained that the improvements were requested by the American Association of Veterinary Laboratory Diagnosticians and without the improvements the lab risks losing accreditation. Page 141, Capital Construction Program book, explains the improvements needed. **EXHIBIT 10**.

Questions, Responses, and Discussion: **SEN. HOCKETT** asked where the funds for the project were coming from. **Mr. John Skufca, Centralized Services, Dept. of Livestock**, said the funds were state special revenue funds derived from the capital levy on livestock.

There were no further questions for the Dept. of Livestock.

RIT AND COAL TAX TRUST ACCOUNTS, cont.

Informational Testimony: **Mr. Beck** said it would take a three-quarters vote of the legislature to appropriate the principal of the Coal Tax Trust. Currently there is \$ 496.5 Million in the account. Earnings from the trust are available for the legislature to appropriate. The money is divided among several programs, with the remainder going to the general fund.

Questions, Responses, and Discussion: **SEN. HARDING** asked if \$12.9 million is the amount that goes into the general fund. **Mr. Beck** said that yes, that is the remainder after the other monies are allocated.

Tape 1:A:024

Informational Testimony: **Ms. Miller** provided information on the Coal Severance Tax Trust Fund. **EXHIBIT 1, pages 1 - 4**. Fifty percent of the coal tax revenue goes into this trust fund. There is currently \$495 million in that part of the trust.

930113JL.HM1

Ms. Miller said that bonds issued through the Coal Severance Tax Bond Fund were very low risk bonds because there is always money available for paying off the bonds.

Ms. Miller said the 1992 Special Session made funds from the Coal Severance Tax School Bond Contingency Loan Fund available for schools that could not make debt repayment on general obligation bonds. This was to be a one-time solution to problems. It was a \$25 Million allocation to back the school's bonds.

Ms. Miller explained that the 1991 Legislature established the Clean Coal Technology Demonstration Fund to have money available to get involved in clean coal technology demonstration projects. The idea was that a plant in Billings would make application for a \$250 million loan from the Federal Department of Energy for matching funds for demonstration projects. The \$25 million in state funds and the \$250 million in federal funds are both loans that in theory are to be paid back. **Ms. Miller** said that since the clean coal technology is brand new, this is a high risk venture and there is no guarantee of repayment. Currently none of the \$25 Million has been allocated and it is earning interest in an account.

Questions, Responses, and Discussion: **SEN. HOCKETT** asked if private funds were being included in the project. **Ms. Miller** said in the whole project, some tax deferments are supposed to be given by Billings and Yellowstone County, and will help in financing the project. The project has a very complex financing structure. The project has just made application to the DOE and so at this time it is not known if they will accept the project. **Mr. Tubbs** said there was an additional \$150 million in private investment in the project. There is close to \$100 million in private loans from banks, and several million dollars of in-kind loans/investments. The entire cost of the project will be approximately \$500 million.

Tape 1:B:002

Ms. Miller explained that all the separate accounts in the Coal Severance Tax Trust Fund earn interest that goes into the Coal Severance Tax income fund. The interest earnings are spent by the general fund (85%) and the School Foundation Program (15%). For the biennium there will be approximately \$85 million available to the general fund, and \$14.5 million available for the School Foundation Program.

CHAIR BERGSAGEL asked how much money went into the two funds last year. **Ms. Miller** said approximately \$80 million went into the general fund and \$14 million into the School Foundation Program.

Tape 1:B:250

SEN. HOCKETT asked what type of savings were realized by the good ratings on bonds backed by the Coal Severance Tax Trust Fund.

930113JL.HM1

Ms. Miller said the most recent rating was 5.9%. That rating is then passed on to small communities. These communities would not be able to finance construction projects otherwise; their bonds would be un-ratable. They take advantage of the good credit of the state of Montana.

SEN. HOCKETT asked what happens to the 50% of the funds that stay in the Treasure State Endowment Fund each year. **Ms. Miller** said that money earns interest. Then the interest flows into the endowment, unless used for projects. **Mr. Tubbs** said the principal stays in the account and all the interest is allocated out. He said the Department of Commerce gets more applications for projects to be funded by this interest than there is money.

Ms. Miller referred the committee to **EXHIBIT 8** for a list of Coal Severance Tax Loan requests for 1992.

HEARING ON MONTANA UNIVERSITY SYSTEMS

Tape No. 1:B:479

Informational Testimony: **John Hutchinson**, Commissioner of Higher Education, Montana Higher Education Systems, said most of the requests the University System was making today revolved around deferred maintenance and handicapped access problems. **Mr. Hutchinson** made the point that the morale of students and university faculty/staff suffer when deferred maintenance causes facilities and programs to degrade. He emphasized that handicapped access, deferred maintenance, and health and safety issues are critical to the quality of educational service a university can offer.

Mr. Hutchinson referred the committee to **EXHIBITS 11 and 12** which compare the Board of Regents requests to the Executive Branch's recommendations to the legislature. He said the projects listed were just a small part of the magnitude of deferred maintenance and handicapped access projects across the state that need to be addressed.

As an status update, **Mr. Hutchinson** said the Engineering and Physical Sciences building at Montana State University, and the Business Administration building at the University of Montana are well into the design phase. The private funds needed for the projects are going well, with cash in hand or pledges received.

BUDGET ITEM UNIVERSITY OF MONTANA:

Tape No. 1:B:800

Informational Testimony: **Mr. George M. Dennison**, President, University of Montana, provided written testimony of his recommendations for projects at the University of Montana. **EXHIBIT 13.**

Questions, Responses, and Discussion: **CHAIR BERGSAGEL** asked how the controversy of the location for the new Business

Administration building was resolved. **Mr. Dennison** replied that the students have withdrawn their objections to the location and agreed that the building should be located there. There are other intramural sport sites available.

Tape 1:B:171

Informational Testimony: **Jim Todd**, Vice President for Finance and Administration, University of Montana, said he perceives the status of deferred maintenance as the highest priority for each of the next two bienniums. Money is badly needed to repair infrastructure. He said any additional assistance the state could provide is badly needed. **SENATOR CHUCK SWYSGOOD's** proposal could help the universities address their many needs.

Tape 1:B:254

Mr. Hugh Jesse, Director of Facilities Services, University of Montana, referred the committee to a booklet prepared by the university which describes their project proposals for the long-range building program. **EXHIBIT 14**.

Tape 1:B:393

Questions, Responses, and Discussion: **REP. BARDANOUVE** asked if a plastic sealant could be used to encapsulate asbestos instead of removing it. **Mr. Jesse** said that encapsulation may reduce the cost of dealing with asbestos, but without the removal of asbestos any further construction or work on the building would require further contact with the substance.

Tape 2:B:001

REP. BARDANOUVE said the Regent's priority #12 received no priority rating by the governor's office. Was the governor approving the projects? **Mr. Jesse** explained that the governor only approved three projects for the Univ. of Montana, and this was not one of them.

Tape 2:B:261

REP. BARDANOUVE asked if a geothermal heat project such as that at Warm Springs, was being used in the geothermal project at the Univ. of Montana. The Warm Springs project cost a lot of money and was never successful. **Mr. Jesse** said this project was different because no heat was being taken out of the water in this project, which was the problem at Warm Springs. This project is a site specific opportunity due to the low groundwater temperature in Missoula. The water will be used to air condition the buildings. Similar projects have been done in the Missoula community and have been quite successful, so they feel confident the project will work.

REP. BARDANOUVE asked how likely it was the funds would be raised privately for the renovations to the Law School library. **Mr.**

Dennison said it was very likely the \$1 million could be raised. The law school was helping to raise funds. Fundraising was complete for the Business Administration building and this would now be the focus of their fundraising efforts.

Tape 2:B:417

REP. BARDANOUVE expressed concern for authorizing the University's requests for spending authority for projects that there are no funds for. He wondered if, at a later date, the universities would come back to the committee requesting funds for these projects that had been previously approved with no requests for funds. Would the committee then be obligated to allocate funds?

Mr. Jesse said the university was not requesting authority for new buildings but rather they were mostly renovations and repairs.

REP. BARDANOUVE asked why there was such discrepancy between the governor's recommendations and the university's recommendations. Who set the Governor's recommendations?

Mr. Tom O'Connell, Architecture and Engineering Division, Department of Administration, said that although he does not set the Governor's priorities, he does recommend what the priorities should be. He does that by trying to work with the 1.1% of funds that are available per year for house maintenance to address the program's greatest needs. He said they try to respect the Regent's recommendations but occasionally the engineers see health and safety concerns differently than the Regents.

SEN. HARDING asked where the university expected to get the funds for the projects listed for spending authority. **Mr. Jesse** referred the committee to **EXHIBIT 14** for a list of anticipated sources of income for each program.

Mr. Hutchinson replied to **REP. BARDANOUVE'S** concern about granting spending authority and then being obligated to spend state funds for the projects. He said no projects involve expenditures of state appropriated funds. They are to be funded through student fees, grants, private funds and federal funds.

SEN. HOCKETT asked why the University of Montana was requesting more money for energy conservation projects than the \$1.8 million being allocated for such projects statewide.

Mr. O'Connell said the Univ. of Montana would be matching funds from other sources, such as Montana Power and federal funds. The amount requested for the cogeneration facility is an ambitious project that the A&E Division feels will not materialize in the next two years. But there is enough money available from the \$1.8 million to begin some of the design and planning process of the cogeneration facility.

BUDGET ITEM WESTERN MONTANA COLLEGE:

Tape No. 2:B:756

Informational Testimony: Mr. Mike Easton, Provost, Western Montana College, said four projects proposed by his college were recommended by the Board of Regents with two of those being recommended by the Department of Administration. He referred the committee to **EXHIBIT 12** for a review of where those projects ranked with the Regent's recommendations. He stated they have very critical deferred maintenance needs and encouraged the committee to seriously consider their proposals.

Tape 3:001

Questions, Responses, and Discussion: SEN. HARDING asked why the discrepancy in estimated costs for the handicapped access project for the Auditorium and old Main Hall?

Mr. Easton said the original estimate was for the very minimum required to make the buildings handicapped accessible. That was later changed and upgraded so that the improvements would really address the changes that needed to be done.

Mr. Easton responded to committee questions regarding ownership of the college's transformers. He said the college owns the transformers and services them.

BUDGET ITEM MONTANA STATE UNIVERSITY:

Tape No. 3:A:046

Informational Testimony: Mr. Mike Malone, President, Montana State University, said his campus was the largest single element in the physical plant structure in the state of Montana. They would like to take a proactive approach to problems in infrastructure and maintenance. To this end, they have pursued energy conservation projects which have allowed them to transfer the money saved into their deferred maintenance account. They have submitted 14 energy grants to the state DOA and the federal DOE. Mr. Malone provided a rough outline of his remarks. **EXHIBIT 15.**

Questions, Responses, and Discussion: REP. BARDANOUVE asked if there was a boiler problem on campus and if the boiler went down, would there be enough backup capacity to keep the campus in operation. Mr. Bill Rose, Montana State University, said no, it would be very difficult to maintain heating levels.

Mr. Rose referred the committee to MSU's Long-Range Building Request book **EXHIBIT 16**. He said page three of this book matches page four of the Capital Construction book put together by the A&E Division. He emphasized the additional costs incurred when program costs are phased in over time. This causes more money to be spent due to more money being spent on hiring different contractors and designers. This process spends significantly

more money and results in a system that is not complete.

Mr. Rose emphasized that a \$3500 valve ended up costing the university \$150,000 due to the damage that resulted when the valve failed and exploded.

REP. TOM ZOOK asked if the university knew the valve had a crack in it. **Mr. Rose** said no, however, if they had had sufficient maintenance dollars the valves would have been replaced. Many of the valves should be replaced because they are old and will eventually fail. Preventative maintenance funds could have prevented the failure.

REP. BARDANOUVE asked if there was anyone present when the valve failed. **Mr. Rosett** said there was someone in the basement of the building. If that person had been in the room when the valve exploded he would have likely died in the explosion. During the clean up after the explosion someone was hurt and the university has a claim against them due to the injury.

CHAIRMAN BERGSAGEL asked if periodic testing of the boiler should have recognized there was a problem with the valve. **Mr. Rose** said the university does comply with all testing requirements, but the test is for pressure, not each valve is tested.

REP. ZOOK asked the expected life of the valve that failed. **Mr. Rose** said the expected life was eight to ten years, and they generally last longer. This valve was 16 to 17 years old.

CHAIRMAN BERGSAGEL asked how close the university was to the national average of 2% of the value of buildings being spent on upkeep and maintenance. **Mr. Rose** said that 2% of the value of their buildings would be approximately \$4.5 million and they were well short of that.

Tape 3:A:787

REP. BARDANOUVE asked if the buried pipes that run between buildings on the campus were just buried or if they were in tunnels. **Mr. Rose** said the pipes were just buried, and now the corrosive nature of the campus soil was causing all the pipes on campus to fail almost at once.

REP. BARDANOUVE asked if there was any way of knowing where the most serious conditions in the pipes were. **Mr. Rose** said they can to some degree through infrared scanning determine where the leaks are likely to be. Unfortunately repairing one section causes a chain reaction of further failures down the pipeline.

CHAIRMAN BERGSAGEL asked if a cost analysis would be included in the program plan for a tunnel system on campus. **Mr. Rosett** said that was a requirement for the receipt of funds received last biennium. The master plan is in the works and the analysis is not yet done but was being worked on.

930113JL.HM1

Tape 3:A:818

Mr. Rose referred the committee to the Facilities Inventory of MSU. **EXHIBIT 17**. This booklet examines the true deferred maintenance liability of MSU and the state of Montana. This inventory does not include the cost of code compliance with handicapped access, but rather is just the costs to bring the facilities back to the way it was designed to operate originally. The total liability is \$322 million.

Tape 3:A:366

CHAIRMAN BERGSAGEL expressed frustration that the LRBP is supposed to take care of the long-term needs of facilities across the state, and a valve breaks and costs the state \$150,000 instead of replacement cost of \$3400. He asked how much of MSU's budget was targeted for maintenance for their system, and what priority is it is given.

Mr. Jim Ish, Vice President, Montana State University, explained that they start every winter fully budgeted for an average winter plus 10%. Any money left after the winter then goes into deferred maintenance. Therefore the money for deferred maintenance varies every year.

CHAIRMAN BERGSAGEL asked where the university was able to come up with \$500,000 to provide repairs to facility last year. **Mr. Ish** said for the last couple of years they have started out with approximately \$400,000 in deferred maintenance. During the last year they were able to boost that to approximately \$900,000 because of energy savings.

CHAIRMAN BERGSAGEL asked if students were assessed a fee for maintenance. **Mr. Malone** said the students were not assessed any direct fees for maintenance. Some building fees are used to maintain student financed facilities such as the physical education complex.

