

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By Rep. Ernest Bergsagel, Chairman, on February 19, 1993, at 8:00 AM

ROLL CALL

Members Present:

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

Members Excused: None

Members Absent: None

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

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

Committee Business Summary:

Hearing: DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES; DEPARTMENT OF ADMINISTRATION; HB 6; HB 7; AND HB 12
Executive Action: UNIVERSITY SYSTEM

HEARING ON DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES

Tape No. 1:A:007

Informational Testimony: Rick Day, Director, Department of Corrections and Human Services, spoke concerning their request for \$6.8 million in bonding authority for preferred construction projects at correctional facilities. **EXHIBIT 1.**

Mr. Day informed the committee that the construction proposed for the Rothe dormitory would bring it into compliance with the Americans with Disabilities Act. The proposed laundry facility at Montana State Prison would consolidate the three laundries at Boulder, Warm Springs and the one at the prison. Inmate labor could be used for that construction. Construction planned for the infirmary would expand the facility to allow quicker and better

storage for pharmaceuticals.

Mr. Day stated that an audit conducted after the prison riots noted that improvements should be made in some of the areas proposed for construction in this request.

Mr. Day proposed that the current dairy dorms or huts be replaced. The dorms have been temporary housing for some time, and this construction will cut down on contraband and security problems. There will be a complete upgrade of the fence system. A kitchen is proposed for construction on the lowside of the prison. The committee has heard testimony on the need for a bus barn and vocational education building. The industries need to be expanded within the compound, especially in the high security section. This project is critical to the level of population decrease recommendations for the prison. The expansion would also address the roof condensation problem on the D dorm. There may be funds available for this project from insurance claims or the architectural firm that constructed the building. The high security office space would be remodeled to make it more accessible to staff. A dry room will be constructed in the shower section to control contraband problems. The lowside dorms need remodeling of the bathrooms; currently there are thirteen inmates per bathroom.

Mr. Day stated that \$260,000 will be used to complete some minor upgrades at the Women's Correctional Center in Warm Springs. The projects will include visitation rooms and medical facilities.

Mr. Day stated that the \$6.8 million bonding request includes the \$1.3 million already considered by the committee. The DCHS feels that these projects can be completed with \$6.8 million if inmate labor is authorized for use on the projects. If inmate labor is not authorized, the projects will have to be done in priority order until funds run out.

Questions, Responses, and Discussion: **REP. FRANCIS BARDANOUVE** stated that if a bill is introduced that spends \$6.8 million on the mens prison after there has been no authorization to build a new women's facility, there will be an uproar. He stated that some of these projects are desirable, but are not high priorities. The DCHS is asking for too much. The laundry facility is a critical project, but he fears bringing this to the House of Representatives after the new Women's Correctional Facility was not funded. **Mr. Day** stated that the DCHS position is that the difference between the two projects has nothing to do with the mens and women's issues. There is now a large complex that needs to be maintained and upgraded to be run properly. He believes the state should maintain current responsibilities before building a new facility. He is not opposed to building a facility for women, he just believes the state should know exactly what is needed before the facility is built.

SEN. BOB HOCKETT asked if the projects were prioritized. **Mr. Day**

stated that they are not prioritized because the maximum population placed in the prison will affect which projects are most important.

Mr. Day stated that DCHS would like to have the flexibility to use \$300,000 in revenue from the ranch to purchase equipment.

CHAIRMAN ERNEST BERGSAGEL stated that no executive action would be taken today on this bonding authority request. Executive action will be scheduled for sometime after transmittal.

SEN. ELEANOR VAUGHN asked if the remodelling proposed for the women's facility will satisfy some of the lawsuits the state is being threatened with. **Mr. Day** stated that there is still a need for a new women's facility. The remodelling will address the primary areas that the lawsuits are concerned with, including the visitation areas and the medical care areas. DCHS wants to avoid a huge investment in this facility if the facility will not suit future needs. There are proposals to place a maximum population on the women's facility too. The population may be as low as 30 if the community treatment initiative is implemented.

Jane Hamman, Office of Budget and Program Planning, informed the committee that when the DCHS originally made proposals for construction of the Women's facility and for projects at the Men's facility, they were made with the assumption that current correctional trends would continue. The recently proposed community treatment initiative is a new direction for corrections in Montana. The initiative calls for downsizing facilities and a long-term reduction in personnel. Now DCHS is proposing a revision in its budget to reflect the new direction, and committee action will reflect the change in direction.

SEN. HOCKETT asked if the prison would be affected if the Finance and Claims Committee eliminates Galen. **Mr. Day** stated that the prison would not be directly affected.

