

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION FREE CONFERENCE COMMITTEE ON HOUSE BILL 5

Call to Order: By **CHAIRMAN BILL TASH**, on April 18, 2001 at 3:00 P.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Sen. Bill Tash, Chairman (R)
Rep. Steve Vick, Vice-Chairman (R)
Sen. Jon Tester (D)
Rep. Matt McCann (D)
Sen. Corey Stapleton (R)
Rep. John Brueggeman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Prudence Gildroy, Committee Secretary
Brian McCullough, Legislative Fiscal Division
Jane Hamman, Office of Budget and Program Planning

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 5
Executive Action:

HEARING ON HB 5

CHAIRMAN BILL TASH indicated HB 5 had been placed in a free conference committee for the purpose of considering amendments.

Motion: **REP. MATT MCCANN** moved that **HB000581.abm BE ADOPTED.**
EXHIBIT (cch87hb0005a01)

REP. MCCANN advised the amendment was for the Applied Technology Center at MSU Northern in Havre. The amendment would give them the authority to raise private donations.

REP. STEVE VICK expressed a concern about raising the amount to \$3 million. **Jeff Gambel, President, Montana State University**, thought the issue was accountability. He thought the bill was important. They would aggressively seek the money to match the state contribution. **REP. VICK** asked if he was comfortable with a \$4 million building instead of a \$5 million building. **Mr. Gambel** thought the \$2 million would be raised quickly and in fact they had already started fund-raising in anticipation of the passage of the bill.

REP. MATT MCCANN said his intent was to give an additional \$1 million over the original agreement. He did not want it to be contingent on a \$3 million match.

SEN. COREY STAPLETON asked why **REP. MCCANN** was coming forward with the amendment on the 87th day of the session. **REP. MCCANN** advised he had looked for HB 14 to go into a conference committee. He thought the need would be addressed there. **SEN. STAPLETON** asked how they came up with the \$2 million to begin with. **REP. MCCANN** explained they initially cut \$2 million from \$4 million in HB 14. They were asked to reduce the scope of the project and stay within the governor's debt service as well as the long range debt service for the state of Montana. The amendment would give additional authority to raise additional money.

SEN. JON TESTER pointed out the subcommittee had cut the bonding end of the project.

REP. VICK stated that the \$2 million would have to be raised whether the amendment passed or not.

Vote: Motion that HB000581.abm BE ADOPTED. Motion carried unanimously.

Motion: REP. MCCANN moved a CONCEPTUAL AMENDMENT TO STRIKE \$50,000 FOR MSU BILLINGS COLLEGE OF TECHNOLOGY (COT).

He felt moving the additional \$50,000 for MSU COT Billings was in error. He said it was a fairness issue. He thought the university recommendations on who was next in line should be followed.

Brian McCullough, Legislative Fiscal Division, asked if the conceptual amendment would reverse the amendment that created the situation. **REP. MCCANN** said that was correct; it would reinstate the amount back into line 20 page 2.

SEN. TESTER said he didn't see it on the list and **REP. MCCANN** said it was priority 20.

Eakle Barfield, Director Facilities Services, MSU Billings, indicated it was not design money, but preliminary planning and programming funds concerning the old VoTech center. They wanted to come back next session with a well thought out plan for more effective use of that existing building.

SEN. TASH noted it was reduced in Senate Finance and Claims from \$150,000 to \$100,000. **REP. MCCANN** indicated that was the master plan money. **Mr. Barfield** advised it was the up-front planning money necessary for project #20 on the list.

SEN. TESTER asked about the age of the facilities. **Mr. Barfield** advised they were built in the 1970s. **SEN. TESTER** asked if the project would increase or maintain enrollment. **Mr. Barfield** said it would increase enrollment.

REP. VICK commented that they were given \$150,000 for an overall plan for all the buildings on all the campuses. He agreed with **REP. MCCANN** that the line item would jump start Billings in the process. He thought that was inappropriate and would set a bad precedent. He supported the amendment.

Vote: CONCEPTUAL MOTION failed 4-2 with Stapleton and Tester voting no.

Motion: **REP. JOHN BRUEGGEMAN** moved a CONCEPTUAL AMENDMENT TO AUTHORIZE THE UNIVERSITY OF MONTANA THE SPENDING AUTHORITY OF \$3.2 MILLION FOR THE EXPANSION OF THEIR CHEMISTRY BUILDING.

