

LONG-RANGE BUILDING PROGRAM

Purpose - The Long-Range Building Program (LRBP) was initiated in 1965 to provide funding for construction and maintenance of state buildings. The LRBP was developed in order to present a single, comprehensive and prioritized plan for allocating state resources for capital construction and maintenance of state-owned facilities. Primary statutory authority is Title 17, Chapter 7, part 2, MCA.

Executive Recommendation -

- **Volume 3 of the Governor's 2011 biennium Executive Budget** contains complete descriptions of all recommended projects, which total \$145,089,202, as well as a listing of all LRBP project applications submitted by Agencies for the 2011 biennium. All recommended projects are listed within Table F-2.
- **The 2011 Long-Range Building Program is a "Cash Only" program and no general obligation bonds are proposed.** **HB 5** contains \$33,515,000 LRBP, \$55,839,000 state special revenue, \$8,435,000 federal special revenue, and \$47,300,202 other funds for a total of 60 projects and \$145,089,202 in the cash program.
- Highest priorities in the 2011 biennium are projects that address energy conservation, safety, and major repairs and deferred maintenance; no significant new construction or major additions are proposed for the 2011 Executive Budget.
- Due to the significant emphasis of the Long-Range Building Program and State Building Energy Program on energy conservation capital improvements, and the interwoven nature between many of the LRBP and SBEP projects, the SBEP project recommendations are included in Table F-2. The associated SBEP funds are shown as "other funds" since both funding sources are necessary to make those projects move to successful and full completion.
- The LRBP fund, which is sufficient to fund \$33,515,000 of capital projects this biennium, is the primary source of funding for major repairs and maintenance for two-thirds of State-owned buildings with a combined replacement value exceeding \$1.2 billion. Ongoing funding for the LRBP has experienced a significant downward trend over the last two decades; however, recent increases in revenues from natural resource development have provided a welcome boost in the program's ongoing funds available for capital improvements. This cash provides an opportunity to continue the State's efforts to address the State's major repair and maintenance backlog as well as invest in energy conservation improvements that will continue to pay dividends for many decades into the future.
- A one-time transfer of \$16.15 million from the General Fund to the Long-Range Building Fund is being made to further address these worthwhile and necessary projects.

Since the Last Session –

- **The Architecture and Engineering Division has completed:** acquisition of the Forensic Science Lab Building located in Missoula, for the Department of Justice; construction of Housing for High Risk Behaviors at Montana Developmental Center in Boulder; construction of the Chemistry Research Building at Montana State University; construction of the new Anderson Journalism Building and major upgrades to the Steam Tunnel System at the University of Montana; major additions to the Colleges of Technology at Billings, Great Falls and Helena; demolition of four major buildings at the State Hospital in Warm Springs; and small but significant renovations at numerous DNRC and DPHHS facilities throughout the State.
- **Construction is underway for:** the State's primary and remote computer centers, or Enterprise Systems Services Centers, located in Helena and Miles City respectively; renovation of McMullen Hall at Montana State University-Billings; the first phase of a major renovation of Main Hall at University of Montana-Western in Dillon; construction of the new Montana Bureau of Mines and Geology & Petroleum Building at the University of Montana School of Technology in Butte; major masonry repairs at Leon Johnson Hall, the major renovation of Gaines Hall and construction of the new Animal Bio-Science facility at Montana State University; major additions to the School of Education and Law School Buildings, and construction of the new Native American Center at the University of Montana; construction of the new consolidated DNRC/DEQ office building in Kalispell; improvements to existing and construction of new facilities at MSU Agricultural Experiment Station locations throughout the State; and continued demolition and campus improvements at the State Hospital at Warm Springs.
- **And in our continuing effort to address the State's significant backlog of deferred maintenance** within state-owned facilities, vital and significant major repair and maintenance projects are in progress at the Montana Law Enforcement Academy, Montana State Hospital, campuses of the Montana University System, and on most agency campuses within the State.

Language Recommendation -

The following language will be included in the introduced version of **HB 5**:

LONG-RANGE BUILDING PROGRAM

“Fund Transfers. (1) Subject to subsection (3), there is transferred from the state general fund \$8.075 million in fiscal year 2010 and \$8.075 million in fiscal year 2011 to the long-range building program account in the capital projects fund type for the projects enumerated in [section 2].

(2) Subject to subsection (3), there is transferred from the state general fund \$1.0 million in fiscal year 2010 and \$1.0 million in fiscal year 2011 to the fish, wildlife, and parks capital projects account in the capital projects fund type for the projects enumerated in [section 5].

(3) In order to maintain an adequate ending fund balance, if at any time during the 2011 biennium the office of budget and program planning projects a 2011 biennium unreserved ending general fund balance of less than \$100 million, the office of budget and program planning may direct the department of administration to reduce the fund transfers in subsections (1) and (2). The department of administration shall transfer the funds on a schedule approved by the office of budget and program planning that enables the statewide management goals for cash flow and for fund balance. If the projected unreserved general fund ending fund balance increases at a later point in the biennium the fund transfers may be increased back up to the original authorized level. The office of budget and program planning may not direct fund transfers to be reduced below the level of encumbrance obligations made against the appropriation at the time of the reduction.”

Funding -

- See Table F-1 for presentation of the LRBP account revenue estimates for the 2011 biennium.

Recommended Projects -

- See Table F-2 for presentation of the projects recommended for the 2011 biennium LRBP.

LONG-RANGE BUILDING PROGRAM

TABLE F-1

**REVENUE ESTIMATE
LONG-RANGE BUILDING PROGRAM ACCOUNT
PROJECTIONS AS OF NOVEMBER 14, 2008
2011 BIENNIUM**

Estimated Beginning Cash Balance (July 1, 2009)		\$5,027,410
Revenues:		
Cigarette Tax	4,243,524	
Coal Severance Tax	11,173,000	
Interest Earnings	3,093,171	
Supervisory Fees	866,664	
DEQ Transfer - Energy Savings	0	
General Fund Transfer (OTO)	16,150,000	
Total Revenues		35,526,359
Funds Available		40,553,769
Expenditures:		
Operating Costs - A & E Division	(3,980,628)	
Debt Service - 2003G Issue ¹	(2,646,207)	
Debt Service - 2005A Issue ²	(1,705,202)	
Funding Switch ³	1,330,000	
Total Expenditures - Excluding Capital Projects		(7,002,037)
Funds Available For Capital Projects		33,551,732
Funding Proposals		
Capital Construction Program - LRBP Projects Only		(33,515,000)
Balance Remaining		\$36,732

¹ Refunding the 2003G (1996D) bond issue

² Refunding portions of the 2005A (1997B and 1999C) bond issues

³ Funding switch authorized by the 2001 legislature - Montana Session Laws 2001, Chapter 486, Section 11