CHAIRMAN BERGSAGEL asked if the Institutions Subcommittee added personnel to DCHS for the community treatment initiative. **Mr. Day** stated that the Institutions Subcommittee has reduced personnel because DCHS can rely on private nonprofit organizations to run programs.

Tape 2:A:004

CHAIRMAN BERGSAGEL asked what percentage of the projects would be accomplished if inmate labor is not authorized. **Mr. Day** stated that if inmate labor is not used, a 40% increase in appropriations would be needed to accomplish all the projects, or there will be a 40% reduction in the projects accomplished.

SEN. VAUGHN stated that there will be a hassle if the women's prison only gets a \$260,000 appropriation.

EXECUTIVE ACTION ON UNIVERSITY SYSTEM

Tape No. 2:A:106

BUDGET ITEM NATURAL GAS BY-PASS MOUNT SENTINEL:

Tape No. 2:A:110

Motion/Vote: SEN. ETHEL HARDING moved to approve \$500,000 in spending authority for the University of Montana Natural Gas Bypass of Mount Sentinel. MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM LANGUAGE LABORATORY:

Tape No. 2:A:156

Motion/Vote: SEN. HARDING moved approval of \$350,000 in spending authority for the University of Montana's Language Laboratory. MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM PURCHASE OF BUTTE VOCATIONAL TECHNICAL SCHOOL:

Tape No. 2:A:200

Motion/Vote: SEN. HOCKETT moved approval of issuing general obligation bonds to purchase the Butte Vocational Technical Center. MOTION CARRIED UNANIMOUSLY.

HEARING ON DEPARTMENT OF ADMINISTRATION

Tape No. 2:A:254

BUDGET ITEM SOCIAL AND REHABILITATION SERVICES COMMODITIES WAREHOUSE:

Tape No. 2:A:254

Informational Testimony: Greg Groepper, Office of Public Instruction, spoke concerning the interest OPI would have in utilizing the commodities warehouse along with the SRS. He stated that OPI would be willing to look at collaborative efforts with SRS if current services are not degraded. Currently OPI contracts with Capital Storage for storage of food commodities. The contract covers handling fees and fifteen days of storage. OPI has been able to negotiate a contract in which they only have to pay for the time the commodity is sitting in the warehouse. In 1991 OPI handled 113,790 units of product for \$85,000. Costs are kept down by minimizing the amount of storage time.

Mr. Groepper stated that when a building is bought, the opposite idea comes into play. The space is kept as full as possible. If SRS has the space and can store the commodities at less cost, then OPI will be interested in working with the project. OPI does not have any warehouse staff and that is one factor to be considered. Currently it would be ideal to have more frozen storage space available in the summer for school districts.

Questions, Responses, and Discussion: SEN. VAUGHN asked Ms. Fulton if it would cost SRS more for personnel if OPI utilized the warehouse. Debra Fulton, Administrator, General Services

Division, Department of Administrator, stated that it probably would not.

SEN. HOCKETT asked if SRS would be charging rates greater or more than the rates OPI is currently charging. Ms. Fulton stated that she had not heard OPI's rental rates before today. She does know that SRS is talking about \$36,000 charge for warehousing, and OPI paid \$85,000 last year. It seems certain that money could be saved for storage. Jim Nolan, SRS, stated that based on conversations with OPI it seems that savings for storage and transportation of the commodities would be realized.

CHAIRMAN BERGSAGEL asked if no additional FTEs would be needed if OPI did not participate, and if FTEs are necessary if OPI does participate. Mr. Nolan stated that if OPI participates two trucks and two truck drivers would be needed. Mr. Groepper stated that this proposal should be broken down into two separate proposals, one to share warehouse facilities and one to share transportation of commodities. He stated that delivery of the product out to school districts is more complex than the issue of whether to share commodities storage space. OPI trucks do not go to the same places that SRS trucks go. He suggests that the committee concentrate on getting the commodities in the same place and worry about consolidating transportation efforts at a later time. School districts may not support a change in service or delivery schedule.

Ms. Fulton assured the committee that SRS will not build a warehouse that can't be paid for with current funds, unless a deal can be struck with other agencies that would want to utilize space. The total cost will not exceed \$1.7 million. The proposal does not hinge on the participation of OPI but SRS would like the flexibility to include them if it proves to be cost-effective.

CHAIRMAN BERGSAGEL stated that the committee has difficulty with proposals that increase Montana's debt and are not firm. He asked SRS to get together with OPI over transmittal and bring back a firm proposal.