CHAIR BERGSAGEL asked why occasionally he reads in the paper that an educational facility has taken money from their maintenance funds to purchase more land when it is obvious there are not enough funds to maintain the current facilities.

Mr. Malone said it is because the basic buying power of the operating budget has eroded, and they have had to struggle to find every dollar available for it. They try to renovate buildings when possible as opposed to purchasing new ones, however, some facilities are beyond renovation. The building that houses the engineering program is not worth renovating, and the accreditation of the program relies on getting an updated facility. He stated that almost \$1 million has been given by the scientific community for part of the money needed for a new engineering building.

Tape 3:A:570

REP. BARDANOUVE said there is no law which requires the campus to have underground tunnels for water pipes, but there is a federal law requiring handicapped access. So the university is caught between having an antiquated piping system or having lawsuits against them.

BUDGET ITEM MONTANA COLLEGE OF MINERAL SCIENCE & TECHNOLOGY:

Tape No. 3:A:690

Informational Testimony: Mr. Lindsay Norman, President, Montana College of Mineral Science and Technology, spoke concerning the college's proposals. EXHIBIT 18.

Mr. Norman said that \$1.6 million was needed for Montana Tech alone to comply with new federal and state regulations. He said this type of cost increase represents a creeping attack on campus budgets and on all state physical facility budgets.

Tape 3:A:966

Questions, Responses, and Discussion: SEN. HARDING asked if the rest of the university system could provide a breakdown of costs associated with complying with federal and state mandated programs, such as the one on page 30 of EXHIBIT 18.

REP. BARDANOUVE asked why the committee was asked last session to put new windows in a facility that now needs a new electrical system. Wouldn't the electrical system be a higher priority than the windows. Mr. Norman said the electrical system was proposed at the same time the windows were, but did not receive as high a recommendation as the windows did. He said both were very high priorities for the school. Some parts of the building could not be used due to warping of the iron casing.

Tape 3:B:049

BUDGET ITEM EASTERN MONTANA COLLEGE:

Informational Testimony: Ron Sexton, Academic Vice President, Eastern Montana College, referred the committee to EXHIBIT 16 and went through each of the proposed projects. The only project recommended by the Commissioner's Office, and the Executive Budget was the roof replacement on the maintenance shop. The material that was used is no longer used for roofing material because it shrinks and becomes brittle. The cost of the program is \$75,000. The roof protects equipment estimated at \$300,000.

Tape 3:B:488

Questions, Responses, and Discussion: REP. BARDANOUVE asked what percentage of EMC's enrollment is classified as handicapped. Mr. Sexton said EMC's enrollment is approximately 2,000 students.

930113JL.HM1

200 of those are classified as handicapped, and 30 of those students are in wheelchairs.

Mr. Hutchinson said he did not know the percentage of handicapped students enrolled throughout the entire university system, but would try to get the figures for the committee. He said he would guess it was less than 1% of enrollment. He said system wide, including vocational technical centers, enrollment was approximately 30,000.

SEN. VAUGHN asked if elevators could be remodeled to accommodate wheelchairs instead of installing new elevators. **Mr. Sexton** said on his campus they could remodel instead of purchase new ones. However, the Liberal Arts building has had increasing problems with the elevators. Some faculty and staff are afraid to use them. The elevators don't line up with the floors and would be difficult for students using wheelchairs.

Tape 3:B:620

SEN. HARDING asked if Apsaruke Hall was still being used for a residence hall. **Mr. Sexton** said it was only being used at this time to house the clean coal technology program. Most of the building is closed off. The cost of remodeling and renovating the Hall to address asbestos and heating/cooling system problems is cost prohibitive.

BUDGET ITEM NORTHERN MONTANA COLLEGE:

Informational Testimony: **Bill Daehling, President, Northern Montana College**, referred the committee again to **EXHIBIT 12**. None of their proposed projects received a recommendation from the A&E Division.

Tape 4:A:034

Mr. Daehling also referred the committee to the Capital Construction Project book, page 244 **EXHIBIT 19** for further information on the 14 projects submitted for the LRBF.

Tape 4:A:149

Mr. Daehling said in two years he hopes to come back and ask for permission to build a new facility with non-state funds.

Tape 4:A:190

Mr. Daehling said that sometimes their attempts at good stewardship are not rewarded by the state. NMC had gotten permission from the state to purchase their own gas. They had planned to use the money saved to pay off a loan, however when the Executive Budget was prepared, they have a lower inflationary factor for the campuses buying their own gas. Therefore, the savings will not be realized.

Tape 4:A:261

Questions, Responses, and Discussion: SEN. HARDING asked about the \$300,000 required to fix the concrete flooring around columns in the Brockman Center. Mr. Daehling explained that regulations have changed regarding the amount of calcium chloride that can be used to set concrete since that work was done.

Mr. O'Connell said a structural engineer looked at the cracking of exterior columns. The columns are not bearing columns. Moisture has gotten into the column since the concrete has set, and is causing the steel reinforcements to rust. The project is not critical at this time, but to ignore it is crazy. It was the last project to be eliminated from this year's recommendations for funding. The department is going to continue the study to see if the damage is more extensive than they are currently aware of.

SEN. HARDING asked if there were going to be similar problems with other facilities across the state that were built in the same way. Is this a one-time incident in Havre? Mr. O'Connell said he does not know at this time if there are any other incidents of similar structural damage to other state facilities. He said no other parts of the building are showing stress at this time. Until a further study of the building is completed, however, he said he can't say if the damage is just limited to the exterior columns or if the entire structure is damaged.

SEN. HARDING asked if the strength of the concrete would have any thing to do with the cause of the damage. Mr. O'Connell said he couldn't be sure, but the strength was tested and there is no problem with the strength of the concrete.

REP. BARDANOUVE asked for an update on the gymnasium roof at NMC. Mr. Daehling said the first phase of remodeling the entire facility is focused on the auxiliary gym and swimming pool area. The contractors are removing the entire roof structure and the north and south wall. The common wall between there and the classroom building and the east wall will remain. Everything else will be re-built. A steel-truss gable roof with no external exposure will be built. The floor is being recovered also. The entire area will be usable after this re-modeling.

Tape 4:A:530

Mr. Daehling assured REP. BARDANOUVE that the rotting exterior beams are being replaced and that they have enough money to finish the project. The \$1.3 million that was appropriated last time, and student fee revenue will pay for the remodeling.

BUDGET ITEM BILLINGS VOCATIONAL TECHNICAL CENTER:

Tape No. 4:A:585

Informational Testimony: Mr. Lannan spoke on behalf of George Bell, Director of Billings Vocational Technical Center. Mr. Bell had one item that made the recommended projects list. Mr. Lannan said the highest priority for Billings Vo-Tech was creating handicap accessibility at various locations on campus. The estimated cost is \$50,000.

Questions, Responses, and Discussion: REP. BARDANOUVE asked what the status of the Great Falls Vo-Tech Center. He understood it was never completely finished. Mr. Lannan said the project was part of Vo-Tech's recommendation to the Regents. The Regent's felt that the completion of the northwest corner area of the Center would be new construction, and they did not include any new construction projects in their recommendations. Mr. O'Connell said the cost of completing that corner of the Center would be \$900,000.

BUDGET ITEM BUTTE VOCATIONAL TECHNICAL CENTER:

Informational Testimony: Mr. Jim Sitton, Maintenance Engineer, Butte Vocational Technical Center. The two projects that Butte Vo-Tech submitted made the Regent's priority list, but did not make the governor's list. Mr. Sitton said that the welding gas storage facility is subject to snow and ice build-up. Due to this build-up eleven persons have been injured since 1984.

The other project that was submitted would address the outside storage areas that store valuable equipment. There have been burglaries in the past, some stolen items were recovered by the authorities. At one point they proposed a new storage facility, but when they did not receive funds for that they decided to remodel the existing facility. This remodeling would put a cover over the storage areas and a garage door as an entrance.

Tape 4:A:866

Questions, Responses, and Discussion: CHAIRMAN BERGSAGEL asked if the roof over the gas storage area would be completely re-built. Mr. Sitton said the project would extend the existing roof out over the walkway and protect it from the elements.

BUDGET ITEM HELENA VOCATIONAL TECHNICAL CENTER:

Informational Testimony: Alex Capdeville, Director of Helena Vocational Technical Center. Mr. Capdeville referred the committee to the three projects listed on EXHIBIT 12. After speaking about each project listed, he said the top priority besides the sprinkler system was the new roof for the Donaldson building.

Questions, Responses, and Discussion: CHAIRMAN BERGSAGEL asked

him to explain the recent purchase of land with some money from the maintenance and repair budget.

Tape 4:A:060

Mr. Capdeville said the acquisition costs are \$123,800. The auxiliary account from the bookstore is supplying \$78,000 for the purchase, and the remaining \$48,000 comes from the physical plant funds. The logic behind the proposed acquisition is that the current facilities are land-locked and there is not room for expansion at either the airport or Donaldson street location. Currently they have three temporary facilities that have been temporary since 1967. The library is suffering accreditation problems due to lack of space.

Mr. Capdeville said the property they wish to buy is located one block east of the Donaldson street building. It is currently owned by St. Mary's church. There is nothing on the property so there would not be a cost to remove or remodel anything. The property is ideal because it is vacant and within walking distance of campus. The Regent's visited the site and agreed that although the timing is bad in regard to budget restraints, the land-locked situation makes it desirable to pursue the purchase. Additional classroom space is needed to meet the continuing growth of the Center.

REP. BARDANOUVE asked how much land is being bought and at what cost. **Mr. Capdeville** said the property is 160,000 square feet, and costs \$.87\sq.ft. He said they have tried to do the best they could on maintenance needs, and have put a new roof on the airport building, as well as other general upkeep needs. They have a continuing agreement with the local school district to utilize some of their staff to help on maintenance which saves the Center some money.

Ms. Jane Hamman, Office of Budget and Program Planning, asked where the money for the purchase is coming from. **Mr. Capdeville** said \$78,000 was coming from an auxiliary bookstore fund, and \$48,000 from the maintenance fund.

Mr. Hutchinson said the Regents had reservations that were similar to the committee's about purchasing land at this time. He said as they analyzed it they realized this may be a one-time opportunity to provide for the future of a very severely land-locked Center. The Regent's authorized a one-time diversion of maintenance funds to purchase the land. They requested Helena Vo-Tech to minimize the amount taken from deferred maintenance, and maximize the amount from the Bookstore account.

BUDGET ITEM MISSOULA VOCATIONAL TECHNICAL CENTER:

Tape No. 4:B:504

Informational Testimony: Mr. Jim Taylor, Deputy Director, Missoula Vocational Technical Center, referred the committee to EXHIBIT 16 for the two projects submitted by their Center. Missoula Vo-Tech recommended to replace the roof on the Administrative building, but both the Governor's report and the A&E Division want to repair the roof instead of replace it. The Center is concerned that the repair costs would take a large chunk of money from their small maintenance fund. They are also concerned that the roof may have to be replaced eventually anyway. Should the roof fail it protects expensive computer equipment and the school library. The cost to replace this equipment would be \$500,000.

Tape 4:B:689

Questions, Responses, and Discussion: Ms. Hamman asked if the kitchen renovation could be done with construction trade training programs at the school. Mr. Taylor said their school has mechanical trade programs but no construction programs.

Mr. O'Connell said the law requires the bidding of any projects costing over \$5,000. Having to come to the LRBP for funding should mean the agencies get a larger deferred maintenance budget as a result.

CHAIRMAN BERGSAGEL asked if communication between all the Vo-Tech Centers would enable a project such as the \$14,000 roof replacement in Butte to be completed in part by student labor. Mr. Hutchinson said the only carpentry/construction trade program was in Helena and it would be cost-prohibitive and difficult to displace students for such a project. He also reminded the committee of the law requiring the bidding of projects over \$5,000.

CHAIRMAN BERGSAGEL asked if efficiency would be improved if the limits were changed. Mr. O'Connell said there would be no difference basically if the \$5,000 limit was changed. His office can't do such work itself, they would have to bid it out anyway. He suggested other agencies may run differently.

Mr. Lannan said the universities physical plants could do work up to \$25,000 but the incurred liability costs usually cause them to bid the projects out. He also suspected the Construction industry would lobby heavily to prevent this income loss to their industry.

CHAIRMAN BERGSAGEL said the \$5,000 limit was frustrating due to the fact that the university system has engineering programs but can't utilize any of the knowledge there. He suggested it would be nice to find a way to utilize that and the Vo-Tech programs.

SEN. HARDING suggested that the A&E Division come up with a law that would improve the efficiency of construction and repair project bidding.

HOUSE LONG-RANGE PLANNING SUBCOMMITTEE

January 13, 1993

Page 17 of 17

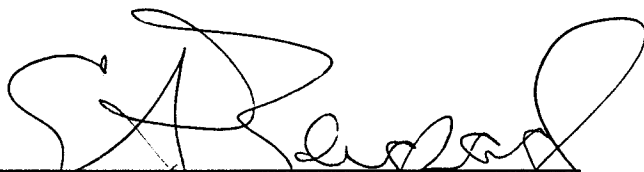
CHAIRMAN BERGSAGEL asked that the A&E Division work on such a bill, and the committee may introduce it as a committee bill.

In closing remarks, **Mr. Hutchinson** thanked the committee for considering all the requests, and **Mr. Capdeville** invited members to visit and view the property to be bought for the Helena Vo-Tech.

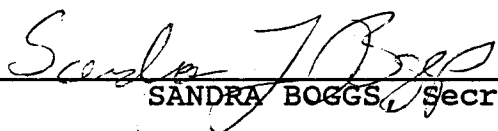
CHAIRMAN BERGSAGEL reminded the committee that the Pine Hills and Mountain View school videos would be shown at 7:30 a.m. on Thursday, January 14, 1993.

ADJOURNMENT

Adjournment: 1:25 P.M.