LONG-RANGE BUILDING PROGRAM

Table F-2							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
1	MUS	Energy Conservation Improvements, MUS	7,000,000			12,100,000	19,100,000
2	DOC	Energy Conservation Improvements, DOC	1,260,000			3,120,000	4,380,000
3	DOA	Renovation & Energy Improvements, State Liquor Warehouse		1,750,000		460,000	2,210,000
4	DOA	Mechanical & Energy Projects, Capitol Complex				3,132,921	3,132,921
5	DMA	Energy Conservation Improvements, DMA			885,000	265,000	1,150,000
6	DPHHS	Montana Veterans' Home Improvements, Phase 2		800,000		400,000	1,200,000
7	MSDB	Energy & Facility Improvements, MSDB	250,000			25,000	275,000
8	DOC	Alternative Energy-Biomass Boiler, MSP			250,000	740,281	990,281
9	DPHHS	MMHNCC Improvements, Phase 2	400,000			143,000	543,000
10	Statewide	Energy Related Deferred Maintenance	3,500,000	1,000,000	1,000,000	2,000,000	7,500,000
11	DPHHS	DPHHS Energy Projects, Statewide				1,400,000	1,400,000
12	DEQ	Energy Projects at Community Colleges, Statewide				600,000	600,000
13	DOA	Cabinet Agency Energy Projects, Statewide				7,714,000	7,714,000
14	DNRC	Energy/Major Repairs & Small Projects, DNRC Statewide	1,000,000				1,000,000
15	Statewide	Spending Authority, Utility Energy Conservation Funds				2,000,000	2,000,000
16	Statewide	Hazardous Materials Abatement	400,000				400,000
17	Statewide	Roof Repairs & Replacements	1,310,000		700,000		2,010,000
18	DOA	Elevator & ADA Modifications, Capitol Complex				1,450,000	1,450,000

LONG-RANGE BUILDING PROGRAM

Table F-2, continued							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
19	Statewide	Repair/Preserve Building Envelopes	1,500,000				1,500,000
20	Statewide	Code Deferred Maintenance	2,000,000				2,000,000
21	MDT	Statewide Maintenance, Repair & Small Projects		2,625,000			2,625,000
22	MUS	Code/Deferred Maintenance, MUS	4,000,000			1,000,000	5,000,000
23	DOA	Infrastructure Repairs, State Capitol	500,000			300,000	800,000
24	Commerce	Historic Preservation & Supporting Improvements, MHC Statewide	1,400,000				1,400,000
25	Statewide	Campus Infrastructure	1,000,000				1,000,000
26	DMA	Storm Water Improvements/Infrastructure, Phase 3, FT Harrison			1,600,000		1,600,000
27	DMA	Paving Parking Lots, DMA Statewide	100,000		100,000		200,000
28	DOA	Parking Lot Upgrades, Capitol Complex				250,000	250,000
29	DOC	Emergency Power System, MSP	500,000				500,000
30	Agriculture	Renovation & Energy Upgrades, State Grain Lab	525,000				525,000
31	Statewide	Upgrade Fire Protection Systems	800,000				800,000
32	MUS	Renovate Hagener Science Center, MSU-N	2,150,000				2,150,000
33	DPHHS	Replace Nurse Call System, EMVH		144,000			144,000
34	DOC	Renovate Low Support, MSP	1,660,000				1,660,000
35	DPHHS	Improve Medical Services, MDC	450,000				450,000
36	DPHHS	Renovate Superintendant's Residence, MVH		180,000			180,000
37	Statewide	Campus Master Planning	200,000	100,000		200,000	500,000

LONG-RANGE BUILDING PROGRAM

Table F-2, continued							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
38	DOC	New Building for Youth Transition Center	1,310,000				1,310,000
39	DOC	Improve Food Production, DOC	300,000				300,000
40	DMA	Federal Spending Authority				2,000,000	2,000,000
41	DNRC	Increase Appropriation Oil & Gas Building, Billings		1,300,000			1,300,000
42	MDT	Equipment Storage Buildings, Statewide		1,175,000			1,175,000
43	MDT	US Highway 93 Projects		24,100,000			24,100,000
44	MUS	General Spending authority, UM				6,000,000	6,000,000
45	FWP	Future Fisheries		1,150,000			1,150,000
46	FWP	Hatchery Maintenance		575,000	275,000		850,000
47	FWP	Community Fishing Ponds		50,000			50,000
48	FWP	Clearwater Fish Barrier		825,000	25,000		850,000
49	FWP	Habitat Montana		8,110,000			8,110,000
50	FWP	Upland Game Bird Program		1,525,000			1,525,000
51	FWP	Wildlife Habitat Maintenance		1,010,000			1,010,000
52	FWP	Migratory Bird Stamp Program		620,000			620,000
53	FWP	Bighorn Sheep		150,000			150,000
54	FWP	Hunting Access		2,500,000			2,500,000
55	FWP	Access Montana				2,000,000	2,000,000
56	FWP	Parks Program		3,040,000	2,000,000		5,040,000

LONG-RANGE BUILDING PROGRAM

Table F-2, continued							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
57	FWP	FAS Acquisition		500,000	100,000		600,000
58	FWP	FAS Site Protections		900,000			900,000
59	FWP	Grant Programs/Federal Projects		320,000	1,500,000		1,820,000
60	FWP	Admin Facilities Repair & Maint		1,390,000			1,390,000
TOTAL LONG RANGE BUILDING PROGRAM			\$33,515,000	\$55,839,000	\$8,435,000	\$47,300,202	\$145,089,202

Treasure State Endowment Program

Purpose - The Treasure State Endowment Program (TSEP), administered by the Department of Commerce, is a coal tax-funded program designed to assist communities with infrastructure financing as authorized by Montana voters with passage of Legislative Referendum 110 in 1992. Title 90, Chapter 6, part 7, MCA sets out the basic requirements for TSEP. Goals for the program include:

- create jobs for Montana residents;
- promote economic growth in Montana by helping to finance the necessary infrastructure;
- encourage local public facility improvements;
- create a partnership between the state and local governments to make necessary public projects affordable;
- support long-term, stable economic growth in Montana;
- protect future generations from undue fiscal burdens caused by financing necessary public works;
- coordinate and improve infrastructure financing by federal, state, local government, and private sources; and
- enhance the quality of life and protect the health, safety, and welfare of Montana citizens.

Executive Recommendation

Volume 4 of the Governor's 2011 biennium Executive Budget contains the department's evaluation of each of the TSEP applications and the detailed funding recommendations.

- Under current law, it is projected that about \$16 million in net endowment interest will be available for TSEP grant awards for the 2011 biennium.
- HB 11 contains the list of projects recommended for TSEP construction grant funding. For the 2011 biennium, there were 65 applications submitted, requesting \$33,757,542 in TSEP grant funds. Table F-3 lists each project and the recommended grant, if there are sufficient monies to fund each project. Based on the net endowment interest projected to be available for TSEP grant awards for the 2011 biennium, 33 projects could be funded.
- HB 11 also contains requests for \$900,000 to be used by the department to award matching grants for preliminary engineering studies, and \$100,000 to be used by the department to award grants for emergency projects.
- HB 11 also contains an appropriation from the Treasure State Endowment Regional Water System Fund, which is administered by the Department of Natural Resources and Conservation.

Since the Last Session

Since the 2007 Legislature met, the department has administered as many as 123 construction grants, awarded and administered 42 grants for preliminary engineering studies, and awarded and administered four grants for emergency projects.