REP. BRUEGGEMAN indicated the funds would be raised by the University System.

CHAIRMAN TASH understood there would be assumption of operation and maintenance (O&M). **REP. BRUEGGEMAN** thought it might need to go into the language that O&M would be covered by the university at no expense to the state.

SEN. TESTER asked if the amount was \$3.2 and if it was the same as was requested in HB 14. **REP. MCCANN** indicated it was. **SEN. TOM BECK** thought it was \$500,000 that was requested in HB 14, but the reason for the amendment was that the legislature did not authorize that for temporary chemistry labs during the construction. The amendment would solve that problem.

George Dennison, President, University of Montana, said there were two ways to resolve the problem. One would be to use temporary lab space and then take the temporary space out at the end. That would have cost \$500,000 and he did not think that would be well spent. Instead a small addition to the chemistry lab would serve as swing space. When the project was complete, they would move two hot labs from the science complex and solve two problems at once. He advised they needed to use the authority now, or it would revert.

SEN. TASH asked if O&M would be prorated just for the additional space. **Mr. Dennison** indicated they had a calculation for that.

REP. MCCANN asked if they were talking about the same amount of money, \$3.2 million. **Mr. Dennison** advised it was \$3.15 million and it was rounded to \$3.2. Whatever is not used would be reverted. **REP. MCCANN** asked about the pod concept. **Mr. Dennison** said they would complete two and leave a third uncompleted.

SEN. STAPLETON asked if the authority would revert in two years. **Mr. McCullough** indicated it would revert at the end of the next biennium, June 30, 2003.

REP. MCCANN noted that when HB 14 originally came before the Long Range Building Committee, the U of M wanted improvement on the Science building. The committee felt the building should be utilized in some other manner but the Chemistry Building could be renovated and the pod idea came into being. He supported the amendment.

Mr. McCullough asked if **Tom O'Connell** would comment on whether it was realistic that the building could be constructed by 2003. **Tom O'Connell, Administrator of the Architecture Engineering Division**, advised not to revert the authority to build after it was already under construction.

REP. VICK clarified they would revert spending authority if the funds had not been raised by 2003.

Mr. McCullough clarified the motion was for \$3.2 million for the expansion of the chemistry building at U of M; the appropriation would revert in 2 years, June 30, 2003, to the extent donations were not collected and operations and maintenance would be covered by the university system 100 percent for the addition. The funding types normally utilized by the university system under these circumstances were federal, donations, grants, non-state funds and plant funds.

REP. MCCANN asked **Mr. Dennison** how the authority would be committed. **Mr. Dennison** indicated that would be done in conjunction with A & E. The university would raise the money and initiate the process with money in hand.

Vote: Motion that **CONCEPTUAL AMENDMENT FOR SPENDING AUTHORITY FOR THE ADDITION TO U OF M CHEMISTRY BUILDING BE ADOPTED** carried unanimously.

{Tape : 1; Side : B}

SEN. DUANE GRIMES, SD 20, Clancy, proposed an amendment for spending authority for a chapel at the Boulder facility, formerly the MDC campus, to serve the Montana Developmental Center, the Aspen Youth Alternatives and the Riverside Correctional Facility for young women. **Mr. Lowell Bartells** from Helena was trying to build a chapel that would meet the needs of those three facilities with donated funds and services. **SEN. GRIMES** advised there was a problem with Title 18, regarding legalities dealing with public contracts with donated services. Language was needed for legislative consent to build the chapel at Boulder with donated funds and to make the construction of the chapel exempt from Title 18. He indicated there was a glitch with building with donated funds on public lands.

REP. MCCANN asked if there was an amount for the authority in HB 5. **SEN. GRIMES** replied there was no amount, since the services would be donated.

SEN. TASH asked about public health and safety standards and whether they were referenced in Title 18. **SEN. GRIMES** said there was no reference to those and the project would have to meet public building criteria.

Mr. O'Connell believed the authority for the project was \$250,000 of private funds. He explained the need for language similar to the building of the chapel at the women's prison in Billings that would exempt the project from going through the normal state bidding process.

SEN. TESTER asked if it would be the same language that was given to the Billings. **Mr. O'Connell** thought it probably should be.

SEN. GRIMES stated that would be his conceptual amendment.