ERNEST BERGSAGEL, Chair



SANDRA BOGGS, Secretary

EB/sb

HOUSE OF REPRESENTATIVES

LONG - RANGE PLANNING

SUB-COMMITTEE

ROLL CALL

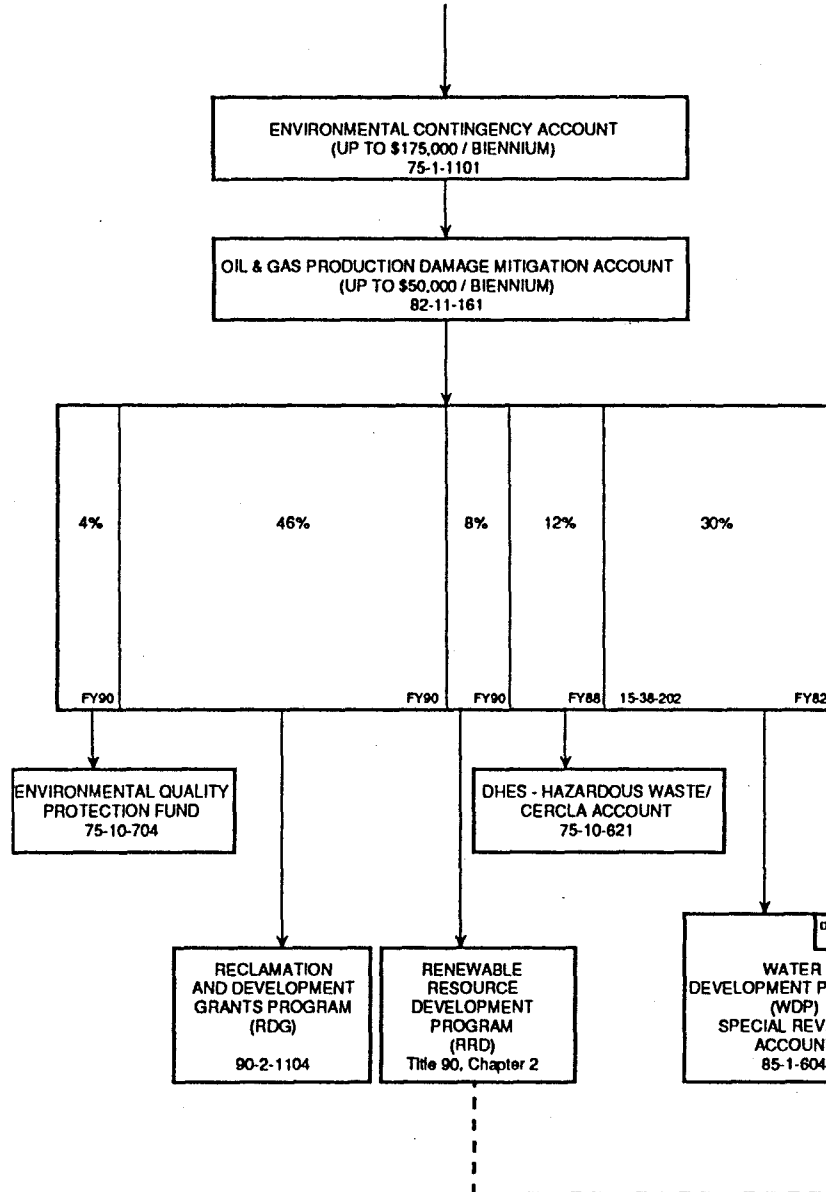
DATE

Weds. 1/13/93

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	✓		

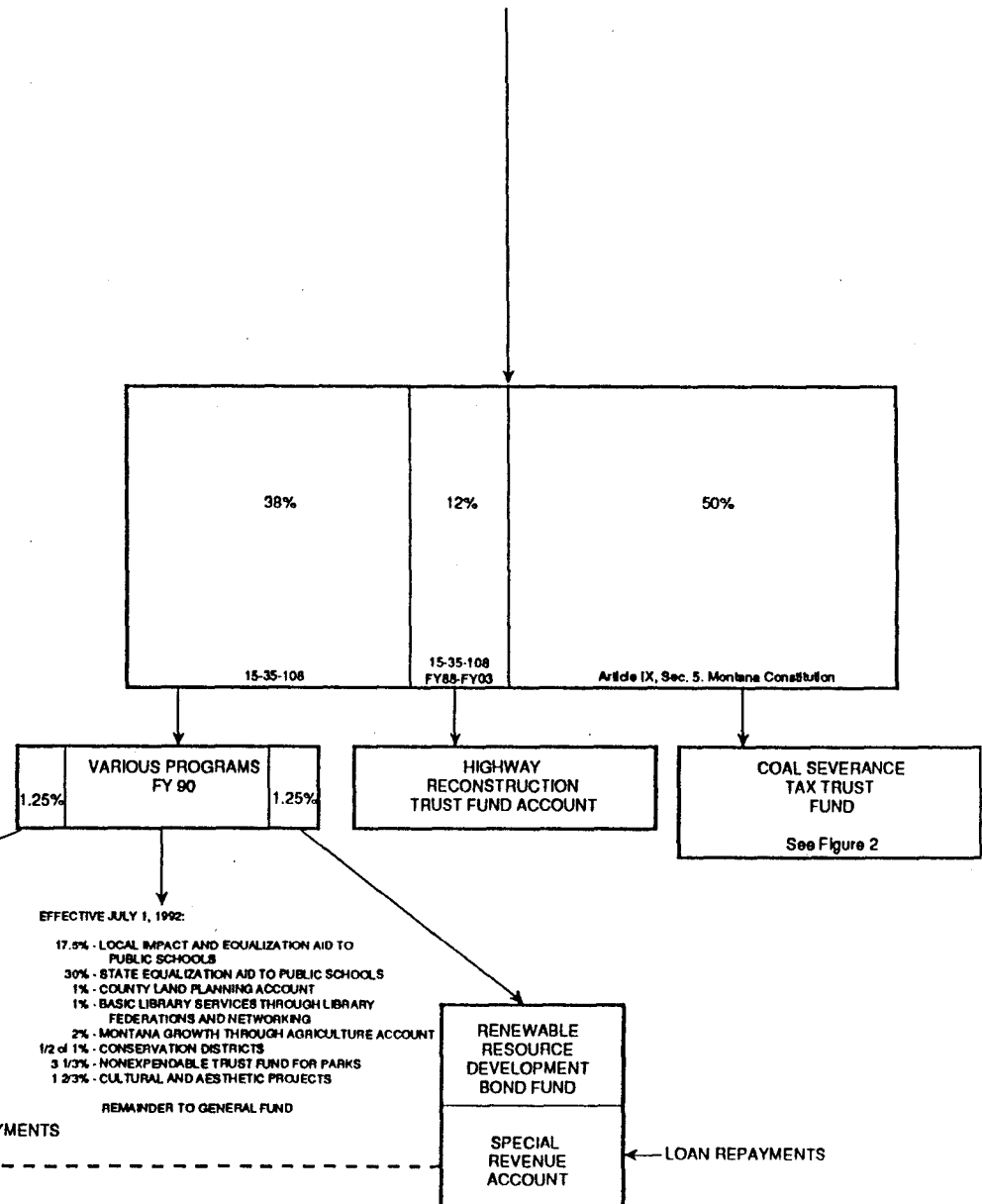
RESOURCE INDEMNITY TRUST INTEREST INCOME

(\$17.3 MILLION / BIENNIUM FY 94-95 ESTIMATE)



COAL SEVERANCE TAX

(\$82.3 MILLION / BIENNIUM FY 94-95 ESTIMATE)



COAL SEVERANCE TAX TRUST FUND FLOW OF FUNDS SUMMARY

JANUARY 1993

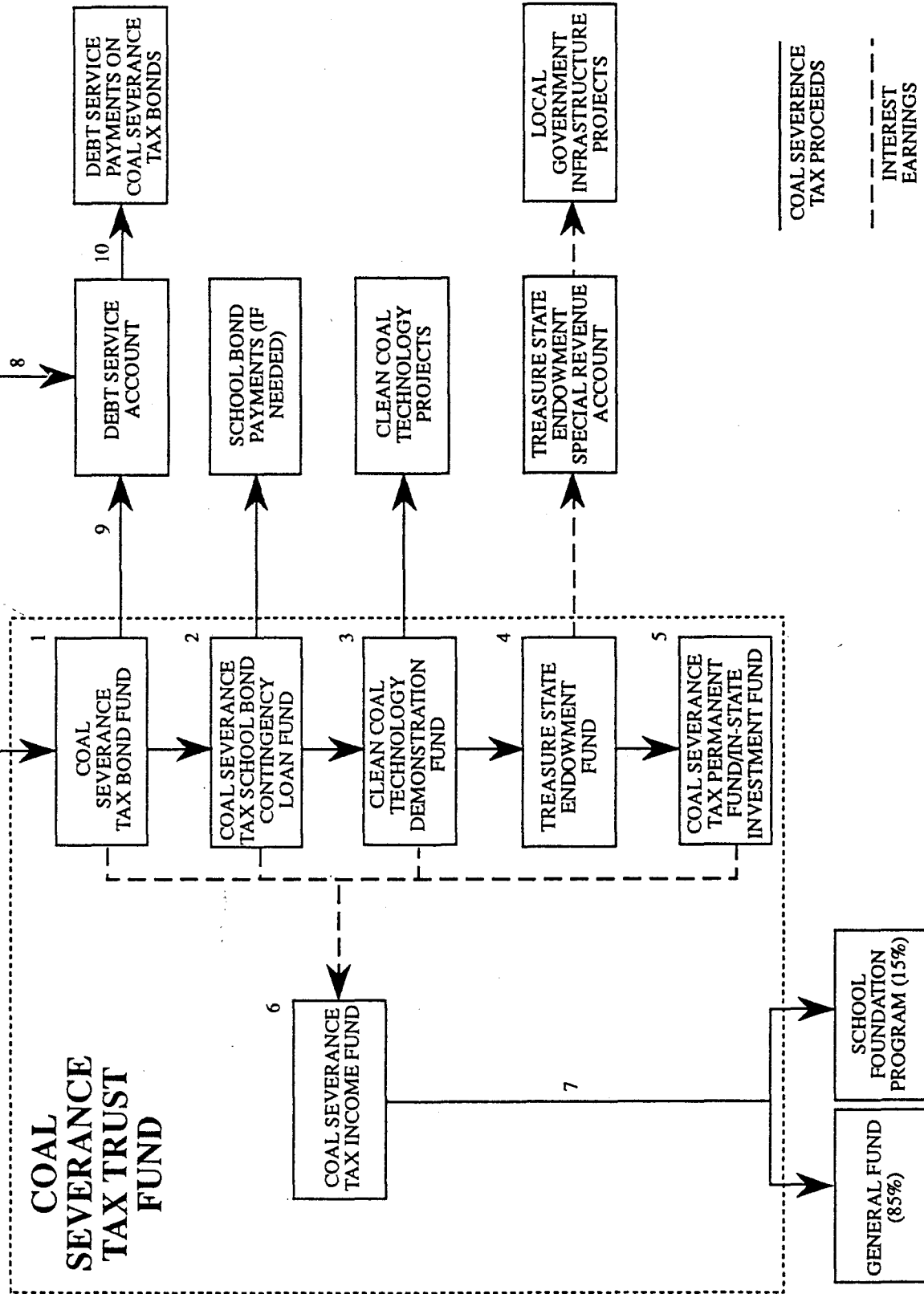
EXHIBIT 1

DATE 1-13-93

\$8.

LOAN REPAYMENTS FROM
BORROWERS UNDER COAL
SEVERANCE
TAX LOAN PROGRAM

50% OF COAL
SEVERANCE
TAX
REVENUES



- (1) Within 30 days of the end of each calendar quarter, coal severance taxes are paid to the state, 50 percent of which are deposited in the Coal Severance Tax Trust Fund (the Trust). Six accounts are established within the Trust: 1) the Coal Severance Tax Bond Fund, 2) the School Bond Contingency Loan Fund, the Clean Coal Technology Demonstration Fund, 4) the Treasure State Endowment Fund, 5) the Coal Severance Tax Permanent Fund (within which is established the In-state Investment Fund), and 6) the Coal Severance Tax Income Fund.

Coal tax revenues which flow in to the Trust are initially deposited in the Bond Fund and made available for payment of debt service on the Coal Severance Tax Bonds (see footnotes 8, 9, and 10). All amounts in excess of the amount needed to secure outstanding Coal Severance Tax Bonds for the next two ensuing semiannual payments shall be transferred to the Coal Severance Tax School Bond Contingency Loan Fund.

- (2) The January 1992 Special Legislative Session passed an Act creating the Coal Severance Tax School Bond Contingency Loan Fund. A total of \$25 million of School Bonds were authorized to be issued and secured by this fund. For as long as there are any outstanding school district bonds secured by the Contingency Loan Fund, an amount equal to the next 12 months of principal and interest payments due on any School Bonds will be retained in the Contingency Loan Fund. Any amounts in excess of the balance needed to secure outstanding School Bonds, shall be transferred to the Clean Coal Technology Demonstration Fund.
- (3) The 1991 Legislature passed an Act creating the Clean Coal Technology Demonstration Fund. On July 1, 1991, \$25 million was transferred into the Demonstration Fund. From July 1, 1991 through June 30, 1997, a maximum of \$5 million per year will be transferred into the Demonstration Fund from the Contingency Loan Fund. In total a maximum of \$55 million will be deposited in the Demonstration Fund. Any amounts in excess of the \$5 million retained in the Demonstration Fund will be transferred to the Treasure State Endowment Fund.
- (4) The Treasure State Endowment Fund was established when voters approved the measure on the June 2, 1992 ballot. All funds in excess of what is retained in the Bond Fund, the Contingency Loan Fund, and the Demonstration Fund will be deposited in the Endowment Fund. Annually, interest earnings required to meet the obligations of the state under this program are transferred to the Treasure State Endowment Special Revenue Account. Interest earnings not transferred to the Revenue Account are to be retained in the Endowment Fund. From time to time 50 percent of the principal transferred into the Endowment Fund will be transferred to the Permanent Fund.
- (5) Twenty-five percent of the receipts to the Coal Severance Tax Permanent Fund are segregated into the In-state Investment Fund. As the name indicates, the purpose of this sub-fund is making investments in Montana.

- (6) Investment income on the monies in the **Bond Fund**, the **Contingency Loan Fund**, the **Demonstration Fund**, and the **Permanent Fund** are periodically transferred to the **Income Fund**. The only exception to this is the **Endowment Fund** where any interest earnings are either transferred to the **Revenue Account** or retained in the **Endowment Fund**.
- (7) Eighty-Five percent of the balance in the **Income Fund** is transferred to the state's **General Fund**; the remaining 15 percent is transferred to the state's **School Foundation Program**.
- (8) Under the Coal Severance Tax Loan Program, the state sells coal severance tax bonds and loans the proceeds to local government entities for various water projects. The borrowers make semiannual loan payments, which upon receipt are credited to a **Debt Service Account**. The terms of the loans vary, but generally involve an interest rate subsidy for the first five years of the loan followed by a direct pass-through of interest rate on the Bonds for the remaining life of the loan.
- The Act creating the **Endowment Fund** also expanded the loan authority from strictly water projects and now includes all local government infrastructure projects approved under this Act.
- (9) Debt service payments on the Bonds are due each June 1 and December 1. To the extent funds on hand in the **Debt Service Account** from loan repayments are insufficient to pay principal and interest on the Bonds when due, funds are transferred to the **Debt Service Account** from the **Bond Fund**.
- (10) On each June 1 and December 1, the state pays debt service on the Bonds from amounts on hand in the **Debt Service Account**.