The more significant changes to the *TSEP Application Guidelines* that were published in 2008 included:

- Modified the amount that can be requested for a construction project. In order to qualify for the maximum of \$750,000, the applicant's combined user rates must be at least 150% of the community's "target rate" (based upon the projected monthly rates with TSEP assistance) upon completion of a proposed water, wastewater project, storm drain, or solid waste project. If the combined user rates are projected to be between 125% and 150% of the community's "target rate," applicants are eligible to apply for no more than \$625,000. Applicants whose combined user rates are less than 125% of the community's "target rate" are limited to a maximum of \$500,000. Counties with bridge projects are limited to a maximum of \$500,000, unless the county can clearly demonstrate that extenuating circumstances exist.
- A limit was placed on the amount that would be recommended if user rates are simply raised beyond what is necessary to construct the project in order to qualify for a higher grant amount.
- Changed the amount allowed per benefited household from \$15,000 to \$20,000.
- Eliminated the limitation of \$15,000 per household for economic development related projects, when those benefiting from the project are primarily businesses, and there are few or no households.
- Applicants were notified that a time limit on holding a construction grant would be included in the next HB 11. Grantees would be required to meet start-up conditions by December 31, 2012, or the grant contract would be terminated.
- Other state grants are allowed to match a PER grant in hardship cases.
- Counties can submit one PER application to study its bridge system and another application to study an unincorporated area that is not served by a community water or wastewater system.
- An engineer must be procured within six months of the PER grant award or the contract may be terminated. Grant agreements will not be extended unless the grantee can demonstrate substantial progress and show good cause for extending the date.

Treasure State Endowment Program

- Changed the scoring of Statutory Priority #3, using four levels rather than five levels to score it.
- An application must receive a minimum of 2,700 points in order to be recommended for a grant.
- Added scoring level definitions for all statutory priorities (except #2), including project specific examples for Statutory Priority #1 (this was a separate document in the past).
- Eliminated multiplying the target percentage times a multiplier (a percentage) when computing the target rate, which resulted in the target rate increasing.

Treasure State Endowment Program

Table F-3					
TSEP Applicants and the Amount of Dollars Recommended					
Rank ¹	Applicant	Type of Project	Amount Requested	Proposed Grant Award ²	Cumulative Proposed Award
1	Philipsburg, Town of	Wastewater	750,000	750,000	750,000
2	Ravalli County	Bridge	137,193	137,193	887,193
3	Sweet Grass County	Bridge	93,360	93,360	980,553
4	Melstone, Town of	Water	625,000	625,000	1,605,553
5	Fergus County	Bridge	167,200	167,200	1,772,753
6	Rudyard County W&S District	Wastewater	319,000	319,000	2,091,753
7	Cascade, Town of	Water	625,000	625,000	2,716,753
7	Powell County	Bridge	304,248	304,248	3,021,001
9	Wolf Creek Co. W&S District	Wastewater	750,000	750,000	3,771,001
10	Judith Gap, Town of	Water-Wastewater	750,000	750,000	4,521,001
11	Gardiner Park Co. W&S District	Wastewater	358,000	358,000	4,879,001
12	Winifred, Town of	Wastewater	500,000	500,000	5,379,001
13	Beaverhead County	Bridge	290,668	290,668	5,669,669
14	Sweet Grass Community Co. W&S District	Water	625,000	625,000	6,294,669
15	Nashua, Town of	Water	421,300	421,300	6,715,969
16	Laurel, City of	Water	625,000	625,000	7,340,969
17	Homestead Acres W&S District	Water	573,325	573,325	7,914,294
18	Crow Tribe	Water-Wastewater	750,000	750,000	8,664,294
19	Carbon County	Bridge	492,915	492,915	9,157,209
19	Lewis and Clark County	Bridge	456,628	456,628	9,613,837
21	Madison County	Bridge	413,203	413,203	10,027,040
22	Cut Bank, City of	Water	500,000	500,000	10,527,040
23	Broadview, Town of	Water	500,000	500,000	11,027,040
23	St. Ignatius, Town of	Water	253,000	253,000	11,280,040
25	Jefferson County	Bridge	160,690	160,690	11,440,730
25	Stillwater County	Bridge	292,979	292,979	11,733,709
27	Wibaux, Town of	Wastewater	500,000	500,000	12,233,709
28	Granite County	Solid Waste	197,000	0	12,233,709
29	Missoula County (for Seeley Lake)	Wastewater	750,000	0	12,233,709
29	Seeley Lake Sewer District	Wastewater	750,000	0	12,233,709
31	Bigfork Co. W&S District	Wastewater	750,000	750,000	12,983,709
32	Choteau, City of	Wastewater	500,000	500,000	13,483,709
33	Valier, Town of	Water	625,000	625,000	14,108,709
34	Carter Choteau Co. W&S District	Water	750,000	750,000	14,858,709
35	Hardin, City of	Wastewater	500,000	500,000	15,358,709
36	Upper & Lower River Rd W&S District	Water-Wastewater	500,000	500,000	15,858,709
37	Gilford Co. W&S District	Wastewater	538,000	538,000	16,396,709
38	Big Sandy, Town of	Wastewater	500,000	500,000	16,896,709
38	Ronan, City of	Water	750,000	750,000	17,646,709
40	Dutton, Town of	Wastewater	500,000	500,000	18,146,709
41	Blaine County	Bridge	384,160	384,160	18,530,869
42	Loma County W&S District	Water	750,000	750,000	19,280,869
43	Harlowton, Town of	Water	500,000	500,000	19,780,869
44	Kevin, Town of	Water	500,000	500,000	20,280,869
45	Flathead County for Bigfork	Stormwater	625,000	625,000	20,905,869
46	Woods Bay Homesites W&S District	Wastewater	730,000	730,000	21,635,869
47	Shelby, City of	Wastewater	750,000	625,000	22,260,869
48	Whitefish, City of	Wastewater	500,000	500,000	22,760,869
49	Eureka, Town of	Water	625,000	625,000	23,385,869
49	Troy, City of	Water	750,000	715,000	24,100,869
51	Fallon Co. North Baker W&S District	Wastewater	500,000	120,000	24,220,869
52	Sheaver's Creek W&S District	Wastewater	600,000	600,000	24,820,869
53	Yellowstone County	Bridge	228,753	228,753	25,049,622
54	Gore Hill Co. Water District	Water	250,300	250,300	25,299,922
55	South Chester County Water District	Water	131,000	0	25,299,922
56	Livingston, City of	Solid Waste	500,000	500,000	25,799,922
57	Flathead Co. Water District #8 (Happy Valley)	Water	500,000	500,000	26,299,922
58	Bynum/Teton Co. W&S District	Water	567,000	567,000	26,866,922
59	Bozeman, City of	Wastewater	750,000	750,000	27,616,922
60	Fort Smith W&S District	Water	500,000	500,000	28,116,922
61	Jette Meadows W&S District	Water	750,000	750,000	28,866,922
62	Greater Woods Bay Sewer District	Wastewater	732,000	488,000	29,354,922
63	Em-Kayan Co. W&S District	Water	290,619	0	29,354,922
64	Stevensville, Town of	Water	750,000	0	29,354,922
65	Bridger Pines Co. W&S District	Wastewater	750,000	0	29,354,922
Total			33,757,541	29,354,922	29,354,922

¹ Some projects have the same rank number indicating they tied.