SEN. STAPLETON asked how many people would use the chapel. **SEN. GRIMES** contended there were 50 or 60 at the Montana Developmental Center, the Riverside facility had about the same number and the

Aspen Youth program had a dozen or less kids at a time on a rotating basis.

Mr. McCullough brought up the ongoing maintenance issue. **SEN. GRIMES** asked **Mr. O'Connell** about plans for ongoing maintenance on the project. **Mr. O'Connell** replied that in Billings the ongoing maintenance was the responsibility of the group that raised the funds to build the facility.

CHAIRMAN TASH suggested being consistent with what was done in Billings regarding operations and maintenance. **SEN. GRIMES** stated the amendment would be contingent on the ongoing maintenance being handled by a non-public entity or foundation.

Mr. McCullough stated the amendment was that the legislature would consent to the construction of the Good Shepherd Chapel at the Montana Developmental Center in Boulder with donated funds. The construction of the chapel would be exempt from the provisions of Title 18 and contingent on operations and maintenance being funded by non-state sources.

SEN. STAPLETON asked for clarification of the exemption from Title 18. **Mr. McCullough** clarified the exemption would be from state bidding requirements. **Mr. O'Connell** stated it was a handicap to go through A&E for organizations trying to do those kinds of projects. The exemption was a solution. **SEN. STAPLETON** asked if there was anything in Title 18 that had to do with operations and maintenance. **Mr. O'Connell** advised there was not.

Vote: Motion that CONCEPTUAL AMENDMENT BY SEN. GRIMES BE ADOPTED. Motion carried unanimously.

SEN. BECK presented an amendment that would reinstate spending authority for an upgrade and remodel of the fine arts museum at the University of Montana (line 4 page 3 of the bill). He indicated there was no O&M and the university had already raised about \$2.5 million for the project.

REP. MCCANN explained the project was previously before them and had been increased. The reason it was stricken was an attachment of the O&M. **SEN. BECK** affirmed there was no O&M in his amendment.

REP. VICK asked if they still had \$2.5 million of spending authority. **Mr. Dennison** advised they did not; on an earlier occasion, at the request of the committee, a number of authorities were reverted. **REP. VICK** thought the only authority that was reverted was for the international center. **Mr. Dennison**

affirmed that was reverted as well as the authority for the fine arts project. He indicated there was some portion of O&M involved. He said the university would accept the responsibility for O&M.

Jane Hammon, OBPP, advised that the committee struck the project on page 11 line 10 and 11 and on page 3 lines 4 and 5.

SEN. MCCANN asked how tangible the \$2.5 million and the commitment were towards the fine arts museum. **Mr. Dennison** stated he had not mentioned \$2.5 except in reference to funding authority. He indicated they had between \$800,000 and \$1 million committed. He said if fund-raising was not completed, they would revert the authority.

REP. MCCANN asked how large spending authorities were allowed to grow and for how long. **Mr. Dennison** said he would commit to four years on the project. Regarding other spending authority, if they are not fulfilled, they will be reverted. **REP. MCCANN** expressed that he was not looking for four years, but was looking for a number because there were multiple spending authorities for the university. He indicated he voted for an authority for the Journalism Building because it was a facility that made sense for the campus, and others were stricken so the focus would be on that project. He reasoned that time lines were important. **Mr. Dennison** agreed and said 4 years was what he wanted for the fine arts spending authority.

REP. VICK asked if the intent was for that to be part of the amendment. **REP. MCCANN** answered yes. **SEN. BECK** contended the legislature could extend the authority in four years.

Mr. McCullough clarified the amendment would reinstate \$5 million spending authority for the Fine Arts Museum until June 30, 2005 or revert to the extent of the uncollected portion and the university would pay 100 percent of the O&M.

REP. MCCANN asked if they planned to add on to the existing facility. **Mr. Dennison** confirmed that and said it had been done conceptually.

Vote: CONCEPTUAL MOTION TO RESTORE \$5 MILLION SPENDING AUTHORITY carried 5-1 with Vick voting no.

Motion/Vote: **REP. MCCANN** moved that **HB 5 BE CONCURRED IN AS AMENDED**. Motion carried unanimously.

ADJOURNMENT

Adjournment: 3:50 P.M.

SEN. BILL TASH, Chairman

PRUDENCE GILDROY, Secretary

SV/CS/CT

EXHIBIT (cch87hb0005aad)