RESOURCE INDEMNITY TRUST

7,93
EXHIBIT 2
DATE 1-13-93
SAB

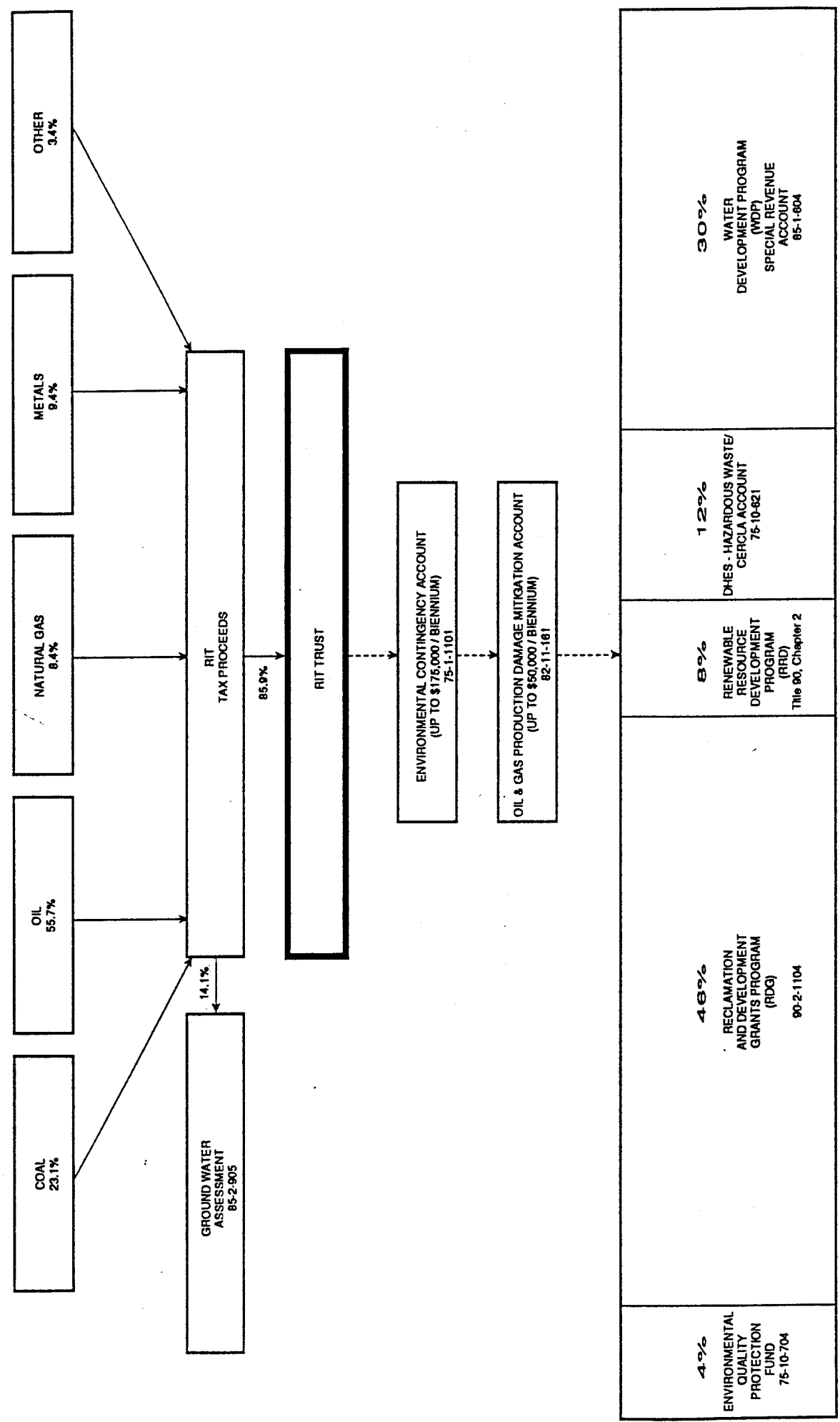


EXHIBIT 2DATE 1-13-9382

RESOURCE INDEMNITY TAX RECEIPTS
Source: Department of Revenue

FY	COAL	OIL	NATURAL GAS	METALS	OTHER	TOTAL	BALANCE
74	61,687	640,771	44,475	352,960	38,009	1,137,902	1,137,902
75	239,391	1,201,125	49,861	513,940	45,722	2,050,039	3,187,941
76	409,810	1,294,364	82,754	130,632	63,804	1,981,364	5,169,305
77	496,340	1,399,698	74,268	160,104	79,309	2,209,719	7,379,024
78	522,333	1,316,917	165,348	145,173	96,644	2,246,415	9,625,439
79	225,681	1,434,472	231,530	93,872	121,803	2,107,358	11,732,797
80	928,798	1,828,947	355,054	353,130	164,393	3,630,322	15,363,119
81	825,496	3,328,426	419,647	238,595	146,861	4,959,025	20,322,144
82	1,000,195	5,308,525	491,832	215,776	142,825	7,159,153	27,481,297
83	1,892,248	4,768,072	522,396	442,858	212,162	7,837,736	35,319,033
84	1,300,665	4,279,714	589,348	399,704	146,659	6,716,090	42,035,123
85	1,095,522	4,204,763	627,504	229,464	121,487	6,278,740	48,313,863
86	1,171,480	3,913,955	583,961	152,833	170,041	5,992,270	54,306,133
87	1,090,324	1,859,932	538,251	170,345	163,101	3,821,953	58,128,086
88	1,224,129	2,033,646	484,537	745,412	214,263	4,701,987	62,830,073
89	1,356,240	1,627,445	539,442	909,244	349,671	4,782,042	67,612,115
90	2,540,363	1,795,586	453,052	1,091,128	157,307	6,037,436	73,649,551
91	1,658,060	1,722,235	392,289	1,087,790	294,358	5,154,732	78,804,283
Total 91	18,038,762	43,958,593	6,645,549	7,432,960	2,728,419		78,804,283
Percent of Total	23.1	55.7	8.4	9.4	3.4		
92 Estimated							82,489,898

EXECUTIVE BUDGET

FISCAL YEARS 1994 AND 1995

RIT TRUST (Projected Ending Balance) (Estimate)

FY 93	\$87,502,387	RIT REVENUE INFORMATION
FY 94	92,357,955	
FY 95	97,285,116	
RIT INTEREST EARNINGS		
FY 94	\$8,436,848	
FY 95	8,832,649	
Total	17,269,497	

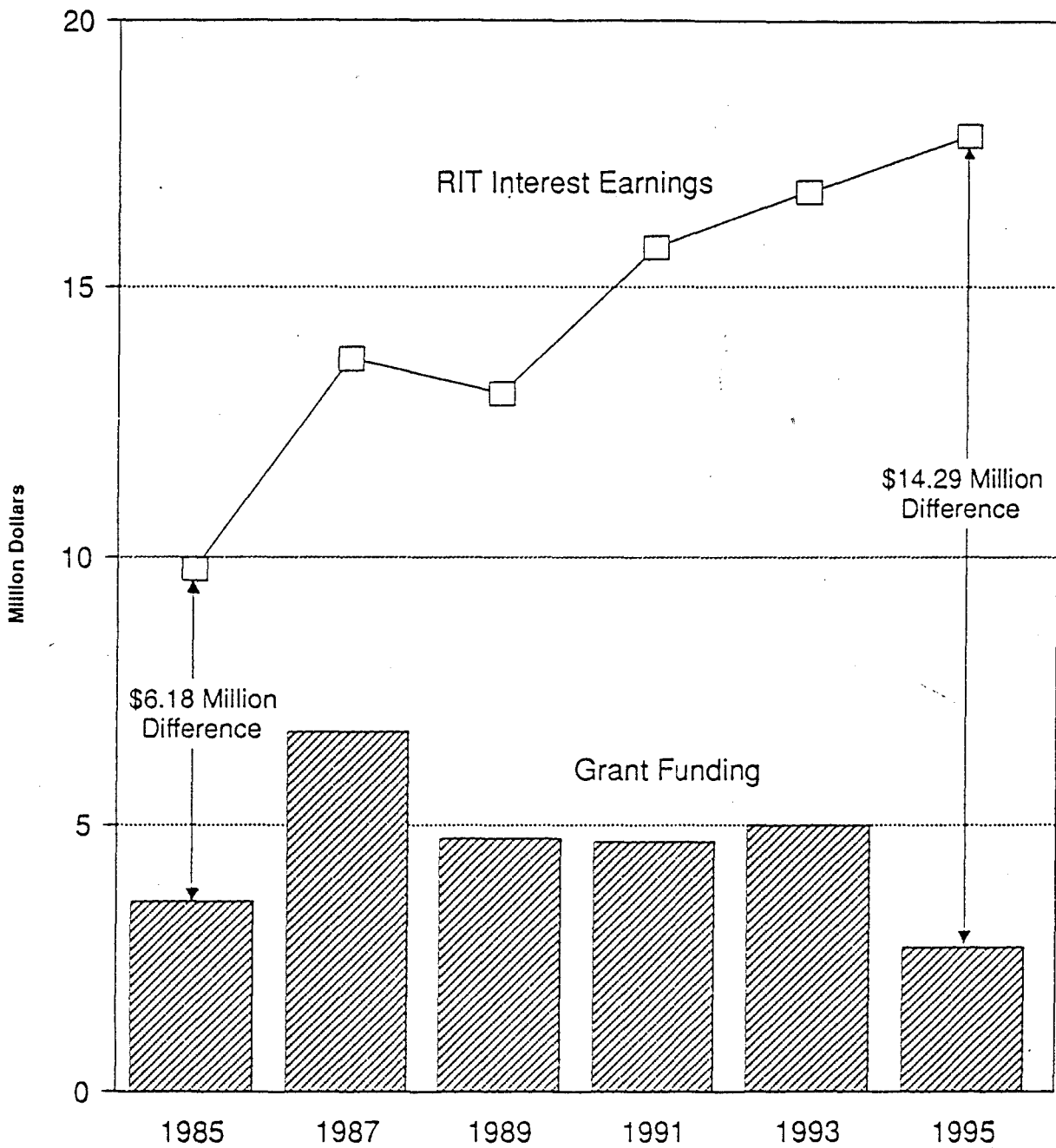
ALLOCATION OF EARNINGS (BIENNIAL APPROPRIATIONS)

Environmental Contingency Account	\$175,000
Oil and Gas Production Damage Mitigation Account	\$50,000
	\$225,000

Distribution of Remaining Earning Among the Five Remaining Accounts \$17,044,497

Percent of RITT Interest	Water Development 30%	Renewable Resources 8%	Reclamation & Development 46%	Hazardous Waste/ CERCLA 12%	Envrionmental Quality Protection 4%	TOTAL 100%
Beginning Balance	\$890,367	\$0	\$0	\$1,241,749	\$1,402,813	\$3,534,929
Revenues						
RITT Interest	\$5,113,349	\$1,363,560	\$7,840,468	\$2,045,340	\$681,780	\$17,044,496
Coal Tax	391,750	391,750				\$783,500
Loan Repayments	1,186,651	152,180				\$1,338,831
NR Damage Repayment						\$0
Interest (STIP)				100,000	110,000	\$210,000
Administrative Fees	10,000					\$10,000
State Owned Proj. Rev.	538,604					\$538,604
Total Funds Available	\$8,130,721	\$1,907,490	\$7,840,468	\$3,387,089	\$2,194,593	\$23,460,360
Appropriation						
Bond Debt Service	\$1,400,373	\$433,900	\$0	\$0	\$0	\$1,834,273
DNRC Cent Serv Div	299,397	46,114	300,600			646,111
DNRC CARD	615,610	452,926	1,095,750			2,164,286
DNRC Water Res Div	1,776,926		1,971,846			3,748,772
Reserved Water Rights Compact Comm			672,295			672,295
DNRC State Water Proj	1,785,000					1,785,000
State Project Ownership Transfer	125,088					125,088
Missouri Water Reservations	323,749					323,749
Weather Seeding	20,000					
Water Courts	1,035,150					1,035,150
DSL Reclamation Div			1,937,695			1,937,695
DH&ES Envir Div				2,253,140	1,040,869	3,294,009
State Library		199,999	177,000			376,999
Environmental Quality Council						0
Pay Plan	32,259	5,111	43,048	13,238	3,207	96,863
Total Appropriations	\$7,413,552	\$1,138,050	\$6,198,234	\$2,266,378	\$1,044,076	\$18,060,290
Projected Available for Grants	\$537,877	\$577,080	\$1,642,234			\$2,757,191
Projected Available for Water Storage	\$179,292	\$192,360				\$371,652
Projected Biennium Ending Balance	\$0	\$0	\$0	\$1,120,711	\$1,150,517	\$2,271,228

Funding for RIT Grants DNRC



Based on June 30, 1992 Cash Flow Sheets and 1993 Income Estimates

RECLAMATION AND DEVELOPMENT GRANTS
Project Recommendations
Fiscal Years 1994-95

Approved 11/17/92

Applicant

Project Name

Recommended Funding Accumulative Funding

1 BOARD OF OIL & GAS CONSERVATION	Kevin-Sunburst Plugging & Reclamation Project	\$299,000	\$299,000
2 BOARD OF OIL & GAS CONSERVATION	Cat Creek Plugging & Reclamation Project	\$214,810	\$513,810
3 GOVERNOR / LT. GOVERNOR'S OFFICE	The Montana Office of Public Policy Dispute Resolution	\$127,667	\$641,477
4 TOWN OF WALKERVILLE	Walkerville Reclamation Project	\$75,569	\$717,046
5 DEPT. OF STATE LANDS	Well Assessment and Abandonment -- Oil and Gas	\$211,800	\$928,846
6 BROADWATER CONSERVATION DISTRICT	Whites Gulch Placer Mine Reclamation Project	\$296,300	\$1,225,146
7 TOOLE COUNTY	North Toole County Oil Field Reclamation Project	\$294,284	\$1,519,430
8 DEPT. OF FISH, WILDLIFE, AND PARKS	Elk Creek Placer Mined Channel Reconstruction	\$72,850	\$1,592,280
9 TOWN OF COLUMBUS	Waste Stream Reduction -- Oil Recycling	\$41,172	\$1,633,452
10 MONTANA SALINITY CONTROL ASSOCIATION	Soil and Water Nonpoint Source Pollution Control	\$172,250	\$1,805,702
11 CARBON CONSERVATION DISTRICT	RC&D's Affecting Change Through Local Leadership	\$300,000	\$2,105,702
12 DEPT. OF HEALTH AND ENVIRONMENTAL SCIENCES	Nonpoint Source Pollution Control In Montana	\$300,000	\$2,405,702
13 BUREAU OF MINES & GEOLOGY	Acid-mine drainage prevention, control, and treatment	\$148,623	\$2,554,325
14 JEFFERSON VALLEY CONSERVATION DISTRICT	Crystal Mine Remediation Technology Demonstration	\$150,000	\$2,704,325
15 DEER LODGE VALLEY CONSERVATION DISTRICT	Developing Acid/Heavy Metal-Tolerant Cultivars	\$137,700	\$2,842,025
16 GLACIER COUNTY CONSERVATION DISTRICT	Comprehensive Evaluation of Groundwater Contamination	\$214,059	\$3,056,084
17 VALLEY COUNTY	Fort Peck Reservoir Breakwater	\$300,000	\$3,356,084
18 DEPT. OF NATURAL RESOURCES AND CONSERVATION	Arsenic Transport & Mobility	\$50,000	\$3,406,084
19 RAVALLI COUNTY	A Lake for Better Water Quality	\$300,000	\$3,706,084
20 BUTTE-SILVER BOW	Mitigation of Mining/Smelting damage--Urban Forestry	\$150,000	\$3,856,084
21 TOWN OF HOT SPRINGS	Camas Therapy Center	\$150,000	\$4,006,084
BUTTE-SILVER BOW	Development of Mine Subsidence Insurance Program	\$0	\$4,006,084
CROW TRIBE	Lodge Grass School Coal Mine and Gravel Pit Reclamation	\$0	\$4,006,084
DEPARTMENT OF STATE LANDS	Expansion of the Department of State Lands GIS	\$0	\$4,006,084
GALLATIN COUNTY	West Gallatin River - Flood Control	\$0	\$4,006,084
MONTANA STATE UNIVERSITY	Soil Moisture Modeling In Reclaimed Landscapes	\$0	\$4,006,084
PONDERA COUNTY CONSERVATION DISTRICT	Lake Francis Shoreline Rehabilitation Project	\$0	\$4,006,084
RICHLAND COUNTY CONSERVATION DISTRICT	Water Development and Management	\$0	\$4,006,084
SHERIDAN COUNTY CONSERVATION DISTRICT	Extent of Oil Field Waste Contamination	\$0	\$4,006,084