HEARING ON HB 6

Tape No. 2:a:789

Discussion: CHAIRMAN BERGSAGEL stated that the Justice Department has taken \$800,000 of Resource Indemnity Trust project funds. Jim Haubein, Legislative Fiscal Analyst, stated that the Justice Department wants some of the RIT funds because they spend so much time defending coal tax cases. Ms. Hamman stated that a committee bill has been approved and has been sent to the Legislative Council. The bill would take FY 93 RIT funds which have already been spent. Lawsuits will surely occur if DNRC cancels all contracts on all those projects. The Legislative Council may not even allow the bill to be introduced because it is probably illegal.

Mr. Tubbs provided information concerning the effect of committee action on coal tax loans. **EXHIBITS 2, 3, and 4.**

Mr. Haubein provided information which compares committee action to the recommendations of DNRC for HB 6. **EXHIBIT 5.** He stated the amendments were completed for HB 6. The committee can take executive action on the bill as amended unless members wish to change the priority list for funding.

CHAIRMAN BERGSAGEL stated that REP. ZOOK has requested that HB 6 not leave the committee yet.

HEARING ON HB 7

Tape No. 2:A:355

Mr. Haubein provided information which compares committee action to the recommendations of DNRC for HB 7. **EXHIBIT 6.**

Tape 2:B:049

CHAIRMAN BERGSAGEL stated that no executive action would be taken at this time.

HEARING ON HB 12

Tape No. 2:B:053

Mr. Haubein stated that Mr. Tubbs has informed the committee of the subsidies that are the only changes to be made to HB 12. There is no further information needed, unless the committee wishes to review the amendments. Refer to **EXHIBITS 2, 3, and 4.**

CHAIRMAN BERGSAGEL stated that REP. ZOOK also asked that HB 12 not be passed out of committee yet.

HOUSE LONG-RANGE PLANNING SUBCOMMITTEE

February 19, 1993


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ADJOURNMENT

Adjournment: 9:30 AM



ERNEST BERGSAGEL, Chair



SANDRA BOGGS, Secretary

EB/sb

HOUSE OF REPRESENTATIVES

LONG - RANGE PLANNING

SUB-COMMITTEE

ROLL CALL

DATE

2/19/93

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	✓		

EXHIBIT 1
DATE 2-19-93
98

PREFERRED CONSTRUCTION PROJECTS AT CORRECTIONAL FACILITIES

ROTHE	110,200
LAUNDRY	2,639,240
INFIRMARY	42,850
DAIRY	870,000
FENCE	583,200
LOWSIDE KITCHEN	1,100,000
BUS BARN AND HIGHSIDE VO. ED	452,000
EXPAND INDUSTRIES, PRESENT COMPOUND	256,700
REMODEL HIGHSIDE FOOD SERVICE	87,250
REMODEL OFFICE SPACE, HIGH SECURITY	139,000
DRY ROOM AT BACK GATE	121,000
REMODEL RECEPTION UNIT	90,000
REMODEL UNIT A, B, C BATHROOMS	50,000
WCC UPGRADE/REMODELING	260,000
TOTAL:	6,801,440

South Side Canal

EXHIBIT

2

DATE

2-19-93~~52~~

11,500 Total Acre Feet of Active Storage in NF Smith Res.

1,535 Acres

2,500 Acre Feet of Stored Water from North Fork of the Smith River Res.

1,250 Acre Feet of additional Water for Irrigation

Interest Rate	Borrowers Payment	Cost per Acre Foot South Side Canal	Cost for per Acre
6.0%	121,489	10.56	17.61
5.5%	116,604	10.14	16.91
5.0%	111,815	9.72	16.24
4.5%	107,124	9.32	15.57
4.0%	102,534	8.92	14.92
3.5%	98,046	8.53	14.29
3.0%	93,663	8.14	13.66

Huntley Project Irrigation District

EXHIBIT 3
 DATE 2-19-93
 \$0

Number of Acres 27,706
 Current Cost per Acre \$20

Loan Amount Term	Interest Rate	Borrowers Payment	Total Cost per Acre	Annual Coal Tax Subsidy	Total Coal Tax Subsidy
\$4,875,440 20 yrs	6.0%	425,063	35.34	0	0
	5.5%	407,974	34.73	17,090	341,790
	5.0%	391,218	34.12	33,845	676,903
	4.5%	374,805	33.53	50,258	1,005,161
	4.0%	358,743	32.95	66,320	1,326,393
	3.5%	343,041	32.38	82,022	1,640,437
	3.0%	327,706	31.83	97,357	1,947,139

North Fork of the Smith River Project

Number of Acres 11,000
 Current Cost per Acre \$0.40

Loan Amount Term	Interest Rate	Borrowers Payment	Total Cost per Acre	Annual Coal Tax Subsidy	Total Coal Tax Subsidy
\$1,393,467 20 yrs	6.0%	121,489	11.44	0	0
	5.5%	116,604	11.00	4,884	97,688
	5.0%	111,815	10.57	9,673	193,468
	4.5%	107,124	10.14	14,364	287,289
	4.0%	102,534	9.72	18,955	379,101
	3.5%	98,046	9.31	23,443	468,859
	3.0%	93,663	8.91	27,826	556,519

Tin Cup Water Co.

