



GOVERNOR
STEVE BULLOCK

STATE OF MONTANA

SECTION F: LONG-RANGE PLANNING

Jobs in Montana Plan

Cultural & Aesthetic Grant Pgm

Long-Range Building Pgm

Quality Schools Program

Treasure State Endowment Pgm

State Building Energy
Conservation Pgm

Reclamation & Development Grants

Renewable Resource Grants &
Loans

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

JOBS and INFRASTRUCTURE in MONTANA

Purpose – The Jobs and Infrastructure in Montana proposal provides the legislature the opportunity to create jobs by completing state infrastructure projects throughout Montana. HB 14 provides funding for the Long-Range Building program, Renewable Resource Grants and Loans, Reclamation and Development Grants, Treasure State Endowment Program, Quality School grants, and Montana Community projects.

Executive Recommendation –

- The 2019 Jobs and Infrastructure in Montana proposal is comprised of general obligation bonds, state special revenue, federal special revenue, and bond funds. **Table F-1** shows the state programs and the funding, required for the proposal.
- Following the chart below, each program provides a list of projects and more details about the program.
- State funding includes agency contributions of SSR, and SSR bonds totaling \$94,019,400.
- FSR included in projects totals \$21,878,700.
- General obligation bonds included in the bill \$157,375,701.
- Authority only projects contribute \$9,640,000 to the bill.

Table F-1					
Montana Infrastructure					
	SSR	GO Bonds	SSR Bonds	FSR	Authority
LRBP	39,960,400	79,297,000	-	21,878,700	9,640,000
RRGL	1,550,000	2,981,640	-	-	
RDGP	1,300,000	2,929,574	-	-	
Loans	-	-	50,209,000	-	
TSEP	1,000,000	16,754,473	-	-	
Quality Schools	-	5,413,014	-	-	
Grants	-	50,000,000	-	-	
Total	43,810,400	157,375,701	50,209,000	21,878,700	9,640,000

LONG-RANGE BUILDING PROGRAM

LRBP

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 Recommendations –

- **Volume 3 of the Governor’s 2019 Biennium Executive Budget** contains complete descriptions of all recommended projects. Long Range Building revenue is shown in **Table F-2**. Projects for Long Range Building Program are shown within **Table F-3**.
- The LRBP contains \$39,960,400 state special revenue, and \$21,878,000 federal special revenue in HB 5.
- General obligation bond projects total \$79,297,000 funded in HB 14,
- Authority-only requests total \$9,640,000 for projects that have or will receive funding that does not require an appropriation.
- Funding is requested for a total of 37 projects in both HB 5 and HB 14.
- Volume 3 includes a listing of all LRBP project requests submitted by Agencies for the 2019 biennium.
- Highest priority in the 2019 biennium is the replacement of the boilers at Montana Mental Health Nursing Care Center (MMHNCC) in Lewistown.

Since the Last Legislative Session –

The Architecture & Engineering Division has completed:

- Jabs Hall, MSU Bozeman;
- Athlete Academic Center, UM Missoula;
- Shops/Administration Complex, MDT Bozeman;
- License Distribution Center, Montana State Prison, Deer Lodge;
- HVAC System Replacement, Montana Women’s Prison, Billings;
- Welding Lab Expansion, GFC-MSU, Great Falls;
- Main Hall Renovation, Phase 3, UM Western;
- Equipment Storage Building, MDT, Shelby;
- Roof Replacements, Montana State Prison, Deer Lodge;
- Water Supply System Upgrade for the Montana Law Enforcement Academy;
- Sewage Collection System, Infrastructure Repair at Montana State Hospital (MSH);
- Masterplan for improvements at the Montana Law Enforcement Academy, Helena;
- Mathews Hall Seismic Retrofit, UM Dillon;
- Energy Improvement Projects (mechanical, lighting and energy), statewide;
- Ag Research Center Improvements, Statewide

Construction is underway for:

- Norm Asbjornson Innovation Center and Parking Garage, MSU Bozeman;
- Diesel Technology Center, MSU-N, Havre;
- Missoula College, UM Missoula;
- Replacement of Capitol Skylights, Helena;
- Nature Resources Research Center Addition, M Tech;
- Building System Repairs and Upgrades to the Pine Hills Youth Correctional Facility, Miles City;
- Library Fire System Upgrade, MSU Billings;
- Sub HVAC Upgrades, MSU-N, Havre;
- Mechanical Upgrades, GFC-MSU, Great Falls;

Design is in-progress for:

- Living/Learning Center, M Tech;
- Capitol Complex Campus ADA Transition Plan and Improvements, Helena;
- Science & Industrial Technology Building Addition, MSU Billings;
- Justice Building HVAC Upgrades, Helena;
- Tietz Hall HVAC System Replacement , MSU Bozeman;

LONG-RANGE BUILDING PROGRAM LRBP

TABLE F-2

**REVENUE ESTIMATE
LONG-RANGE BUILDING PROGRAM ACCOUNT
PROJECTIONS AS OF OCTOBER 31, 2016
2019 BIENNIUM**

Beginning Cash Balance (July 1, 2017)		(\$1,644,172)
Revenues:		
Cigarette Tax	3,536,000	
Coal Severance Tax	13,683,000	
Interest Earnings	859,186	
Supervisory Fees	763,798	
DEQ Transfer - Energy Savings	450,000	
General Fund Transfer (OTO)	0	
Total Revenues		19,291,984
Funds Available		17,647,812
Expenditures:		
Operating Costs - A & E Division	(4,156,975)	
Debt Service - 2003G Issue ¹	0	
Debt Service - 2005A Issue ²	(1,095,296)	
Funding Switch ³	665,000	
Total Expenditures - Excluding Capital Projects		(4,587,271)
Funds Available For Capital Projects		13,060,541
Funding Proposals		
Capital Construction Program - LRBP Projects Only		0
Balance Remaining		\$13,060,541

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 LRBP

Table F-3								
Long-Range Building Program Funded With Cash & Bonded Debt								
Priority	Agency	Project Description	Project County	Funding Sources				
				LRBP Bonds	State Special	Federal Special	Authority Only	Total
1	DPHHS	SWM Veteran's Home	Silver Bow	16,815,000				16,815,000
2	DOA	Montana Heritage Center/Babcock Museum	Lewis & Clark	27,682,000				27,682,000
3	MUS	Romney Hall - MSU Bozeman	Gallatin	25,000,000			3,000,000	28,000,000
4	DPHHS	MMHNCC Boiler Replacement	Fergus	2,500,000				2,500,000
5	DOA	Life Safety, Deferred Maintenance & Energy Improvements	Statewide	3,000,000				3,000,000
6	MUS	Life Safety, Deferred Maintenance & Energy Improvements	Statewide	3,000,000				3,000,000
7	DOA	Capitol Complex Life Safety & Deferred Maintenance	Lewis & Clark		3,500,000			3,500,000
8	DMA	Female Latrines	Statewide	200,000		200,000		400,000
9	DMA	Federal Spending Authority	Statewide			3,000,000		3,000,000
10	DMA	Armed Forces Reserve Center Roofing	Statewide	1,100,000		2,200,000		3,300,000
11	DOA	AUTHORITY ONLY - Utility Rebate Funds	Statewide		2,000,000		0	2,000,000
12	MDT	Maintenance, Repair & Small Projects	Statewide		2,500,000			2,500,000
13	DEQ	Energy Improvements	Statewide		3,700,000			3,700,000
14	MUS	AUTHORITY ONLY - UM General Spending Authority	Missoula				6,000,000	6,000,000
15	DMA	UTES/CSMS Wash Facility	Lewis & Clark			2,000,000		2,000,000
16	DMA	Fort Harrison & Miles City Cemetery Improvements	Lewis & Clark			4,000,000		4,000,000
17	DMA	Replace Malta Readiness Center	Phillips			3,015,000		3,015,000
18	FWP	Habitat Montana	Statewide		13,324,000			13,324,000
19	FWP	Upland Game Bird Enhancement Program	Statewide		1,164,000			1,164,000
20	FWP	Wildlife Habitat Maintenance	Statewide		500,000			500,000
21	FWP	Bighorn Sheep Habitat	Statewide		370,000			370,000
22	FWP	Forest Management	Statewide		100,000			100,000
23	FWP	Migratory Bird Program	Statewide		880,000			880,000
24	FWP	Home to Hunt Access	Statewide		220,000			220,000
25	FWP	L&C Caverns State Park - Electrical Upgrades	Jefferson		2,200,000			2,200,000
26	FWP	Bannack State Park - Cultural Preservation	Beaverhead		1,650,000			1,650,000
27	FWP	Makoshika State Park - Road Infrastructure Repairs	Dawson		2,100,000			2,100,000