² The amount recommended if there are sufficient monies to fund the project. Under current law, it is projected that about \$16 million in net endowment interest will be available for TSEP grant awards for the 2011 biennium. Based on the net endowment interest projected to be available for TSEP grant awards for the 2011 biennium, 33 projects could be funded.

Reclamation and Development Grant Program

Purpose – The Reclamation and Development Grants Program (RDGP) was established by the Montana Legislature in 1987 to enable funding for projects that indemnify the people of Montana from the effects of mineral development on public resources and that meet other crucial needs serving the public interest and the total environment of the citizens of Montana. Administered by the Department of Natural Resources and Conservation (DNRC), the RDGP fulfills this mission by funding projects that (1) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction, and (2) develop and ensure the quality of public resources for the benefit of all Montanans. The RDGP Act is Title 90, Chapter 2, part 11, MCA.

Executive Recommendation –

- **Volume 5 of the Governor’s 2011 biennium Executive Budget** contains the complete project evaluations and funding recommendations for the RDGP.
- **HB 7** presents the reclamation and development grant recommendations, which total \$6,662,122 for the 25 projects for which funding is recommended.
- Statutorily required priorities include \$600,000 for the Montana Board of Oil and Gas and \$800,000 in abandoned mines reclamation.
- Representative mineral reclamation project include reclamation and cleanup of the McClaren, Emery, and Beal Mountain mines, and numerous oil and gas well plugging and abandonment projects.
- Non-mineral projects include the restoration of Fleshman Creek and reclamation of the Berg Lumber site.
- Also included is a \$800,000 request for planning grant funding.

Since the last Session –

- During the interim, DNRC contracted with 14 of the 18 funded grants. These projects are progressing with particular success from the board of Oil and Gas in properly plugging and abandoning shut in wells that have been taken over as a responsibility of the state.

Reclamation and Development Grant Program

Table F-4
Reclamation and Development Grant Program

Rank	Project Sponsor	Project Title	Amount Requested	Amount Recommended	Cumulative Total
1	Montana Board of Oil and Gas	2009 Northern District Orphaned Well Plug & Abandonment & Site Restoration	\$300,000	\$300,000	\$300,000
2	Montana Board of Oil and Gas	2009 Southern District Orphaned Well Plug & Abandonment & Site Restoration	\$300,000	\$300,000	\$600,000
3	MT DNRC-Trust Land Management Division	Reliance Refinery	\$300,000	\$300,000	\$900,000
*4	City of Shelby	Shelby Refinery	\$300,000	\$300,000	\$1,200,000
*5	Missoula County	St. Louis Creek Mine Reclamation	\$300,000	\$300,000	\$1,500,000
6	MT - Department of Environmental Quality	Spring Meadow Lake Reclamation Project	\$300,000	\$300,000	\$1,800,000
*7	Cascade County Commission	County Shops Remediation of Wood Treatment Preservatives	\$300,000	\$300,000	\$4,200,000
8	MT - Department of Environmental Quality	McLaren Tailings Reclamation Project	\$300,000	\$300,000	\$2,400,000
*9	City of Lewistown**	Reclamation of Berg Lumber Site	\$220,590	\$300,000	\$2,700,000
*10	Town of Ryegate	Former Ryegate Conoco	\$259,200	\$259,200	\$2,959,200
11	MT - Department of Environmental Quality	Emery Reclamation Project	\$300,000	\$300,000	\$3,259,200
*12	Park County	Fleshman Creek Urban Restoration Project	\$300,000	\$300,000	\$3,559,200
*13	Butte-Silver Bow City-County Government	Butte Mining District-Reclamation and Protection Project	\$300,000	\$300,000	\$3,859,200
*14	Missoula County	Ninemile Creek Mining District Reclamation	\$200,800	\$200,800	\$4,060,000
15	MT - Department of Environmental Quality	Beal Mountain Mine: Waste Rock Dump Soil Cover	\$300,000	\$300,000	\$4,360,000
*16	Lewis & Clark Conservation District	York Gulch Old Amber Mine Reclamation Project	\$83,207	\$83,207	\$4,443,207
*17	Ruby Valley Conservation District	Big Hole Cooperative Ditch Improvement Project	\$239,658	\$239,658	\$4,682,865
18	MT DNRC-Water Resources Division**	Monitoring Coal-Bed Methane Development Effects on Surface Water Quality of the Tongue & Powder River	\$300,000	\$195,000	\$4,877,865
19	Montana Public Service Commission**	Geologic Evaluation of Potential Sites for Compressed Air Energy Storage in Montana	\$293,460	\$135,000	\$5,012,865
20	Flathead Basin Commission	Flathead Lake Mapping Project	\$294,977	\$294,977	\$5,307,842
21	Jefferson County	Ground-Water Quality Assessment with Emphasis on Radionuclides	\$300,000	\$300,000	\$5,607,842
22	Meagher County Conservation District	Hydrologic Framework & Water Budget of the Upper Smith River Watershed, Meagher County	\$300,000	\$300,000	\$5,907,842
23	Custer County Conservation District**	Yellowstone River Riparian Restoration Project	\$299,926	\$177,881	\$6,085,723
24	Cascade County Commission	Sustainable Water Supplies from the Madison Aquifer, Central Montana	\$290,817	\$286,792	\$6,372,515
25	Butte-Silver Bow City-County Government	Irrigation Demonstration Project for Butte Acidic Mine Waters-On-Site Treatment & Resource Recovery	\$289,607	\$289,607	\$6,662,122
26	Carter County Conservation District	Ground-Water Monitoring Near a Proposed in Situ Uranium Mine in Carter County	\$295,407	\$0	\$6,662,122
27	MT - Department of Environmental Quality	Systematic Statewide Reconnaissance of Occurrence & Effects of Organic Wastewater Compounds from Wastewater Treatment Plants in Receiving Streams in Montana	\$300,000	\$0	\$6,662,122
28	Flathead County	Flathead Regional Wastewater Management Group (FUNDED BY RRGL)	\$89,983	\$0	\$6,662,122
29	Montana Bureau of Mines and Geology	Assessment of Deep Coals in Eastern Montana-Potential Targets for In-situ Gasification of Unmineable Resources (WITHDRAWN)	\$159,784	\$0	\$6,662,122
		Total	\$7,817,416	\$6,662,122	\$6,662,122
*	Applicant received RDGP planning grant September 25 2008 2pm		** funding amount has been changed		

Renewable Resource Grant and Loan Program

Purpose - The Renewable Resource Grant and Loan Program offers funding for projects that conserve, manage, develop, and preserve renewable resources to provide economic and other benefits of the state's natural heritage. The Department of Natural Resources and Conservation (DNRC) administers the program, which is provided for in Title 85, Chapter 1, part 6 MCA.. Governmental entities may apply to the program to obtain funding for community resource-related projects. Project eligibility covers a wide spectrum including irrigation system rehabilitation, stream restoration, watershed management, public water and sewer systems, and resource assessment projects.