30. GLASGOW IRRIGATION DIST.	INSTALLATION HEADGATE MEASURING DEVICES	\$50,000	\$50,000	\$1,720,922
31. HILGER COUNTY WATER AND SEWER DIST.	SEWAGE AND COLLECTION TREATMENT FACILITIES	\$50,000	\$50,000	\$1,770,922
32. VALLEY COUNTY	FORT PECK BREAKWATER	\$100,000	\$0	\$1,870,922
33. MILE HIGH CONSERVATION DIST.	RADON ASSESSMENT OF MONTANA'S AQUIFERS	\$99,812	\$0	\$1,970,734
34. MT DNRC - WATER RESOURCES FIELD OFFICE	FLATHEAD VALLEY COOP. GROUNDWATER STUDY	\$100,000	\$0	\$2,070,734
35. MISSOULA URBAN TRANSPORTATION DIST.	ALTERNATIVE FUELS INITIATIVE	\$56,185	\$0	\$2,126,919
36. LITTLE BEAVER CONSERVATION DIST.	WATER RESERVATIONS IMPLEMENTATION	\$47,318	\$0	\$2,174,237
37. RAVALLI COUNTY	GROUNDWATER VULNERABILITY ASSESSMENT	\$88,340	\$0	\$2,262,577
38. YELLOWSTONE COUNTY	RURAL WATER SYSTEM DEVELOPMENT	\$85,000	\$0	\$2,347,577
39. MT STATE UNIVERSITY	GUIDE TO MONTANA WATER LAW	\$31,740	\$0	\$2,379,317
40. HILL COUNTY	SALINITY CONTROL PROJECT	\$50,000	\$50,000	\$2,429,317
41. ROOSEVELT COUNTY CONSERVATION DIST.	RECREATIONAL ENHANCEMENT OF MISSOURI RIVER	\$7,000	\$0	\$2,436,317
42. FORT SHAW IRRIGATION DIST.	"A" SYSTEM DIVERSION	\$50,000	\$0	\$2,486,317
43. DODSON IRRIGATION DIST.	WATER USE EFFICIENCY IMPROVEMENTS	\$31,569	\$31,326	\$2,517,886
44. FORT SHAW IRRIGATION DIST.	REHABILITATION AND BETTERMENT STUDY	\$50,000	\$0	\$2,567,886
45. FLATHEAD JOINT BOARD OF CONTROL	FISH FRIENDLY IRRIGATION	\$44,500	\$54,500	\$2,612,386
46. WHITEFISH COUNTY WATER AND SEWER DIST.	PROTECTION OF SWIFT CREEK PILOT PROJECT	\$13,921	\$37,485	\$2,626,307
BIG HORN CONSERVATION DIST.	ROCKY RANCH DEEP WELL RESTORATION	\$0	\$0	\$2,626,307
CITY OF DILLON	WATER TREATMENT PLANT	\$0	\$0	\$2,626,307
FERGUS COUNTY	WELL REVITALIZATION PROJECT	\$0	\$0	\$2,626,307
MADISON COUNTY	INTEGRATED WASTE PROGRAM	\$0	\$0	\$2,626,307
MEAGHER COUNTY CONSERVATION DIST.	SOUTH SIDE CANAL LINING PROJECT	\$0	\$0	\$2,626,307
MT BUREAU OF MINES & GEOLOGY	EVALUATION OF GEOTHERMAL RESOURCES	\$0	\$0	\$2,626,307
CITY OF POLSON	RESERVOIR RECONSTRUCTION	\$0	\$0	\$2,626,307
CITY OF SHELBY	WATER SUPPLY DEVELOPMENT	\$0	\$0	\$2,626,307

Total Loans Recommended

\$995,572

EXHIBIT 1-13-93
 DATE 1-13-93
 AB

WATER DEVELOPMENT & RENEWABLE RESOURCE DEVELOPMENT PROGRAMS
 Project Recommendations
 Fiscal Years 1994-95

Approved 11/17/92

Applicant	Project Name	Recommended		Accumulative	
		Grant	Loan	Grant	Funding
		Funding	Funding	Funding	Funding
1. MALTA IRRIGATION DIST.	WATER USE EFFICIENCY IMPROVEMENTS	\$50,000	\$50,000	\$50,000	\$50,000
2. RICHLAND COUNTY	DAM EVALUATION AND DESIGN	\$60,300	\$0	\$110,300	\$110,300
3. MT DNRC - WATER RESOURCES DIVISION	CHARACTERISTICS OF EXTREME PRECIP.	\$100,000	\$0	\$210,300	\$210,300
4. TOWN OF RYEGATE	WATER SYSTEM IMPROVEMENT	\$33,750	\$66,250	\$244,050	\$244,050
5. YELLOWSTONE COUNTY	YELLOWSTONE RIVER PROJECT	\$100,000	\$0	\$344,050	\$344,050
6. STOCKETT/CASCADE WATER & SEWER DIST.	SEWER SYSTEM	\$50,000	\$150,000	\$394,050	\$394,050
7. MT STATE UNIVERSITY, WATER COURSE	INNOVATIVE WATER RESOURCE EDUCATION	\$94,900	\$0	\$488,950	\$488,950
8. BUTTE-SILVER BOW LOCAL GOVERNMENT	MUNICIPAL COMPOST PRODUCTION	\$50,000	\$49,864	\$538,950	\$538,950
9. DARBY SCHOOL DIST. NO. 9	SCHOOL PARK PROJECT	\$25,300	\$0	\$564,250	\$564,250
10. MT DEPARTMENT OF STATE LANDS	REFORESTATION PROJECTS ON STATE LANDS	\$21,974	\$0	\$586,224	\$586,224
11. HUNTLEY WATER AND SEWER DIST.	WATER SYSTEM REHABILITATION	\$50,000	\$50,000	\$636,224	\$636,224
12. RUBY VALLEY CONSERVATION DIST.	UPPER RUBY RIPARIAN AREA IMPROVEMENTS	\$100,000	\$0	\$736,224	\$736,224
13. BUTTE-SILVER BOW LOCAL GOVERNMENT	BLACKTAIL CREEK RESTORATION PROJECT	\$100,000	\$0	\$836,224	\$836,224
14. MT BUREAU OF MINES & GEOLOGY	GROUNDWATER PROTECTION/EDUCATION	\$94,184	\$0	\$930,408	\$930,408
15. TOWN OF WINNETT	SEWER RECONSTRUCTION AND REHABILITATION	\$50,000	\$50,000	\$980,408	\$980,408
16. FORT PECK RURAL WATER DIST.	WATER ENGINEERING STUDY	\$40,000	\$0	\$1,020,408	\$1,020,408
17. TOWN OF DUTTON	WATER SYSTEM IMPROVEMENT	\$50,000	\$0	\$1,070,408	\$1,070,408
18. PETROLEUM COUNTY	CROOKED CREEK RECREATION CENTER	\$50,000	\$50,000	\$1,120,408	\$1,120,408
19. EAST GLACIER WATER AND SEWER DIST.	MIDVALE DIVERSION STRUCTURE	\$25,905	\$76,537	\$1,146,313	\$1,146,313
20. TOWN OF NASHUA	WATER STORAGE SYSTEM IMPROVEMENTS	\$50,000	\$0	\$1,196,313	\$1,196,313
21. CARBON COUNTY	WATER SYSTEM IMPROVEMENTS	\$50,000	\$50,000	\$1,246,313	\$1,246,313
22. CHINOOK DIVISION IRRIGATION ASSOCIATION	IRRIGATION WATER MEASURING DEVICES	\$34,217	\$65,783	\$1,280,530	\$1,280,530
23. CHINOOK DIVISION IRRIGATION ASSOCIATION	REPAIR OF LOHMAN DAM	\$36,173	\$63,827	\$1,316,703	\$1,316,703
24. LIBERTY COUNTY CONSERVATION DIST.	SWEETGRASS HILLS GROUNDWATER EVALUATION	\$100,000	\$0	\$1,416,703	\$1,416,703
25. CUSTER COUNTY	COUNTY RECYCLING PROJECT	\$4,725	\$0	\$1,421,428	\$1,421,428
26. TOWN OF CIRCLE	WATER QUALITY IMPROVEMENT PROJECT	\$15,000	\$0	\$1,436,428	\$1,436,428
27. EASTERN SANDERS CONSERVATION DIST.	ACCELERATE SOIL SURVEY ON FORESTLANDS	\$99,000	\$0	\$1,535,428	\$1,535,428
28. MT INSTITUTE OF TOURISM AND RECREATION	STUDY OF THE IMPACT OF TOURISM	\$35,494	\$0	\$1,570,922	\$1,570,922
29. TOWN OF HOT SPRINGS	CAMAS THERAPY CENTER	\$100,000	\$0	\$1,670,922	\$1,670,922