Number of Acres 1,300
 Current Cost per Acre \$7.02

Loan Amount Term	Interest Rate	Borrowers Payment	Total Cost per Acre	Annual Coal Tax Subsidy	Total Coal Tax Subsidy
\$303,240 20 yrs	6.0%	26,438	27.36	0	0
	5.5%	25,375	26.54	1,063	21,259
	5.0%	24,333	25.74	2,105	42,102
	4.5%	23,312	24.95	3,126	62,518
	4.0%	22,313	24.18	4,125	82,498

Coal Tax Loans – Water Development

	DNRC Recommended 3% Subsidy	Committee Action	Difference
Huntley Irrigation District	\$1,947,140	\$1,640,438	\$306,702
North Fork of the Smith River	556,520	287,289	269,231
Tin Cup Dam	121,500	62,717	58,783
	<u>\$2,625,160</u>	<u>\$1,990,444</u>	<u>\$634,716</u>

WATER DEVELOPMENT & RENEWABLE RESOURCE DEVELOPMENT PROGRAMS

Fiscal Years 1994 - 95

Applicant	Project Name	DNRC		Comm. Action	Cumulative	Comm.		Loans
		Recommended Funding	Over/(Under) Recommended			Recommended	Over/(Under) Recommended	
1	Malta Irrigation Dist.	\$50,000		\$50,000	\$50,000	\$0		\$50,000
2	Richland County	60,300		60,300	110,300	\$0		0
3	DNRC - Water Resources Div	100,000		100,000	210,300	\$0		0
4	Town of Ryegate	33,750		50,000	260,300	\$16,250		150,000
5	Yellowstone County	100,000		50,000	310,300	(\$50,000)		0
6	Stockett/Cascade Water & Sewer	50,000		0	310,300	(\$50,000)		0
7	MSU, Water Course	94,900		0	310,300	(\$94,900)		0
8	Butte - Silver Bow Local Govt.	50,000		50,000	360,300	\$0		49,864
9	Darby School Dist. #9	25,300		0	360,300	(\$25,300)		0
10	State Lands	21,974		60,000	420,300	\$38,026		0
11	Huntley Water & Sewer Dist.	50,000		50,000	470,300	\$0		50,000
12	Ruby Valley Cons. District	100,000		100,000	570,300	\$0		0
13	Butte - Silver Bow Local Govt.	100,000		0	570,300	(\$100,000)		0
14	MT Bureau of Mines & Geology	94,184		0	570,300	(\$94,184)		0
15	Town of Winnett	50,000		50,000	620,300	\$0		50,000
16	Fort Peck Rural Water Dist.	40,000		40,000	660,300	\$0		0
17	Town of Dutton	50,000		0	660,300	(\$50,000)		0
18	Petroleum County	50,000		0	660,300	(\$50,000)		0
19	East Glacier Water & Sewer Dist.	25,905		25,905	686,205	\$0		76,537
20	Town of Nashua	50,000		50,000	736,205	\$0		0
21	Carbon County	50,000		0	736,205	(\$50,000)		100,000
22	Chinook Div. Irrigation Assoc.	34,217		34,217	770,422	\$0		65,783
23	Chinook Div. Irrigation Assoc.	36,173		36,173	806,595	\$0		63,827
24	Liberty County Cons. Dist.	100,000		0	806,595	(\$100,000)		0
25	Custer County	4,725		4,725	811,320	\$0		0
26	Town of Circle	15,000		36,000	847,320	\$21,000		0
27	Eastern Sanders Cons. Dist.	99,000		99,000	946,320	\$0		0
28	MT Institute of Tourism	35,494		0	946,320	(\$35,494)		0
29	Town of Hot Springs	100,000		0	946,320	(\$100,000)		0
30	Glasgow Irrigation Dist.	50,000		50,000	996,320	\$0		50,000
31	Hilger County Water & Sewer Dist.	50,000		50,000	1,046,320	\$0		50,000
32	Valley County	100,000		0	1,046,320	(\$100,000)		0
33	Mile High Conservation Dist.	99,812		0	1,046,320	(\$99,812)		0
34	DNRC - Water Resources	100,000		100,000	1,146,320	\$0		0
35	Missoula Urban Transp. Dist.	56,185		0	1,146,320	(\$56,185)		0
36	Little Beaver Cons. Dist.	47,318		47,318	1,193,638	\$0		0
37	Ravalli County	88,340		70,672	1,264,310	(\$17,668)		0
38	Yellowstone County	85,000		75,000	1,339,310	(\$10,000)		0
39	MSU	31,740		0	1,339,310	(\$31,740)		0
40	Hill County	50,000		50,000	1,389,310	\$0		50,000
41	Roosevelt County Cons. Dist.	7,000		7,000	1,396,310	\$0		0
42	Fort Shaw Irrigation Dist.	50,000		0	1,396,310	(\$50,000)		0
43	Dodson Irrigation Dist.	31,569		31,569	1,427,879	\$0		31,326
44	Fort Shaw Irrigation Dist.	50,000		0	1,427,879	(\$50,000)		0
45	Flathead Joint Board of Control	44,500		44,500	1,472,379	\$0		54,500
46	Whitefish County Water & Sewer	13,921		0	1,472,379	(\$13,921)		0
TOTAL		\$2,626,307		\$1,472,379		(\$1,153,928)		