Executive Recommendation –

- **Volume 6 of the Governor's 2011 biennium Executive Budget** contains the complete project evaluations and funding recommendations for all grant and loan applications. Table F-5 below shows the recommended projects.
- **HB 6** presents the renewable resource grants recommendations for legislative action.
- Grant funding is limited to \$5.072 million and would provide funding for the first 52 of the 92 applications.
- Funding is recommended in the bill for 89 projects, in order of priority, for a total of \$8.6 million, in keeping with the DNRC policy of including all projects that meet minimum technical and financial feasibility requirements.
- The highest priority grant will be to the Town of Dutton for a wastewater system improvements project.
- Other projects include the Ruby Dam rehabilitation project and other dam rehabilitation, watershed restoration projects, irrigation rehabilitation projects, groundwater studies, numerous proposals for municipal water and wastewater systems and other water management projects.
- **HB 6** recommends provision of \$100,000 in emergency grants to communities for projects that present immediate threats to public health or the environment. \$800,000 is recommended for project planning grants, \$300,000 for irrigation development grants and \$50,000 for private grants.
- **HB 8** presents the renewable resource bonds and loans recommendations from applications that total \$2,873,000 in new requests.

Since the Last Session –

- As of October 2008, the DNRC entered into grant agreements with 73 of the 78 grantees that received appropriations from the 60th Legislature for a total of \$6,659,360 approved to date.
- This biennium, there have been 3 emergency grants awarded to date.
- Thirty-one planning project planning grants were issued.

Renewable Resource Grant and Loan Program

**Table F-5
2011 Biennium Renewable Resource Program**

Ranked Order	Applicant	Project Name	Grant Amount	Cumulative	Loan Amount	Type
1	Dutton, Town of	Dutton WW System Improvements	100,000	100,000		WW
2	Philipsburg, Town of	Philipsburg WW System Improvements	100,000	200,000		WW
3	Upper Lower River Road WSD	Upper Lower River Road Phase 3 Water and Wastewater System Improvements	100,000	300,000		WW/WW
4	Fork Peck Tribes	Fort Peck Tribes lateral L-56 Rehab Project	100,000	400,000		IR
5	Bitter Root Irrigation District	Bitter Root Irrigation District Siphon 1:Phase 1	100,000	500,000	473,000	IR
6	Milk River Irrigation Project	Milk River system-wide Geolrrigaton Mapping Project	65,004	565,004		WM
7	Big Sandy, Town of	Big Sandy WW Improvement Project	100,000	665,004		WW
8	Beaverhead CD	Big Hole Spring Creek Kalsta Spring Creek WQ Enhancement	97,485	762,489		WM
9	DNRC- Water Resources Div	Ruby Dam Rehabilitation Project	100,000	862,489	2,000,000	DAM
10	Nashua, Town of	Nashua Water System Improvements	100,000	962,489		W
11	Hysham ID	Pump Station Electrical Improvements Project	100,000	1,062,489		IR
12	Yellowstone County	West Billings Flood control and Groundwater Recharge Study	100,000	1,162,489		WM
13	Clinton Irrigation District	Main Canal Rehabilitation Project	99,610	1,262,099		IR
14	Hardin, City of	Hardin WW System Improvements	100,000	1,362,099		WW
15	Lewistown, City of	Lewistown WW System Improvements	100,000	1,462,099		WW
16	Winifred, Town of	Winifred WW System Improvements	100,000	1,562,099		WW
17	Gilford County WSD	Gilford WW System Improvements	100,000	1,662,099		WW
18	Melstone, Town of	Melstone Water System Improvements	100,000	1,762,099		W
19	Hysham ID	SDSS Flow Monitoring/Data Transfer Project	100,000	1,862,099		IR
20	Choteau, City of	Choteau WW System Improvements	100,000	1,962,099		WW
21	Wolf Creek County WSD	Wolf Creek WW System Improvements	100,000	2,062,099		WW
22	Lower Musselshell CD	Lost Horse Creek Siphon Pipeline Rehabilitation	100,000	2,162,099		IR
23	Whitefish, City of	Whitefish WW System Improvements	100,000	2,262,099		WW
24	Gardiner-Park County WSD	Gardiner WW System Improvements	100,000	2,362,099		WW
25	DNRC- Water Resources Div	Twodot Canal Rehabilitation Project	100,000	2,462,099		IR
26	Cascade, Town of	Cascade Water System Improvements	100,000	2,562,099		W
27	Sweet Grass County CD	Post-Kellogg Diversion Structure Infrastructure Rehabilitation	100,000	2,662,099		IR
28	Wibaux, Town of	Wibaux WW System Improvements	100,000	2,762,099		WW
29	Ravalli County Environmental Health	Bitterroot Valley Septic Systems Impact Evaluation Model	100,000	2,862,099		WM
30	Bynum Teton County WSD	Bynum Water System Improvements	100,000	2,962,099		W
31	Lake County	Lake County LiDAR Mapping Project	100,000	3,062,099		WM
32	Ravalli County	Ravalli County Phase II LiDAR Mapping	100,000	3,162,099		WM
33	Judith Gap, Town of	Judith Gap Water and WW System Improvements	100,000	3,262,099		WW/WW
34	Crow Tribe of Indians	Crow Agency WW System Improvements Phase IIIA	100,000	3,362,099		WW
35	Stevensville, Town of	Stevensville WW Improvements Project	100,000	3,462,099		WW
36	Flathead County	Bigfork Stormwater System Improvements	100,000	3,562,099		SS
37	Kevin, Town of	Kevin Water System Improvements	100,000	3,662,099		W
38	Em-Kayan Village WSD	Em-Kayan Village Water System Improvements	100,000	3,762,099		W
39	Broadview, Town of	Broadview Water System Improvements	100,000	3,862,099		W
40	DNRC- Water Resources Div	Deadman's Basin Terminal Outlet Replacement Project	100,000	3,962,099	400,000	DAM
41	Big Horn CD	Water Reservations Efficiencies	19,486	3,981,585		WM
42	DNRC- Water Resources Div	Martinsdale Reservoir Dam Drain Project	100,000	4,081,585		DAM
43	Loma County WSD	Loma Water System Improvements	100,000	4,181,585		W
44	Woods Bay Homesites WSD	Woods Bay WW System Improvements	100,000	4,281,585		WW
45	Sheaver's Creek WSD	Sheaver's Creek WW System Improvements	100,000	4,381,585		WW
46	Bozeman, City of	Hyalite Creek Source Water Protection Barrier Project	100,000	4,481,585		WM
47	Greater Woods Bay Sewer District	Greater Woods Bay WW System Improvements	100,000	4,581,585		WW
48	Virginia City, Town of	Virginia City WW System Improvements	100,000	4,681,585		WW
49	Helena Valley ID	HVID Main Canal Lining Project	100,000	4,781,585		IR
50	Flathead County	Flathead Regional Wastewater Management Group	89,993	4,871,578		WM
51	North Baker WSD	North Baker WW System Improvements	100,000	4,971,578		WW
52	Valier, Town of	Valier Water System Improvements	100,000	5,071,578		W
53	Flathead Joint Board of Control	FJBC Jocko K Canal Lining	100,000	5,171,578		IR
54	Sweet Grass County	Yellowstone Greycliff Study	80,000	5,251,578		WM
55	Cut Bank, City of	Cut Bank Water System Improvements	100,000	5,351,578		W
56	Confederated Salish and Kootenai Tribes	Upper Jocko S Lining Project	100,000	5,451,578		IR
57	St. Ignatius, Town of	St. Ignatius Water System Improvements	100,000	5,551,578		W
58	Missoula County	Lewis and Clark Subdivision RSID Water System Improvements	100,000	5,651,578		W
59	Bridger Pines County WSD	Bridger Pines WW System Improvements	100,000	5,751,578		WW
60	Ennis, Town of	Ennis Water System Improvements	100,000	5,851,578		W
61	Laurel, City of	Laurel Water System Improvements	100,000	5,951,578		W
62	Fort Smith WSD	Fort Smith Water System Improvements	100,000	6,051,578		W
63	Troy, City of	Troy Water System Improvements	100,000	6,151,578		W
64	DNRC- Water Resources Div	Nevada Creek Canal Design and Construction Project	100,000	6,251,578		DAM
65	Granite County	Granite County Solid Waste Improvements	100,000	6,351,578		SW
66	Harlowton, City of	Harlowton Water System Improvements	100,000	6,451,578		W
67	Jette Meadows WSD	Jette Meadows Water System Improvements	100,000	6,551,578		W
68	Homestead Acres County WSD	Homestead Acres Water System Improvements	100,000	6,651,578		W
69	South Chester Water District	South Chester Water System Improvements	100,000	6,751,578		W
70	Bigfork WSD	Bigfork WW System Improvements	100,000	6,851,578		WW