EXHIBIT 11
DATE 1-13-93

ID Number	Type	Applicant	Balance due	Closing	Termination	Int Rt.	Interest rate text
1) WDL-86-3050	CST	ANACONDA-DEER LODGE COUNTY	419,659.57	1/08/1986	1/20/2006	7.5000	No Subsidy
2) WDL-93-3160	CST	BEAVERHEAD CO/RED ROCK W & S	500,000.00		7/02/2112	3.0000	3% for 30 years
3) WDL-85-3015	CST	BELGRADE, CITY OF	645,481.51		1/21/1985	7.5000	7%, 3.26% Subsidy for 5 years
4) WDL-85-3043	CST	BITTERROOT IRRIGATION DISTRICT	1,019,565.79	9/17/1985	2/17/2016	3.0000	3% for 30 years
5) WDL-91-3149	CST	BOZEMAN	336,397.49	4/01/1991	5/23/2011	6.8700	4.87%, 2% Subsidy for 5 years
6) WDL-89-3125	CST	BOZEMAN, CITY OF	638,616.16	5/23/1989	5/23/2009	7.2300	4.23%, 3% Subsidy for 5 years
7) WDL-87-4395	CST	BROADWATER POWER PROJECT	21,735,000.00	11/05/1987	11/05/2007	6.9300	No Subsidy
8) WDL-87-43951	CST	BROADWATER POWER PROJECT	3,800,000.00	11/05/1987	11/05/2007	9.5000	No Subsidy
9) WDL-86-3053	CST	CHARLO WATER DISTRICT	31,376.39	12/04/1985	12/04/2005	7.5000	No Subsidy
10) WDL-85-3010	CST	CONRAD	194,754.81	10/29/1984	10/29/2004	10.2600	7%, 3.26% Subsidy for 5 years
11) WDL-85-3029	CST	CULBERTSON, CITY OF	531,566.46	7/01/1985	7/01/2005	5.0000	5% for 20 years
12) WDL-88-3096	CST	DENTON, CITY OF	160,013.40	8/31/1987	9/01/2007	7.5000	7.29%, 2% Subsidy for 5 years
13) WDL-93-3162	CST	DUTTON, TOWN OF	120,170.79	9/15/1992	6/08/2012	6.9000	2.9%, 4% Subsidy for 5 years
14) WDL-93-3162A	CST	DUTTON, TOWN OF	25,000.00	9/15/1992	6/08/2012	6.9000	No Subsidy
15) WDL-85-3048	CST	EAST BENCH IRRIGATION DISTRICT	680,125.71	6/29/1987	7/02/2017	3.0000	3% for 30 years
16) WDL-88-3104	CST	EAST HELENA	377,463.67	2/02/1988	2/02/2008	7.5000	6.29%, 3% Subsidy for 5 years
17) WDL-87-3079	CST	EKALAKA	162,687.73	8/15/1986	8/15/2006	7.5000	7.29%, 2% Subsidy for 5 years
18) WDL-85-3014	CST	ENNIS, CITY OF	137,536.36	11/30/1984	11/30/2004	7.5000	7%, 3.26% Subsidy for 5 years
19) WDL-91-3147	CST	FAIRVIEW, CITY OF	244,315.74	11/26/1990	7/01/2010	7.2300	6.23%, 1% Subsidy for 5 years
20) WDL-86-3054	CST	FORT BENTON, CITY OF	606,883.58	12/30/1985	12/30/2005	7.5000	6.29%, 3% Subsidy for 5 years
21) WDL-90-3134	CST	GARDINER-PARK CO. WATER DIST.	329,551.19	10/31/1989	7/01/2009	6.9000	5.9%, 1% Subsidy for 5 years
22) WDL-88-3097	CST	GLASGOW, CITY OF	2,761,538.00	10/02/1987	7/01/2007	7.5000	6.29%, 3% Subsidy for 5 years
23) WDL-91-3146	CST	GLENDALE, CITY OF	1,749,381.75	3/14/1991	1/01/2011	6.8700	4.87%, 2% Subsidy for 5 years
24) WDL-88-3108	CST	HARLEM	345,774.26	5/08/1988	5/01/2008	7.3200	5.32%, 2% Subsidy for 5 years
25) WDL-86-3051	CST	HAVRE, CITY OF	2,044,965.67	12/02/1987	12/02/2005	7.5000	6.29%, 3% Subsidy for 5 years
26) WDL-87-3086	CST	LAKESIDE COUNTY SEWER DISTRICT	431,837.57	3/20/1987	3/01/2007	7.5000	6.29%, 3% Subsidy for 5 years
27) WDL-87-3091	CST	LAKESIDE COUNTY SEWER DISTRICT	758,162.43	7/07/1987	3/01/2007	7.5000	6.29%, 3% Subsidy for 5 years
28) WDL-85-3013	CST	LIBBY, CITY OF	462,008.31	12/03/1984	1/03/2005	7.5000	6.29%, 3% Subsidy for 5 years
29) WDL-88-3103	CST	LIMA	214,137.62	1/25/1988	2/01/2008	7.5000	7%, 3.26% Subsidy for 5 years
30) WDL-87-3087	CST	LOCKWOOD IRRIGATION DISTRICT	209,974.17	3/26/1987	7/01/2007	7.5000	7.29%, 2% Subsidy for 5 years
31) WDL-90-3138	CST	MILES CITY	1,423,854.92	5/21/1990	6/01/2010	6.9000	5.9%, 1% Subsidy for 5 years
32) WDL-89-3114	CST	MILL CREEK WATER & SEWER DIST.	876,910.38	10/14/1988	7/15/2020	3.0000	3% for 30 years
33) WDL-89-3117	CST	PONDERA CD	555,000.00	1/11/1989	7/01/1990	6.0000	6% for 20 years
34) WDL-86-3052	CST	POPLAR, CITY OF	376,630.33	11/12/1985	11/12/2005	7.5000	6.29%, 3% Subsidy for 5 years
35) WDL-85-3016	CST	POWER TETON CO. WATER & SEWER	56,892.45	1/30/1985	1/30/2005	7.0000	7% for 20 years
36) WDL-85-3017	CST	SAGE CREEK CO. WATER DIST.	561,828.63	1/31/1985	1/31/2015	7.5000	7%, 3.26% Subsidy for 10 years
37) WDL-90-3145	CST	SANDERS CO WATER DIST AT NOXON	142,838.77	6/14/1990	6/15/2010	6.9000	4.9%, 2% Subsidy for 5 years
38) WDL-85-3011	CST	SHELBY, CITY OF	562,488.02	11/02/1986	11/02/2004	7.5000	7%, 3.26% Subsidy for 5 years
39) WDL-87-3078	CST	SHIELDS CANAL WATER USERS ASC.	26,240.64	6/01/1986	12/15/2006	7.5000	No Subsidy
40) WDL-91-3148	CST	SUN PRAIRIE SEWER DISTRICT	547,814.70	10/15/1990	7/01/2010	6.9000	4.9%, 2% Subsidy for 5 years
41) WDL-85-3044A	CST	THREE FORKS, CITY OF	216,880.71	1/14/1986	1/14/2006	7.5000	7%, 3.118% Subsidy for 5 years
42) WDL-85-3044B	CST	THREE FORKS, CITY OF	136,481.39	1/14/1986	7/14/2006	7.5000	7%, 3.118% Subsidy for 5 years
43) WDL-85-3047	CST	UPPER MUSSELSHELL WATER USERS	146,624.63	6/12/1985	12/01/2005	7.5000	No Subsidy
44) WDL-88-3101	CST	WEST YELLOWSTONE, CITY OF	456,225.68	12/30/1987	7/01/2007	7.3200	No Subsidy
45) WDL-89-3127	CST	WEST YELLOWSTONE, CITY OF	634,184.89	6/30/1989	1/01/2009	7.2300	No Subsidy
46) WDL-87-3084	CST	WHITE SULPHUR SPRINGS, CITY OF	339,999.39	3/02/1987	3/02/2007	7.5000	7.29%, 2% Subsidy for 5 years
47) WDL-87-3093	CST	WHITEHALL, CITY OF	110,408.85	11/09/1987	11/01/2007	7.5000	7.29%, 2% Subsidy for 5 years
48) WDL-91-3152	CST	WIBAUX	250,455.29	6/25/1991	7/01/2011	6.9000	4.9%, 2% Subsidy for 5 years
49) WDL-86-3067	CST	YELLOW WATER WATER USERS ASSOC	26,168.30	10/11/1985	7/01/2005	7.5000	9.625% for 20 years
50) WDL-86-3060	CST	YELLOWSTONE CO.	319,579.86	3/13/1986	3/14/2006	9.2900	5.29%, 4% Subsidy for 5 years
51) WDL-86-3066	CST	YELLOWSTONE CO.	473,441.21	3/13/1986	3/14/2006	9.2900	5.29%, 4% Subsidy for 5 years

Total: 49,914,895.17

ID Number	Type	Applicant	Balance due	Closing	Termination	Int Rt.	Interest rate text
1) WDGL-85-8005	GO	ANTELOPE CO. WATER/SEWER DIST.	77,386.23	1/03/1986	1/10/2016	7.2000	No Subsidy
2) WDL-85-3030	GO	CULBERTSON, CITY OF	79,454.87	7/01/1985	7/01/2005	7.2000	No Subsidy
3) WDGL-85-8006	GO	HAMILTON, CITY OF	82,226.38	12/08/1986	3/01/2006	7.2000	No Subsidy
4) WDGL-84-8002	GO	VIRGINIA CITY	6,285.90	2/13/1984	2/13/1994	7.2000	No Subsidy
5) WDGL-84-8004	GO	WINNETT, CITY OF	73,392.73	5/30/1984	5/30/2004	7.2000	No Subsidy

Total: 318,746.11

11/30/92

Resource Development Public Loan Listing

Page 3

ID Number	Type	Applicant	Balance due	Closing	Termination	Int Rt.	Interest rate text
1) WDL-89-3128	RRD	CUT BANK N. GLACIER W/S DIST.	81,653.44	9/28/1990	6/07/2010	7.2300	No Subsidy
2) WDGL-85-8006	RRD	HAMILTON	20,212.45	12/08/1986	3/01/2006	7.2300	No Subsidy
3) WDL-87-3082	RRD	KEVIN, CITY OF	145,981.72	11/10/1986	11/10/2006	7.2300	No Subsidy
4) WDL-88-3100	RRD	LAKESIDE WATER DISTRICT	89,536.74	7/27/1988	7/01/2008	7.2300	No Subsidy
5) WDL-87-3083	RRD	PARK COUNTY RSID #7	132,629.04	12/22/1986	12/22/2006	7.2300	No Subsidy
Total:			470,013.39				

EXHIBIT 8
DATE 1-13-93
\$0

COAL SEVERANCE TAX LOANS:
1992 REQUESTS

Approved 11/17/92

Project Sponsor	Recommended Loan Amount	Interest Rate	Term
ENNIS, TOWN OF	\$1,100,000	1% below bond rate for 1st 5 years	20
HUNTLEY PROJECT IRRIGATION DISTRICT	4,875,440	3.0%	20
DNRC -NORTH FORK OF THE SMITH RIVER DAM	1,393,467	3.0%	20
TIN CUP WATER COMPANY	304,204	3.0%	20

TOTAL	\$7,673,111		

LONG RANGE BUILDING

Mr. Chairman and members of the committee, for the record my name is Cork Mortensen and I am the Executive Secretary to the Board of Livestock. The Board and Department of Livestock support the long range building program for the Diagnostic Laboratory in Bozeman for the following reasons:

The improvements suggested through the Laboratory Enhancement Project will address the concerns stated by the American Association of Veterinary Laboratory Diagnosticians (AAVLD). This association accredits veterinary laboratories throughout the United States and has identified deficiencies in the physical facilities of the Montana Diagnostic Laboratory that pose biological and physical hazards to the staff.

Thank you for your time and consideration in this matter. Once again, the Board and Department of Livestock urge you to support this long range building plan. If you have any questions or need more information, I should be happy to respond.

Cork

LONG RANGE BUILDING PROGRAM
CAPITAL PROJECT REQUEST

EXHIBIT 10
DATE 1-13-93
SB

Project Title: Diagnostic Laboratory Enhancement
Project Priority: 47
Biennium: 1994 - 1995

Department: Livestock
Agency/Program: Diagnostic Laboratory Program

A. THIS PROJECT: (Check one)

- ☐ Is an Original Facility ☐ Major Maintenance Class
☒ Improves an Existing Facility ☐ Replaces an Existing Facility
☐ Other

B. LOCATION: Marsh Laboratory, Bozeman

(Check where appropriate)

- ☒ Site on Owned Property ☒ Outside of 100 Year Flood Plain
☐ Site to be Selected ☒ Utilities Already Available
☐ Site Already Selected ☒ Access Already Available

C. DESCRIPTION OF FACILITY:

General Description:

This project includes renovation of the existing facility and an addition. The addition will accommodate a new necropsy area with full height monorail to handle large animals.

Impact on Existing Facilities:

Will correct numerous life-safety deficiencies.

Number to be served by Facility: 20 F.T.E. and Public
Functional Space Requirements: 9500 s.f.

D. EXPLANATION OF THE PROBLEM BEING ADDRESSED:

As the only animal laboratory facility in Montana, it is critical that it comply with State and Federal Laboratory Safety Regulations; there is potential for exposure to serious diseases and hazardous chemicals, the necropsy room cannot safely handle large specimens, and the facility is not fire sprinklered

E. ALTERNATIVES CONSIDERED:

1. Renovate and add-on to existing facility.
2. Construct a new facility.
3. Continue with existing facility.

Rationale for Selection of Particular Alternative:

Alternative #1 was selected because enhancements will address problem areas and ensure the diagnostic laboratory maintains full national accreditation with the American Association of Veterinary Laboratory Diagnosticians in the most cost effective manner.

F. ESTIMATED COST OF PROJECT

Source of Estimate: Department of Livestock

- 1. Land Acquisition:
- 2. Preliminary Expenses:
Site Survey: \$1,000
Soil Testing: \$1,000

Other:

- 3. Construction Cost: \$670,000
- 4. Architectural/Engineering Fees: \$84,900
- 5. Utilities:
- 6. Landscaping & Site Development: \$40,000
- 7. Equipment: \$275,000
- 8. Contingencies: \$106,000
- 9. Other: A/E Supervisory Fee \$20,100

TOTAL COST

\$1,198,000

Less other funds available:

Source: 02425
02427

\$1,000,000
\$198,000

Long Range Building Fund:

- 0 -

G. ESTIMATED OPERATIONAL COST AT COMPLETION:

- Completion Date: 1995
- Number of Additional Personnel Required: None

Additional Funds Required when Project is in Full Operation:

1. FIRST BIENNIUM (94-95)

- Personnel Services:
- Operating Expenses: \$3,000
- Maintenance Expenses: \$3,000

2. SECOND BIENNIUM (96-97)

- Personnel Services:
- Operating Expenses: \$3,000
- Maintenance Expenses: \$3,000

3. THIRD BIENNIUM (98-99)

- Personnel Services:
- Operating Expenses: \$3,000
- Maintenance Expenses: \$3,000



MONTANA HIGHER EDUCATION SYSTEMS

Office of Commissioner of Higher Education

2500 Broadway • PO Box 203101 • Helena, Montana 59620-3101 • (406) 444-6570 • FAX (406) 444-7729

EXHIBIT 11
DATE 1-13-93
SB

January 12, 1993

Subject: Comparing the Board of Regents Request to the Executive Branch Long Range Building Program

From: Bill Lannan, Commissioner's Office

The purpose of this memo is to explain the attached spread sheet that compares the Board of Regents Long Range Building Program (LRBP) recommendation to the Executive Branch's recommendations to the Legislature.

The first five columns of the spread sheet includes the 34 projects that the Regents prioritized as their recommendation. Along with the priority ranking, the spread sheet identifies the campus, the campus priority and the estimated cost for each project. Columns six through eight identify the Governor's priority as listed in the Capitol Construction Program book distributed to the Legislature for the 1994-1995 biennium. In addition to the priority ranking of the projects the spread sheet identifies the Capital Projects Funds (CPF) and other funds (i.e. student building fees, auxiliary funds, federal grants or private contributions) that will pay for the construction of the project. In the last column, I have made some remarks relevant to the specific project.

N/R means that the project was not recommended as a priority. For example, the last project on page two of the spread sheet indicates that the Board of Regents did not recommend razing the Mill Building Stack at Montana Tech. The Governor recommendation includes \$37,600 for this project. The Board of Regents recognize the safety factor associated with the stack, but it was not that high on their priority list.

In contrast to past biennia, the Board 1994-1995 request is modest at about \$10.8 million. The Regents did not include every project requested by the six campuses of the Montana University System and the five Vocational Technical Centers in their recommendation to the Governor. The sum of all projects requested by the campuses was about \$114 million. Almost of all the campus requests were for health and safety, handicap access, or major maintenance and remodeling.

Page 2

MONTANA UNIVERSITY SYSTEM

U/M - University of Montana, Missoula
MSU - Montana State University, Bozeman
Tech - Montana College of Mineral Science and Technology, Butte
EMC - Eastern Montana College, Billings
WMC of U/M - Western Montana College of the University of Montana,
Dillon
NMC - Northern Montana College, Havre

VOCATIONAL TECHNICAL CENTERS

BgVTC - Billings Vocational Technical Center, Billings
BVTC - Butte Vocational Technical Center, Butte
GFVTC - Great Fall Vocational Technical Center, Great Falls
HVTC - Helena Vocational Technical Center, Helena
MVTC - Missoula Vocational Technical Center, Missoula

Attachment
Spread Sheet

BOARD OF REGENTS vs EXECUTIVE RECOMMENDATIONS

CAMPUS	PRIORITY RECOMMENDATION	PROJECT DESCRIPTION	CAMPUS PRIORITY	ESTIMATED COST	EXECUTIVE PRIORITY	CPF	OTHER FUNDS	TOTAL	REMARKS
AUTHORIZATION ONLY PROJECTS									
U/M		New Honors College		\$2,000,000					AUTHORIZATION IS INCLUDED IN H.B. 85
		Student Building Fee Projects		\$400,000			\$400,000		
		University Theater Seating Renovations		\$150,000			\$150,000		
		Grant Projects		\$500,000			\$500,000		
		Cogeneration Facility		\$2,500,000			N/R		
		Geothermal/Irrigation Projects		\$500,000			\$500,000		
		Reno. Law Library Basement		\$1,000,000			\$1,000,000		
		Construct New Motor Pool Bld.		\$300,000			\$300,000		
		sub total U/M		\$7,350,000			\$2,850,000		
MSU		Bioscience Addition		\$11,000,000			N/R		
TECH		Campus Storage Building		\$65,000			\$65,000		
		TOTAL AUTHORIZATION ONLY		\$18,415,000			\$2,915,000		