LONG-RANGE BUILDING PROGRAM LRBP

Table F-3									
Long-Range Building Program									
Priority	Agency	Project Description	Project County	Funding Sources				Total	
				LRBP Bonds	State Special	Federal Special	Authority Only		
28	FWP	Grant Programs	Statewide		222,400	4,900,000		5,122,400	
29	FWP	Admin Facilities Major Maintenance	Statewide		2,737,000	262,500		2,999,500	
30	FWP	Future Fisheries	Statewide		1,177,000			1,177,000	
31	FWP	FAS Acquisition	Statewide		298,000	186,000		484,000	
32	FWP	FAS Site Protection	Statewide		500,000	1,743,200		2,243,200	
33	FWP	Hatchery Maintenance	Statewide		550,000		175,000	725,000	
34	FWP	Dam Maintenance	Statewide		60,000			60,000	
35	FWP	Community Fishing Ponds	Statewide		25,000			25,000	
36	FWP	Fish Passage Construction	Statewide		183,000	372,000	165,000	720,000	
37	FWP	Murray Springs Raceways	Lincoln				300,000	300,000	
TOTAL LONG RANGE BUILDING PROGRAM					\$79,297,000	\$39,960,400	\$21,878,700	\$9,640,000	\$150,776,100

State Buildings Energy Conservation Program SBCEP

Purpose

The State Buildings Energy Conservation Program (SBCEP), 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 (GO) 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 2011 biennium, general fund and one-time-only federal funding were utilized for energy improvement projects and enabled the establishment of the current revolving fund program.
- Projects are designed so the cost savings meet or exceed the investment and project repayments revolve 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.
- DEQ provides technical assistance in energy project development and works with facility staff to ensure that energy savings are maintained.
- During fiscal years 2016 and 2017, the SBCEP invested over \$3,700,000 in 14 projects resulting in estimated utility savings of \$316,180 per year.

Executive Recommendation

- Volume 3 of the Governor's 2019 Biennium Executive Budget contains complete project descriptions of the recommended projects. \$3.7 million in appropriation authority is recommended for fiscal years 2018 and 2019 for the State Building Energy Conservation Program.
- Projects are listed in **Table F-4**. This appropriation is included in LRBP chart as Energy Improvements.

Table F-4		
State Building Energy Conservation Program		
Department of Fish, Wildlife, and Parks		
Fort Peck Hatchery Design and Development	\$	100,000
Region 3 Bozeman Necropsy Lab	\$	50,000
Department of Corrections		
Women's Prison Tower Energy Improvements	\$	300,000
Department of Public Health and Human Services		
Montana Mental Health Nursing Care Center	\$	500,000
Warm Springs Greenhouse Improvements	\$	50,000
Department of Labor and Industry		
Hamilton Job Service Center	\$	50,000
Montana University System		
MSU Northern Brockman Retro-Cx	\$	90,000
Campus Lighting Projects using LED technology	\$	500,000
State-wide Energy Improvements		
Photovoltaic Solar Install with Roof Replacements	\$	1,200,000
Lighting Upgrade Projects in State Facilities	\$	860,000
Total	\$	3,700,000

Renewable Resource Grant and Loan Program RRGLP

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 includes irrigation system rehabilitation, stream restoration, watershed management, public water and sewer systems, and resource assessment projects.