Cultural and Aesthetic Grant Program

Purpose - The Cultural and Aesthetic (C&A) Grant Program began in the 1979 biennium for protection of works of art in the state capitol and for other cultural and aesthetic projects as provided in 15-35-108, and Title 22, Chapter 2, part 3, MCA. Initially administered by the Montana Historical Society, the C&A program was transferred to the Montana Arts Council in the 1985 biennium and continued to be funded by the interest from a statutory trust that receives coal severance tax revenues. Project applications are submitted to the MAC for review and ranking by the 16-member Cultural and Aesthetic Projects Advisory Committee, half of whom are appointed by the MAC and half by the MHS. Coal severance tax revenue of 0.63 percent is statutorily allocated to the capitol art protection trust fund for partial funding of the recommended grants. About two-thirds of the projects are arts projects and one-third are history and other cultural projects.

Executive Recommendation -

- Volume 7 of the Governor's 2011 biennium Executive Budget contains the C&A project applications and advisory committee assessment information.
- HB 9 contains the projects recommended by the advisory committee for funding in the amount of \$809,400. Table F-6 below shows all of the requested and recommended grants.
- Projects are organized into four categories: special projects less than \$4,500, special projects, operational support, and capital expenditure grants.
- The revenue estimate for cultural trust interest earnings for the 2011 biennium is \$20,320.
- Montana Arts Council administration and services are recommended for \$429,356 and appropriated in House Bill 2.
- Montana Historical Society is appropriated in HB 9 the first \$30,000 for Capitol Complex works of art.
- Language in HB 9 provides a mechanism for spending the funds within the total revenue available.

Since the Last Session –

- The MAC received 104 requests for grant funding totaling \$2.6 million, which were reviewed and ranked by the Cultural and Aesthetic Projects Advisory Committee. The average request was \$25,000 and the average recommended is \$8,800. These are two year awards.
- The tax flow into the cultural and aesthetic trust fund was \$249,000 for FY 2008.

Cultural and Aesthetic Grant Program

Table F-6
Cultural and Aesthetic Grant Program
2011 Biennium Cultural Trust Applications & Recommendations

Grant #	Organization Name	REQUEST	RECOMMEND	RANK	CUMULATIVE
Special Project < \$4500					
1406	Upper Swan Valley Historical Soc	\$ 4,400	\$ 3,500	1	\$ 3,500
1407	Yellowstone Ballet Company	\$ 4,500	\$ 4,500	2	\$ 8,000
1405	Signatures from Big Sky	\$ 4,500	\$ 4,500	3	\$ 12,500
1404	Sanders County Historical Soc/USFS Region 1	\$ 4,500	\$ 4,500	4	\$ 17,000
1402	Miles City Speakers Bureau	\$ 4,000	\$ 4,000	5	\$ 21,000
1403	Montana Storytelling Roundup, Inc.	\$ 4,500	\$ 4,500	6	\$ 25,500
1401	Granite Co Museum & Cultural Ctr	\$ 4,500	\$ 2,000	7	\$ 27,500
1400	Council for the Arts, Lincoln	\$ 2,500	\$ 1,800	8	\$ 29,300
Special Project					
1432	Montana Alliance for Arts Ed	\$ 8,566	\$ 5,000	SSO-1	\$ 34,300
1418	Glacier National Park	\$ 4,923	\$ 4,900	1	\$ 39,200
1424	Humanities Montana	\$ 75,000	\$ 13,900	2	\$ 53,100
1430	Missoula Art Museum	\$ 27,000	\$ 12,000	3	\$ 65,100
1440	Russell Museum	\$ 60,000	\$ 13,900	4	\$ 79,000
1414	CoMotion Dance	\$ 17,477	\$ 6,000	5	\$ 85,000
1408	Alpine Artisans, Inc	\$ 16,400	\$ 7,300	6	\$ 92,300
1416	Fort Peck Fine Arts Council	\$ 40,000	\$ 11,000	7	\$ 103,300
1411	Butte Silver Bow Public Archives	\$ 36,000	\$ 14,000	8	\$ 117,300
1436	Museum of the Rockies	\$ 30,000	\$ 10,000	9	\$ 127,300
1421	Headwaters Dance Co	\$ 25,000	\$ 10,000	10	\$ 137,300
1410	Butte Citizens Pres & Revitalization	\$ 21,000	\$ 8,400	11	\$ 145,700
1426	KUFM Montana Public Radio	\$ 23,976	\$ 10,000	12	\$ 155,700
1423	Hockaday Museum of Art	\$ 60,000	\$ 10,400	13	\$ 166,100
1427	Livingston Depot Foundation	\$ 24,000	\$ 5,000	14	\$ 171,100
1415	Emerson Cultural Center	\$ 21,270	\$ 8,400	15	\$ 179,500
1417	Friends of the Museum of the Plains Indian	\$ 9,000	\$ 3,000	16	\$ 182,500
1425	International Choral Festival	\$ 6,840	\$ 6,200	17	\$ 188,700
1412	Butte Silver Bow Public Library	\$ 38,060	\$ 5,000	18	\$ 193,700
1433	Montana Historical Society	\$ 45,127	\$ 10,400	19	\$ 204,100
1428	Mai Wah Society/ Museum	\$ 22,341	\$ 6,000	20	\$ 210,100
1435	Montana Museum of Art & Culture	\$ 25,500	\$ 10,700	21	\$ 220,800
1437	Musikanten Montana	\$ 16,000	\$ 2,000	22	\$ 222,800
1409	Big Sky Repertory Theatre	\$ 24,368	\$ 10,700	23	\$ 233,500
1434	Montana Mandolin Society	\$ 8,000	\$ 2,000	24	\$ 235,500
1438	North Valley Music School	\$ 20,000	\$ 9,300	25	\$ 244,800
1413	Butte Symphony Assoc	\$ 5,388	\$ 1,000	26	\$ 245,800
1419	Glacier Symphony & Chorale	\$ 23,000	\$ 7,500	27	\$ 253,300
1420	Hamilton Players, Inc	\$ 24,867	\$ 5,000	28	\$ 258,300
1442	Yellowstone Chamber Players	\$ 13,300	-	29	\$ 258,300
1441	U of M Western	\$ 7,800	-	30	\$ 258,300
1443	Youth Arts in Action	\$ 19,160	-	31	\$ 258,300
1439	Powell County Museum & Arts Fndn	\$ 1,350	-	32	\$ 258,300
1422	Helena Symphony Orchestra & Chorale	\$ 40,000	-	33	\$ 258,300
1431	Missoula Community Access TV	\$ 12,000	-	34	\$ 258,300
1429	Mainstreet Uptown Butte, Inc.	\$ 40,000	-	35	\$ 258,300