EXHIBIT 12
DATE 1-13-93
SB

BOARD OF REGENTS vs EXECUTIVE RECOMMENDATIONS

CAMPUS	PRIORITY RECOMMENDATION	PROJECT DESCRIPTION	CAMPUS PRIORITY	ESTIMATED COST	EXECUTIVE PRIORITY	CPF	OTHER FUNDS	TOTAL	REMARKS
HVTC	26	Install Fire Sprinkler System, Airport Hangar, Poplar Building	1	\$20,650	N/R				
MVTC	27	Renovate Instructional Kitchen Main Campus	3	\$71,700	N/R				
U/M	28	Handicap Renovations, Various Campus Buildings	4	\$497,000	N/R				
TECH	29	Tunnel Subsidence Study	9	\$22,000	N/R				
EMC	30	Remodel Library, Education Building	7	\$114,000	N/R				
NMC	31	Replace Windows, Cowan Hall	7	\$300,000	N/R				
UM	32	Install Life Safety Alarms, Various Campus Buildings	8	\$192,000	N/R				
U/M	33	Roof Replacement, Building 32, McGill Hall, North Corbin Hall, 626 Eddy	20	\$385,000	8	\$157,000		\$157,000	BUILDING 32 IS THE ONLY PROJ. FUNDED OTHER ROOFS ARE REPARABLE
U/M	34	Replace Roofs, Various Buildings, Biological Station	22	\$135,000	8	\$115,000		\$115,000	ROOFS NOT FUNDED ARE REPARABLE
TECH	N/R	Raza Mill Building Stack	4	\$25,000	10	\$37,600		\$37,600	WAS NOT INCLUDED ON THE REGENTS PRIORITY LIST
TOTAL MUSVTC RECOMMENDATIONS				\$10,824,064		\$2,325,664	\$646,000	\$2,971,664	TOTAL ROOFS \$666,564

BOARD OF REGENTS vs EXECUTIVE RECOMMENDATIONS

CAMPUS	PRIORITY RECOMMENDATION	PROJECT DESCRIPTION	CAMPUS PRIORITY	ESTIMATED COST	EXECUTIVE PRIORITY	CPF	OTHER FUNDS	TOTAL
WMC of UM	13	Handicap Access, Auditorium and Old Main Hall	3	\$78,000	13	\$242,500		\$242,500
EMC	14	Install Fume Hood, Science Building	6	\$12,000	N/R			
BgVTC	15	Handicap Access, Various Projects	3	\$50,000	N/R			
BVTC	16	Renovate Welding Gas Storage Area	2	\$14,300	N/R			
UM	17	Handicap Access, Install Elevator Liberal Arts Building	3	\$400,000	12	\$280,000		\$280,000
EMC	18	Fire Code Compliance, Remodel Computer Annex	8	\$150,000	N/R			
WMC of UM	19	Roof Maintenance, Campus-wide	9	\$26,750	N/R			
HVTC	20	Repair Roof, Airport Hanger, Poplar Building	3	\$9,600	N/R			
TECH	21	Repair/Remodel Classrooms/Laboratories, Various Campus Buildings	8	\$205,000	N/R			
EMC	22	Handicap Modifications, Various Campus Buildings	5	\$119,000	N/R			
WMC of UM	23	Asbestos Abatement, Campus-wide	6	\$197,000	N/R			
NMC	24	Remodel Classrooms, Cowan Hall	6	\$75,000	N/R			
BVTC	25	Renovate Outside Storage Areas	1	\$17,600	N/R			

REMARKS

EXHIBIT 12
DATE 1-13-93
SB

A/E RECOMMENDS REPAIRS COME FROM
THE OPERATING BUDGET
A/E RECOMMENDS REPAIRS COME FROM
THE OPERATING BUDGET

FUNDS MAY BECOME AVAILABLE THROUGH
DEPARTMENT OF ADMINISTRATION REQUEST

BOARD OF REGENTS vs EXECUTIVE RECOMMENDATIONS

CAMPUS	PRIORITY RECOMMENDATION	PROJECT DESCRIPTION	CAMPUS PRIORITY	ESTIMATED COST	EXECUTIVE PRIORITY	CPF	OTHER FUNDS	TOTAL	REMARKS
MSU	1	Central Heating Plant Improvements	1	\$2,000,000	3	\$519,000	\$346,000	\$865,000	FUNDING SPLIT 60:40 BETWEEN CPF AND AUXILIARY
U/M	2	Remove Asbestos for Energy Conservation Science Complex	1	\$1,200,000	N/R				
TECH	3	Electrical Upgrade, Main Hall	1	\$92,000	6	\$130,000		\$130,000	A/E ESTIMATES THE PROJECT WILL EXCEED AMOUNT CAMPUS ESTIMATED
EMC	4	Roof Replacement, Maintenance Shop	2	\$75,000	8	\$75,000		\$75,000	
WMC of U/M	5	Eliminate PCB, Campus-wide	1	\$77,000	N/R				MAY BE INCLUDED IN DEPT/ADMIN \$850.00 REQ FOR HAZARDOUS WAST PROJ.
NMC	6	Structural Repairs, Brockman Center	1	\$300,000	N/R				
HVTC	7	Replace Roof, Donaldson Building	2	\$239,564	8	\$239,564		\$239,564	
MVTC	8	Replace Roof, Administration Bld.	4	\$140,400	N/R				A/E RECOMMENDS REPAIRING ROOF AT THIS TIME. SHOULD LAST A FEW MORE YEARS.
MSU	9	Steam & Condensate Replacement/Utility Tunnel Extension, Phase II and Roof Replacements, Field, Culbertson, McCall Halls	2.	\$2,800,000	7	\$450,000	\$300,000	\$750,000	FUNDING SPLIT 60:40 BETWEEN CPF AND AUXILIARY.
TECH	10	Handicap Access, Install Elevator, Museum Building	7	\$292,000	N/R	\$80,000		\$80,000	McCALL HALL ROOF ONLY, OTHERS ARE REPARABLE
EMC	11	Fire Code Compliance, Liberal Arts, Library, Education & McMullen Hall	4	\$341,500	N/R				
U/M	12	Replace Interior Signage Rooms, Elevators, etc	2	\$150,000	N/R				

EXHIBIT 12
DATE 1-13-93

LONG RANGE BUILDING PROGRAM COMMITTEE HEARING

Helena, Montana

13 January 1993

COMMENTS

by

George M. Dennison

President

THE UNIVERSITY OF MONTANA

Missoula, Montana

Mr. Chairman, Members of the Committee, I am George Dennison and I serve as President of The University of Montana. Thank you for this opportunity to explain our Long Range Building Program Request, as reviewed and approved by the Regents and modified by Governor Racicot. For assistance, I will call upon Jim Todd, Vice President for Finance and Administration, and Hugh Jesse, Director of Facilities Services. We will keep our presentation brief and to the point.

Let me begin by expressing our appreciation for the assistance you have provided in the past. At The University of Montana, we have worked hard to deal with the challenges of deferred maintenance, in a period of scarce resources, and disability access, under a mandate from the U.S. Office of Civil Rights. This morning I can report that, with the help provided by the

George M. Dennison
LONG RANGE BUILDING PROGRAM COMMITTEE
13 January 1993
Page 2

Legislature, Governor, and Regents, we have satisfied the Office of Civil Rights and the administrative proceedings have closed. By combining institutional resources with the earmarked funds you provided some two years ago, we have made a great deal of progress, and we take pride in what we have accomplished. Despite this record of achievement, the work must continue for we have much yet to do.

Nonetheless, in our Long Range Building Program Request for the coming biennium we had to assign highest priority to a health and life safety project. Originally we asked for \$1.2 million to fund the removal of some asbestos so that we can fix an air problem threatening the health of the faculty, staff, and students working and studying in the Science Complex. More recently, the consulting engineer has reduced the estimated cost of removing the asbestos to \$110,000, a remarkable improvement. Approval of this request, ranked second by the Regents but unranked in the Executive list, will enable us to qualify for energy conservation funds to complete the project. Therefore, I strongly urge your consideration of our revised request for \$110,000 above the Governor's

George M. Dennison
LONG RANGE BUILDING PROGRAM COMMITTEE
13 January 1993
Page 3

recommendation so that we can deal with this health and life safety problem.

In addition to that project, we urge your assistance as we seek to assure disability access. The Governor has recommended the construction of an elevator in the Liberal Arts Building, and we hope you will support that recommendation. We can and will make good use of any additional funds you provide. We have also urged the inclusion of disability access items within a special deferred maintenance proposal that Senator Chuck Swysgood has under consideration. While we wholeheartedly concur with the need for deferred maintenance funding, we also believe that some portion of the funds should go towards disability access.

During the last session, this Committee recommended and the Legislature approved funding for the new School of Business Administration Building at The University of Montana. Planning for that facility has proceeded, not without some controversy. I can report this morning that the campus community has reached agreement concerning the issues in contention. While not everyone

George M. Dennison
LONG RANGE BUILDING PROGRAM COMMITTEE
13 January 1993
Page 4

likes every part of the resolution, we will move forward in concert. In addition, we have raised the matching funds you mandated to help pay for the construction of the facility, and we have designed it to assure full disability access. This new facility has critical importance for academic programming on the campus, and it will also provide tremendous assistance in the University's effort to satisfy the accessibility requirements of the Americans With Disabilities Act. Thus, it meets vital needs and reflects the highest priorities of the University. For your support, we thank you very much.

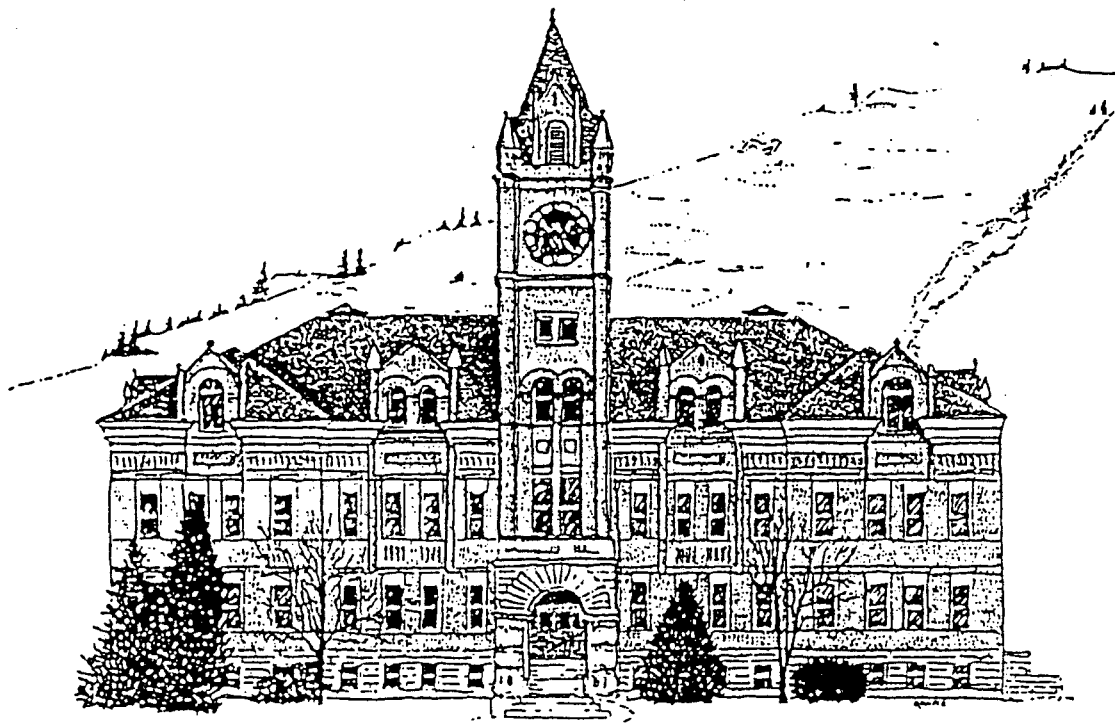
Finally, let me say again that we have tried very hard to attend to the most pressing needs in the areas of deferred maintenance and disability access by dedicating institutional funds to those purposes. While we have not had sufficient funds to do all that we know we need to do, I take great pride in reporting to you what we have done each year in response to the needs of students. The two charts -- also included in your notebooks -- summarize that record for you. As you can see, during the years from 1988 to 1993, we

George M. Dennison
LONG RANGE BUILDING PROGRAM COMMITTEE
13 January 1993
Page 5

directed \$1,692,985 of institutional funds toward deferred maintenance and \$571,215 toward disability access, for a total of \$2,264,200 -- about \$450,000 per year on the average. The Swysgood proposal will help us immensely in this ongoing effort, and we pledge to continue the internal commitments in pursuance of our responsibility to the State.

Now, I present Vice President Todd, who will make a few comments and then introduce Director Jesse. When Director Jesse finishes, Vice President Todd will speak to some of our "Authorization Only Projects."

We will all remain available for questions after the presentation.



The University of Montana
Long Range Building Program
Fiscal Years 1994-1995

LEGISLATIVE PRESENTATION

The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.



Mike Malone
EXHIBIT 15
MSU DATE 1-13-93
58

MSU's top two (2) priorities are an indicator of the seriousness of the deferred maintenance crisis we are experiencing:

1. Heating Plant Replacements - The Heating Plant has experienced two (2) failures in the last eight (8) months alone.
 - May, 1992 - Valve Rupture - \$150,000 of unplanned expense to replace a \$3,500 valve.
 - November, 1992 - Feed Water System failed causing an unscheduled four (4) hour shut-down of the Heating Plant and a loss of entire campus service.
2. Phase II of the Steam and Condensate System - We have had extensive failures in all of the campuses' piping systems. The following is a list:
 - November, 1990 - Campus gas main ruptured - \$150,000 of unplanned expense.
 - September, 1991 - Six inch water main break at Cobleigh Hall - \$3,000 of unplanned expense.
 - November, 1990 to November 1992 - Thirteen (13) leaks of the steam and condensate system - \$75,000 to \$100,000 of unplanned expense over the period.

DATE

1-13-93

SP

Wiley - Jones 04

- October, 1992 to January, 1993 - Four (4) more steam and condensate leaks for a total of \$30,000 of unplanned expense.

These are just a few examples of the increasing failures occurring across our campus and is an indication of the serious condition of our crumbling infrastructure. Although these are important for this particular hearing and the Long Range Building Program for this biennium, we have more recently been focusing on the overall accelerating deterioration of our facilities. We began with a Facilities Condition Inventory process to establish a comprehensive picture of our deferred maintenance problem. We are estimating, with a reasonable degree of accuracy, that Montana State's current deferred maintenance liability (strictly deferred maintenance) is currently in excess of \$54 million.

EXHIBIT

15

DATE

1-13-93

SB

Project - \$300 mil.