Executive Recommendation -

- **Volume 6 of the Governor's 2019 biennium Executive Budget** contains the complete project evaluations and funding recommendations for all grant and loan applications. Table **F-5** shows the funded projects.
- Renewable Resource project grant awards are included in HB 14 and will be funded with an appropriation of \$2,981,640 of GO bond proceeds.
- RRGL recommends provision for \$800,000 for project planning grants, \$100,000 in emergency grants to communities with projects that present immediate threats to public health, \$300,000 for irrigation grants, \$300,000 for Watershed Management Grants, and \$50,000 for private grants. HB 6 will appropriate \$1,550,000 of state special revenue to fund these discretionary grants during the 2019 biennium.

Since the Last Session -

RRGL Program to date- 2017 Biennium:

- 27 of the 34 authorized projects have been contracted for a total of \$ 3,000,000
- Emergency Grants contracted 5 for a total of \$ 63,000
- Planning Grants – 61 grants contracted for a total of \$525,000
- Watershed Management Grants- - 23 grants contracted for \$207,495
- Irrigation Development Grants- 9 grants contracted for \$100,240
- Septic Loan Grants -0 contracted
- Private Grants- 23 grants contracted for \$57,293

Renewable Resource Grant and Loan Program RRGLP

Table F-5

Renewable Resource Grant and Loan Program

Rank	County	Project Type	Applicant Name	Project Title	Recommended Amt
1	Lewis and Clark	Irrigation/DW	Helena Valley Irrigation District	Gate Automation Flint Creek Dam Resource	\$ 125,000
2	Granite	Dam	Granite County	Enhancement Sunset Hills Cemetery and Lindley Park Water	\$ 125,000
3	Gallatin	Irrigation/DW	Bozeman, City of	Conservation Avalanche Irrigation District	\$ 125,000
4	Broadwater, Lewis and Clark	Irrigation	Broadwater CD	Irrigation System Improvements Wastewater System	\$ 125,000
5	Sheridan	Waste Water	Medicine Lake, Town of	Improvements	\$ 125,000
6	Ravalli	Irrigation	Ward Irrigation District	Canal Intake Improvements	\$ 125,000
7	Sweet Grass	Irrigation	Sweet Grass County CD	Boe-Engle Ditch Diversion Infrastructure Improvements	\$ 106,640
8	Beaverhead	Other	Beaverhead Conservation District	Poindexter Slough Fishery Enhancement, Phase 3	\$ 125,000
9	Big Horn	Waste Water	Crow Tribe of Indians	Wastewater Collection System Improvement, Phase 3	\$ 125,000
10	Stillwater	Irrigation	Stillwater CD	Yanzick/Brey-Riddle Ditches Irrigation System Improvements	\$ 125,000
11	Lewis and Clark	Waste Water	Lewis and Clark County SD	Wastewater System Improvements	\$ 125,000
12	Roosevelt	Waste Water	Froid, Town of	Wastewater System Improvements	\$ 125,000
13	Broadwater	Waste Water	Townsend, City of	Wastewater System Improvements	\$ 125,000
14	Cascade	Waste Water/DW	South Wind WSD	Water and Wastewater System Improvements, Phase 3	\$ 125,000
15	Roosevelt	Waste Water	Poplar, City of	Wastewater System Improvements	\$ 125,000
16	Dawson, Richland	Irrigation	Lower Yellowstone Irrigation Project	Lateral O Check and Terminal Wasteway Rehabilitation	\$ 125,000
17	Stillwater	Waste Water	Stillwater County - Absarokee Sewer RSID	Wastewater System Improvements	\$ 125,000
18	Golden Valley	Waste Water	Ryegate, Town of	Wastewater System Improvements	\$ 125,000
19	Yellowstone	Irrigation	Huntley Project Irrigation District	Lower Main Canal Lining, Phase 2	\$ 125,000
20	Lewis and Clark	Irrigation/DW	Helena Valley Irrigation District	Lateral 14.8 Rehabilitation, Phase 1	\$ 125,000
21	Big Horn	Irrigation	Broadwater CD	Big Springs Ditch Water Conservation, Phase 2	\$ 125,000
22	Sanders	Waste Water	Thompson Falls, City of	Wastewater System Improvements	\$ 125,000
23	Pondera	Irrigation/DW	Pondera County CD	Pondera County Canal & Reservoir Company KB2 Canal Rehabilitation	\$ 125,000
24	Phillips	Irrigation	Malta Irrigation District	Exeter Siphon Replacement	\$ 125,000
				Total Funded Projects	\$ 2,981,640