Cultural and Aesthetic Grant Program

Table F-6
Cultural and Aesthetic Grant Program
2011 Biennium Cultural Trust Applications & Recommendations

Grant #	Organization Name	REQUEST	RECOMMEND	RANK	CUMULATIVE
Operational Support					
1467	Montana Arts	\$ 12,000	\$ 9,000	SSO-1	\$ 267,300
1475	Museums Assoc of Montana	\$ 20,000	\$ 12,500	SSO-2	\$ 279,800
1468	Montana Dance Arts Association	\$ 13,500	\$ 9,000	SSO-3	\$ 288,800
1469	Montana Performing Arts Consortium	\$ 39,000	\$ 15,000	SSO-4	\$ 303,800
1472	MT Assoc of Symph Orchestras (MASO)	\$ 27,400	\$ 12,500	SSO-5	\$ 316,300
1473	Museum & Art Gallery Director's Assoc	\$ 30,000	\$ 12,000	SSO-6	\$ 328,300
1470	Montana Preservation Alliance	\$ 40,000	\$ 12,000	SSO-7	\$ 340,300
1483	Shakespeare in the Parks	\$ 40,000	\$ 10,400	1	\$ 350,700
1448	Big Horn Arts & Crafts Assoc	\$ 20,000	\$ 13,500	2	\$ 364,200
1488	Western Heritage Center	\$ 40,000	\$ 10,400	3	\$ 374,600
1460	Holter Museum of Art	\$ 60,000	\$ 15,000	4	\$ 389,600
1462	MCT, Inc	\$ 40,000	\$ 12,000	5	\$ 401,600
1444	Alberta Bair Theater	\$ 25,000	\$ 11,100	6	\$ 412,700
1447	Beaverhead Co Museum	\$ 20,000	\$ 12,000	7	\$ 424,700
1445	Archie Bray Foundation	\$ 50,000	\$ 10,400	8	\$ 435,100
1446	Art Mobile of Montana	\$ 30,000	\$ 13,300	9	\$ 448,400
1449	Billings Symphony Society	\$ 25,000	\$ 15,000	10	\$ 463,400
1492	Yellowstone Art Museum	\$ 90,000	\$ 13,900	11	\$ 477,300
1458	Great Falls Symphony	\$ 20,000	\$ 10,000	12	\$ 487,300
1457	Grandstreet Theatre	\$ 36,500	\$ 9,000	13	\$ 496,300
1461	Intermountain Opera Assoc	\$ 20,000	\$ 7,500	14	\$ 503,800
1482	Schoolhouse History & Art Center	\$ 70,912	\$ 20,000	15	\$ 523,800
1459	Helena Presents/Myrna Loy Center	\$ 32,000	\$ 12,000	16	\$ 535,800
1455	Custer County Art Center	\$ 32,000	\$ 15,000	17	\$ 550,800
1485	Sunburst Community Foundation	\$ 18,310	\$ 8,000	18	\$ 558,800
1478	Pondera Arts Council	\$ 20,000	\$ 5,900	19	\$ 564,700
1480	Rimrock Opera Company	\$ 21,000	\$ 5,900	20	\$ 570,600
1453	Carbon Co Historical Society	\$ 25,000	\$ 13,300	21	\$ 583,900
1479	Pondera Historical Association	\$ 25,000	\$ 8,000	22	\$ 591,900
1466	Montana Ag Center & Museum	\$ 24,000	\$ 9,000	23	\$ 600,900
1456	District 7 HRDC Growth Thru Art	\$ 30,000	\$ 13,300	24	\$ 614,200
1487	VSA Arts of Montana	\$ 13,050	\$ 8,000	25	\$ 622,200
1491	Writer's Voice (Billings YMCA)	\$ 31,000	\$ 13,700	26	\$ 635,900
1481	Rocky Mountain Ballet Theater	\$ 33,000	\$ 7,000	27	\$ 642,900
1477	Paris Gibson Sq Museum of Art	\$ 60,420	\$ 13,900	28	\$ 656,800
1450	Bozeman Symphony Society	\$ 20,000	\$ 9,000	29	\$ 665,800
1452	Carbon Co Arts Guild & Depot	\$ 28,800	\$ 9,600	30	\$ 675,400
1465	MonDak Historical & Art Society	\$ 30,940	\$ 10,300	31	\$ 685,700
1464	Missoula Cultural Council	\$ 8,000	\$ 3,000	32	\$ 688,700
1463	Mission Valley Friends of the Arts	\$ 6,000	\$ 2,000	33	\$ 690,700
1451	Butte Center for the Perf Arts	\$ 30,000	\$ 10,000	34	\$ 700,700
1486	Vigilante Theatre Company	\$ 15,000	\$ 6,000	35	\$ 706,700
1454	Copper Village Museum & Arts Cntr	\$ 28,505	\$ 9,500	36	\$ 716,200
1474	Museum of Beartooths/Stillwater Hist Soc	\$ 20,000	\$ 10,000	37	\$ 726,200
1484	Southwest MT Arts Council	\$ 30,459	\$ 10,000	38	\$ 736,200
1490	World Museum of Mining	\$ 25,000	\$ 11,100	39	\$ 747,300
1489	Whitefish Theatre Company	\$ 30,000	\$ 10,000	40	\$ 757,300
1471	Montana Repertory Theatre	\$ 20,000	\$ -	41	\$ 757,300
1476	NW MT Hist Soc Museum -Central School	\$ 36,000	\$ -	42	\$ 757,300

Cultural and Aesthetic Grant Program

Table F-6						
Cultural and Aesthetic Grant Program						
2011 Biennium Cultural Trust Applications & Recommendations						
Grant #	Organization Name	REQUEST	RECOMMEND	RANK	CUMULATIVE	
Capital Expenditure						
1503	Sanders County	\$ 25,000	\$ 11,100	1	\$	768,400
1501	Polson-Flathead Historical Museum	\$ 25,000	\$ 10,000	2	\$	778,400
1494	Billings Preservation Society	\$ 54,926	\$ 12,000	3	\$	790,400
1495	City of Great Falls/Mansfield Center	\$ 7,500	\$ 5,000	4	\$	795,400
1497	City of Shelby	\$ 45,000	\$ 5,000	5	\$	800,400
1499	Mineral Co. Museum & Historical Society	\$ 4,500	\$ 2,000	6	\$	802,400
1502	Ravalli County Museum	\$ 14,150	\$ 5,000	7	\$	807,400
1498	Clay Arts Guild of Helena	\$ 4,500	\$ 2,000	8	\$	809,400
1496	City of Helena Civic Center	\$ 35,250	-	9	\$	809,400
1500	Old Trail Museum	\$ 4,500	-	10	\$	809,400
1493	Arts Council of Big Sky	\$ 31,125	-	11	\$	809,400
TOTAL REQUESTED/RECOMMENDED		\$ 2,640,360	\$ 809,400			

State Buildings Energy Conservation Program

Purpose - The State Buildings Energy Conservation Program, operated by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs in state facilities by identifying and funding cost effective energy efficiency improvements. Statutory authority is Title 90, Chapter 4, part 6, MCA.