DATE 2-19-93
H136

RECLAMATION AND DEVELOPMENT GRANTS

Fiscal Years 1994-95

Applicant	Project Name	Recommended Funding	Comm. Action	Cumulative	Comm. Over/(Under) Recommended
1 Board of Oil & Gas Conservation	Kevin - Sunburst Plugging & Reclamation	\$299,000	\$299,000	\$299,000	\$0
2 Board of Oil & Gas Conservation	Cat Creek Plugging & Reclamation	214,810	214,810	513,810	0
3 Governor/Lt. Governor's Office	The Montana Office of Public Policy	127,667	127,667	641,477	0
4 Town of Walkerville	Walkerville Reclamation Project	75,569	50,000	691,477	(25,569)
5 Dept. of State Lands	Well Assessment & Abandonment	211,800	0	691,477	(211,800)
6 Broadwater Conservation Dist.	Whites Gulch Placer Mine Reclamation	296,300	296,300	987,777	0
7 Toole County	North Toole County Oil Field Rec.	298,284	273,284	1,261,061	(25,000)
8 Dept. of Fish, Wildlife, & Parks	Elk Creek Placer Mined Channel Reconstr.	72,850	72,850	1,333,911	0
9 Town of Columbus	Waste Stream Reduction	41,172	41,172	1,375,083	0
10 Montana Salinity Control Assoc.	Soil & Water Nonpoint Source	172,250	172,250	1,547,333	0
11 Carbon Cons. District	RC&D's Affecting Change	300,000	300,000	1,847,333	0
12 DHES	Nonpoint Source Pollution Control	300,000	300,000	2,147,333	0
13 Bureau of Mines & Geology	Acid - mine drainage prevention	148,623	148,623	2,295,956	0
14 Jefferson Valley Cons. District	Crystal Mine Remediation Tech.	150,000	0	2,295,956	(150,000)
15 Deer Lodge Valley Cons. District	Developing Acid/Heavy Metal - Tolerant Cultivars	137,700	120,000	2,415,956	(17,700)
16 Glacier County Cons. District	Comprehensive Evaluation of Groundwater Contamination	214,059	150,000	2,565,956	(64,059)
17 Valley County	Fort Peck Reservoir	300,000	100,000	2,665,956	(200,000)
18 DNRC	Arsenic Transport & Mobility	50,000	50,000	2,715,956	0
19 Ravalli County	A Lake for Better Water Quality	300,000	300,000	3,015,956	0
20 Butte - Silver Bow	Mitigation of Mining/Smelting damage	150,000	150,000	3,165,956	0
21 Town of Hot Springs	Camas Therapy Center	150,000	150,000	3,315,956	0

TOTAL

(\$694,128)

EXHIBIT 6
DATE 2-19-93
~~85~~ #13 7

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Long Range Planning
DATE 2/19/93 SPONSOR(S) _____

COMMITTEE

BILL NO. _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Debra Fulton	Dept. of Admin.		
Jim Holt	SAS		
Gordon Davidson	"		
Tom Donnell	A&E		
Jim G/HALEY	A & E		
John T. WBS	PNWCO		

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