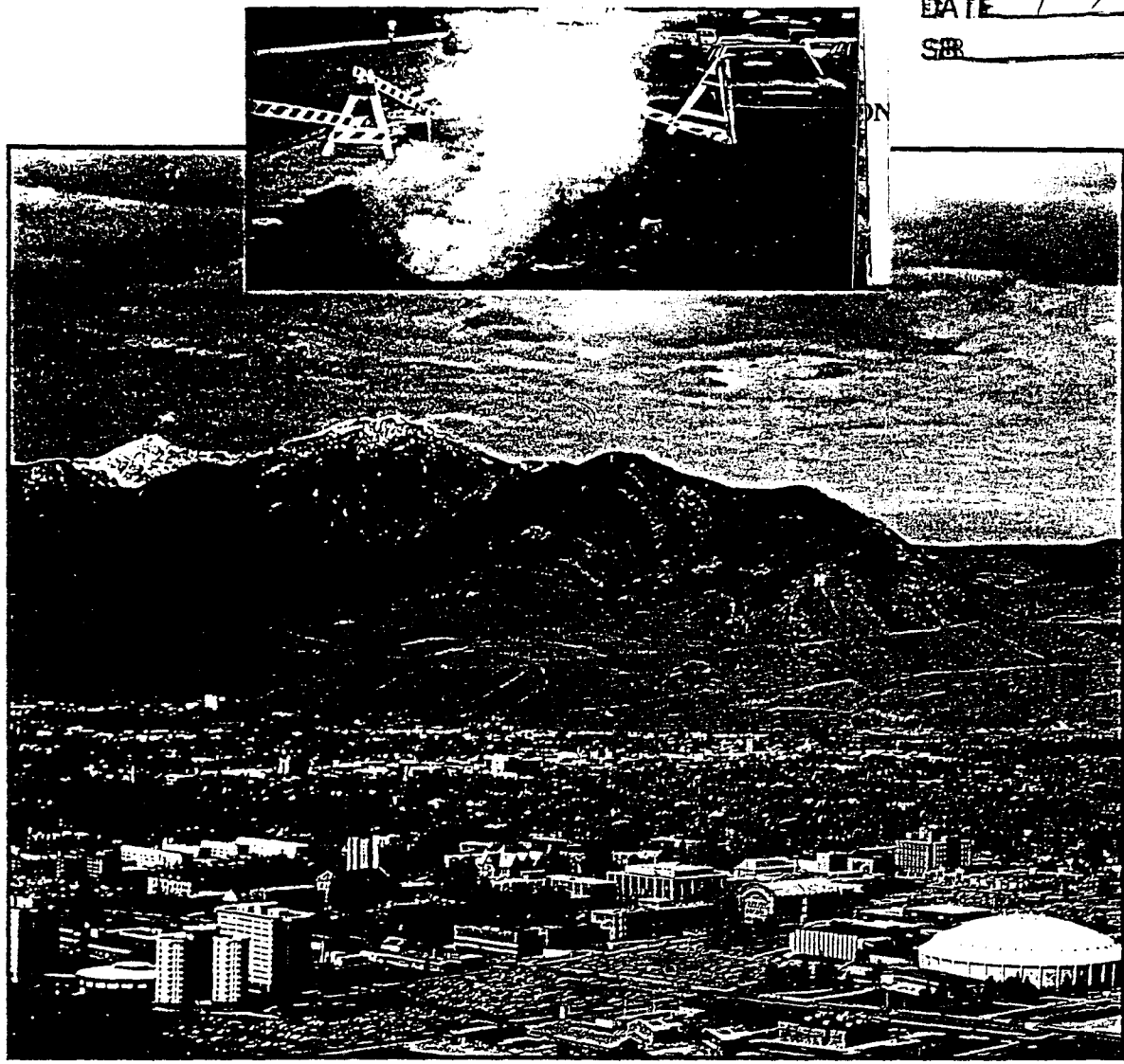
MSU has attempted to be a part of the solution to these serious infrastructure problems by aggressively pursuing many energy-saving projects that have allowed us to reinvest these savings in our deferred maintenance problem at MSU. Examples of activity include the following:

- Irrigation of the campus by use of agricultural water supplies in lieu of city water.
- Liquid propane gas alternative fuel system allowing for lower gas commodity purchases.
- Installation of cogeneration within the Heating Plant system allowing for the generation of our own electricity.
- Participation in fourteen (14) energy grant cycles with the State Department of Administration and the Federal Department of Energy. These grants have included everything from heating and ventilation improvements to lighting and electrical retrofits and window replacements.

All of these strategies have reduced MSU's energy liability by nearly \$1 million per year. In other words, MSU's utility budget would currently be nearly \$1 million higher if these strategies had not been undertaken in the last ten (10) years.

We continue to explore other energy saving alternatives.

EXHIBIT 16
DATE 7-13-9
SBR _____



**MONTANA
STATE
UNIVERSITY**

1893 • CENTENNIAL • 1993

The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

**THE
FACILITIES CONDITION INVENTORY
(FCI)**

AT

MONTANA STATE UNIVERSITY

The Facilities Condition Inventory (FCI) process has developed from the need to fully evaluate and quantify the Deferred Maintenance Backlog at Montana State University.

- The FCI is a periodic evaluation of the condition of an institution's physical assets.
- The FCI is used as both a proactive budgetary and planning tool, as well as a day-to-day operating guideline.
- The FCI at Montana State University is performed with in-house resources for 1.81¢ per square foot. Outside consultants have provided cost estimates for these services at between 8¢ and 15¢ per square foot.
- The FCI Inspection Team includes the campus architect, mechanical/electrical engineer, supervisor of Campus Maintenance, and the Foremen from the Plumbing, Carpentry, and Electrical Trades. In addition, the Team is supplemented by each Building Supervisor, the Custodial Supervisor, and a wheelchair-bound advisor, and the University Safety Officer.
- The FCI utilizes nationally standardized cost data (regionally adjusted), prioritizes building maintenance deficiencies, and quantifies the total campus deferred maintenance liability.

MONTANA STATE UNIVERSITY'S DEFERRED MAINTENANCE LIABILITY

<u>Priority Rating</u>	<u>Current Amount*</u>	<u>Projected Total**</u>
1	\$ 15,063	\$ 51,736
2	9,595,559	34,559,729
3	3,787,507	13,606,600
4	144,849	517,362
5	770,634	2,793,751
6	<u>54,663</u>	<u>206,944</u>
TOTAL LIABILITY	<u>\$14,368,275</u>	<u>\$51,736,122</u>

* 14 Buildings Inventoried Represent a Cost of \$28.05 per Square Foot

** Includes Buildings and Supporting Infrastructure

It is important to note that this inventory does not include any adaptive/functional renovations or improvements, code compliance, or upgrading; it only identifies and quantifies the cost to repair or replace existing building and infrastructure components. As MSU facilities have aged and required additional investment to be properly maintained, funding for necessary repairs has dwindled. The deferred maintenance liability in 1980 was 5 million dollars; today it is nearly 50 million and climbing because of neglect. The infrastructure across the State is crumbling.

THE STATE OF MONTANA'S PROJECTED DEFERRED MAINTENANCE LIABILITY

State Supported
Facilities

16,100,000 s.f.

X

Deferred Maintenance
Liability per s.f.

\$20.00 / s.f.

\$322,000,000

Footnote: s.f. = square feet

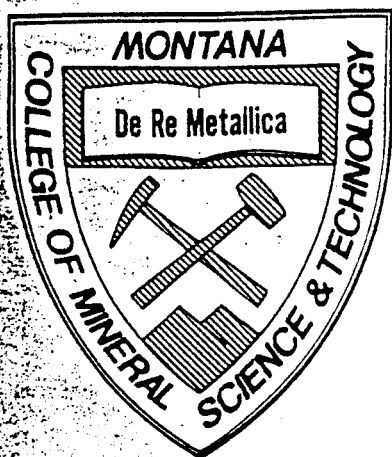


EXHIBIT 18
DATE 1-13-93
88

MONTANA TECH

LRBP PROPOSAL

The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

53rd. MONTANA LEGISLATURE

Montana College of Mineral Science and Technology
Helena, Montana 59701



BUILDING PROGRAM REQUESTS

EXHIBIT 19

DATE 3-13-93

SR

BY AGENCY AND PROJECT
1994 - 1995 BIENNIIUM

FUNDING SOURCE

Priority	Agency/Project	L.R.B.F.	State Special Revenue Funds	Federal Special Revenue Funds	Other Funds	TOTAL
NORTHERN MONTANA COLLEGE						
1.	STRUCTURAL REPAIRS - BROCKMAN CENTER Make structural repairs to prevent further deterioration and allow for continued use of the facility for classrooms, labs and offices.	\$300,000				\$300,000
2.	MULTI-PURPOSE PHYSICAL EDUCATION AND ATHLETIC FACILITY Complete the facility in accordance with a plan developed in January 1991 to provide adequate space for instructional, recreational and athletic programs.	\$5,500,000			\$3,500,000	\$9,000,000
3.	HANDICAP ACCESS - ELECTRONICS BUILDING Install elevator to provide handicapped access between floors and lower campus.	\$300,000				\$300,000
4.	DONALDSON HALL PLANNING Provide planning for renovation of this facility so it may be utilized for office, classroom and meeting space and to protect the facility from future deterioration.	\$50,000				\$50,000

BUILDING PROGRAM REQUESTS

BY AGENCY AND PROJECT
1994 - 1995 BIENNium

EXHIBIT 19
DATE 3-13-93
SB

FUNDING SOURCE

Priority	Agency/Project	L.R.B.F.	State Special Revenue Funds	Federal Special Revenue Funds	Other Funds	TOTAL
5.	EXTERIOR REPAIRS - PERSHING HALL Accomplish major repairs to prevent further damage to the facility and preserve its historical heritage.	\$100,000				\$100,000
6.	CLASSROOM REPAIRS/UPGRADE - COWAN HALL Accomplish repairs and up-grade the facility to provide functional classroom space.	\$75,000				\$75,000
7.	REPLACE WINDOWS - COWAN HALL Replace the 1949 single-pane steel sash windows to conserve energy and provide a more comfortable environment for the occupants.	\$300,000				\$300,000
8.	DONALDSON HALL REMODEL Remodel this facility to relieve campus overcrowding and to utilize two floors that are now unusable for lack of fire escapes and elevator.	\$1,350,000				\$1,350,000
9.	HVAC SYSTEM RENOVATION - COWAN HALL Renovate heating system and install central air conditioning, replace condensate return lines and install night setback controls to reduce utility costs and provide a better environment for the occupants.	\$550,000				\$550,000

BUILDING PROGRAM REQUESTS

BY AGENCY AND PROJECT
1994 - 1995 BIENNIIUM

EXHIBIT 19

DATE 3-13-93
SR

FUNDING SOURCE

Priority	Agency/Project	L.R.B.F.	State Special Revenue Funds	Federal Special Revenue Funds	Other Funds	TOTAL
10.	REPLACE COOLING TOWER - HAGENER SCIENCE CENTER Replace cooling tower to alleviate in- creasingly frequent repairs and to pre- vent a complete failure of the air conditioning system.	\$25,000				\$25,000
11.	REPLACE ELECTRICAL LOOP Replace electrical loop to prevent major failures due to an inadequate distribution system.	\$300,000				\$300,000
12.	REPAIR STREET AND SEAL COAT Repair streets to prevent further de- terioration and extend the useful life of the asphalt paving.	\$100,000				\$100,000
13.	BUILDING MODIFICATIONS - HANDICAP ACCESS Modify several campus buildings to provide appropriate accommodations for physically handicapped individuals.	\$75,000				\$75,000
14.	CENTRAL RECEIVING AND STORAGE Construct a new storage building to house supplies and equipment in a central location and to release rented storage space, relieve crowded con- ditions and prevent damage and van- dalism.	\$364,000				\$364,000

BUILDING PROGRAM REQUESTS

BY AGENCY AND PROJECT
1994 - 1995 BIENNIIUM

EXHIBIT 19
DATE 3-13-93
SB

FUNDING SOURCE

Priority	Agency/Project	L.R.B.F.	State Special Revenue Funds	Federal Special Revenue Funds	Other Funds	TOTAL
	NORTHERN MONTANA COLLEGE					
	SUBTOTAL	\$9,389,000	\$0	\$0	\$3,500,000	\$12,889,000

UNIVERSITY OF MONTANA

1.	REMOVE ASBESTOS - SCIENCE COMPLEX Remove asbestos as the first phase of a two phase project to renovate the HVAC systems in the Science Complex and to remove a health hazard due to air-borne asbestos in the ventilation system.	\$1,200,000				\$1,200,000
2.	RENOVATIONS - HANDICAP SIGNAGE Provide appropriate signage campus wide to improve access for visually impaired persons and to comply with ADA regulations.	\$150,000				\$150,000
3.	RENOVATIONS - HANDICAP - ELEVATOR Install elevator in the Liberal Arts Building to provide mobility impaired persons access to all floors and the basement as required by law.	\$400,000				\$400,000

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Long Range Planning SUBCOMMITTEE DATE 1/13/93
DEPARTMENT(S) _____ DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
<u>Tom Everts</u>	<u>EQC</u>	
<u>Wayne Wetzel</u>	<u>DNR</u>	
<u>Marvin Miller</u>	<u>MBMG-MT Tech</u>	
<u>Jim Johnson</u>	<u>NRIS/MSL</u>	
<u>Alan Cox</u>	<u>NRIS/State Library</u>	
<u>Perugo</u>	<u>LFA</u>	
<u>J. Danner</u>	<u>UM</u>	
<u>Lara Giacchetti</u>	<u>UM</u>	
<u>John Tubbs</u>	<u>DNR</u>	
<u>Bill Lannon</u>	<u>Mont Univ System</u>	
<u>John J. Spilner</u>	<u>Bozeman</u>	
<u>Shula Harris</u>	<u>U of Mt.</u>	
<u>Dawn Allen</u>	<u>MSL-MT Univ. Sys.</u>	
<u>Ani Taylor</u>	<u>U of MT</u>	
<u>Michaela Manti</u>	<u>U of Mt.</u>	
<u>Larry Stackhouse</u>	<u>Dep of Livestock</u>	
<u>E.E. 'Cork' Mortenson</u>	<u>" "</u>	
<u>John Skuif</u>	<u>" "</u>	

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Long-Range Planning SUBCOMMITTEE DATE 1/13/93
DEPARTMENT (S) V DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
Row Sexton	Eastern Montana College-Vst	
Maeta Chapman	Lincoln County Public Librarian	
James E Todd	Univ of Montana	
KEVIN KREBSBACH	U of M	
High JESSE	U of M	
Ann Miller	DNIR	
Ray Beck	"	
John Tubbs	"	
John Hutchinson	Com. of Higher Ed.	
Al Capdeville	Helena Vo Tech	
Chuck Wolcott	Helena Vo Tech	
Jim McHale	A & E	
Muri White	MSU	
Jim Taylor	Missoula Vo Tech	
Jim Sutton	Boz Vo - Tech	
James Baker	Boz Vo - Tech	
(2) (M)	Mountain Tech	
Don McCutcheon	ARM	

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

⑤

DEPARTMENT (S) _____ DIVISION _____

PLEASE PRINT

[illegible]

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