Background

- The program was started with one-time-only federal grant funding, then from 1993-2007 the state sold general obligation (G.O.) bonds and used the bond proceeds to pay for energy efficiency improvements. These bonds are being repaid using the energy cost savings from the projects. In the 2008-2009 biennium general funds were used for energy improvements.
- Projects are designed so the cost savings exceed the investment and can then be used to pay bond debt service or be recaptured for reinvestment in new projects.
- Energy efficiency improvements include replacing old, inefficient boilers, upgrading inefficient lighting, increasing ventilation system efficiency, insulating buildings, and providing more effective temperature controls.
- After energy improvements are in place, the DEQ provides on-going training and technical assistance to facility staff to ensure that energy savings are maintained.

Since the Last Session

First Use of General Funds – As part of its cash-and-carry philosophy of using available one-time cash rather than incurring debt, the Schweitzer Administration proposed a change, which was approved by the 2007 Legislature, to use \$3 million in general funds for energy improvements. Bond issuance costs will not need to be recaptured leaving more for investments in energy and water conservation improvements. Cost savings from these general fund projects will be captured and made available for reinvestment in energy improvements.

Emphasis on Achieving More Energy Savings at a Faster Rate – In November of 2007, Governor Schweitzer directed all agencies to reduce facility-related energy use by 20 percent by the end of 2010. Initiatives were immediately started to reduce energy use through operational changes and employee education. At least half of this 20 percent will come from cost-effective investments in energy retrofits to state facilities, reflected in the proposal to the 2009 Legislature.

Energy analyses have been completed on over 50 buildings throughout the state to identify energy saving potential. Capital improvements are needed to achieve the conservation goals, improve efficiency and reduce energy use and costs. Capital improvement projects have been closely coordinated with the Long Range Building Program so that projects that can pay for themselves through energy savings do so.

Executive Recommendation-

Establish an ongoing mechanism to reduce energy use in state government by creating revolving accounts to fund energy improvements and operate the state buildings energy conservation program. Cost savings will be recaptured and used for additional projects in the future.

Allocate \$24 million in OTO general funds to establish the revolving accounts with \$22.5 million going to capital projects and \$1.5 million to program operation including energy analysis, data collection and program implementation.

The following projects are recommended for approval.

Dept of Admin

- State Liquor Warehouse Upgrade *
- Capitol Complex Controls*
- Aviation Support Building Infrared heating and boiler replacement

State Buildings Energy Conservation Program

- Capitol Complex Boiler Plant Building burner upgrade and interruptible supply*
- Walt Sullivan Building replace chiller and steam boiler*
- Justice Building AC upgrade*
- Lee Metcalf Building Lighting Upgrade and controls*
- Cogswell Building chiller replacement*
- DPHHS Building controls*
- FWP Building boiler replacement and VAV retrofit lower floor*
- Scott Hart Building chiller replacement, and ventilation*
- OPI 1227 11th Avenue retrocommission
- OPI 1300 11th Avenue replace HVAC system
- Residential Office Buildings 6th & 8th Avenues new furnaces and envelope improvements

Dept of Agriculture

- State Grain Lab Mechanical Upgrade controls and demand ventilation*

Department of Commerce

- Reeder's Alley lighting & heating upgrades
- Miscellaneous Virginia City Buildings furnace and lighting improvements

Department of Corrections

- Men's Prison Mechanical & Electrical Upgrades*
- New Biomass Boiler Prison Industries*

Department of Fish Wildlife & Parks

- Hatchery Energy Improvements Statewide
- Regional HQ Improvements Billings, Missoula, Great Falls, Kalispell, HVAC replacements, controls and lighting.

Department of Justice

- Butte Highway Patrol Heating & Envelope Improvements
- State Crime Lab HVAC replacement and building wide controls

Department of Labor & Industry Workforce Centers

- Missoula controls upgrade
- Great Falls new chillers & controls
- Butte lighting and controls
- Miles City new furnace
- Bozeman lighting and new furnaces

Department of Military Affairs

- Statewide energy improvements*

Department of Natural Resources and Conservation

- Spurgin Road Complex new pump frequency drives, lighting, furnace replacements
- Field office campuses statewide furnaces, envelope improvements, lighting.

Department of Public Health and Human Services

- Montana Mental Health Nursing Center Lewistown ventilation and air conditioning heat recovery.*
- Montana Development Center control upgrades, lighting, pump replacement back interruptible fuel.
- Vets Home Upgrade replace older HVAC install controls and demand ventilation.*
- Warm Springs Boiler removal of old central boiler with smaller staged boilers.
- Eastern Montana Vets Home kitchen ventilation improvements and controls.

State Buildings Energy Conservation Program

Montana School for the Deaf & Blind

- Administration Building VAV retrofit and controls.
- Vocational building envelope improvements and lighting*
- PE Complex lighting controls and domestic hot water improvements.

Department of Transportation

- Helena HQ upgrade new boilers VAV retrofit and lighting.
- Helena Shop heat recovery new boilers and controls.
- Heating system and lighting upgrades Billings, Bozeman, Butte, Missoula.
- Maintenance Shops Statewide unit heater replacement lighting and envelope.

Montana University System Campus Energy Projects

- Projects throughout the university system. Energy analyses are underway to identify specific projects.

* denotes a project that is also included in both the State Buildings Energy Program and the Long Range Building Program. The State Buildings Energy Program covers the energy improvement reducing the investment needed by the Long Range Building Program.

Long Range Information Technology

Table F-7 shows all LRIT projects for the 2011 Biennium. More information on each project can be located in the IT section of this volume.

Table F-7 HB 10				
Depart	Project	GF	SSR	FSR
DOR	Improve Efficiency through Imaging Technology	3,366,178		
DOA	Inter-operational and Infrastructure Backbone build out	2,000,000		
DOA	ESSC Relocation and Equipment	3,500,000		
Gov	Governor's GIS Challenge Program	1,000,000		
DoLI	Building Standards System (One Stop E- Permitting)		2,250,000	
DoLI	Licensing Standard System (COTS System)		2,250,000	
DoLI	UI Tax Modernization (upgrade or replacement)		19,735,567	
DPHHS	MMIS	4,000,000		90,000,000