Reclamation and Development Grants

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 for 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 2019 biennium Executive Budget** contains the complete project evaluations and funding recommendations for the RDGP. Table F-6 shows the funded projects.
- RDGP presents the reclamation and development grant awards that will be funded with an appropriation of \$2,929,574 in GO bond proceeds in HB 14.
- A state special revenue appropriation for \$800,000 for planning grants and \$500,000 for aquatic invasive species control grants is contained in HB 7.
- *Representative mineral reclamation projects include* removal of contaminated tailings at the Rumsey Mill, removal of contaminated tailings and soil near Revais Creek, and restoration of placer mining impacts to Ninemile Creek.
- Non-mineral projects include the aquatic invasive plant management, petroleum cleanup at the Harlowton Roundhouse, removal of contaminated soils at the former Central Post and Treating Company in Lewistown, and removal of contaminated soils at the former Milwaukee Roundhouse in Powell County.

Since the Last Session -

As of October 1, 2016,

- 8 of the 10 grantees that received appropriations from the 64th Legislature have started their projects for a total of \$3.40 million.
- 22 planning grants have been awarded for a total of \$630,578.
- 8 projects and contracts have been funded for aquatic invasive species control and technical support for \$146,770.
- A contract awarded to Pondera County CD for \$214,000 to assist the Montana Salinity Control Association drill rig and operational control is underway.

Table F-6					
Reclamation and Development Grant Program					
Rank	County	Project Type	Applicant Name	Project Title	Recommended Amt
1	Granite	Mining	Granite Conservation District	Flint Creek Watershed Metals Remediation – Fred Burr Creek, Rumsey Mill Tailings	\$500,000
2	Powell	Mining	Montana Department of Environmental Quality	Tramway Creek Mine Reclamation Project	\$432,500
3	Wheatland	Hazardous	City of Harlowton	Removal of Contaminated Soils and Free Product at the Harlowton Roundhouse in Harlowton, MT	\$300,000
4	Fergus	Hazardous	City of Lewistown, Montana	Cleanup of the Central Post and Treating Company in Lewistown, MT	\$475,000
5	Lewis & Clark	Mining	East Helena Public Schools	Dartman Field Reclamation Project	\$500,000
6	Sanders	Mining	Confederated Salish & Kootenai Tribes (CSKT)	Revais Creek Mine Tailings Reclamation	\$302,074
7	Missoula	Mining	Missoula County Community and Planning Services	Ninemile Creek Housem Placer Mine Reclamation	\$420,000
Total projects funded					\$2,929,574

Reclamation and Development Grants Program Renewable Resource Loans and Bonds

Coal Severance Tax Bonds

Purpose – Department of Natural Resources (DNRC) is authorized to make loans to political subdivisions and local governments to help finance renewable resource projects.

Executive Recommendation-

- RRGL recommends reauthorization for three renewable resource loans and associated bonds. Currently, there are six projects that will need loans and bonds. Table F-7 shows the requests for the 2019 Biennium plus authority to assist projects during the biennium.
- Included is a 10% reserve on the coal severance bonds of \$6,549,000.

Since Last Session

Bitter Root Irrigation District - Siphon 1 Replacement Project-Phase 3

Siphon 1 is a 72" diameter steel pipe that conveys water across the Bitterroot Valley between Hamilton and Darby. The pipe is being replaced in phases. This 900' phase includes the crossing of U.S. Highway 93 as well as an active railroad and the Bitterroot River. The funding package includes a HB 8 loan in the amount \$1,773,976. The project is under construction with completion scheduled for the spring of 2017.

Yellowstone Boys and Girls Ranch County Water and Sewer District - Wastewater System Improvements Project

Located north of Laurel in Yellowstone County, Yellowstone Boys and Girls Ranch is an educational facility that includes staff housing, student dormitories, and classroom facilities. The school utilizes both sewer and water facilities operated by the district. This project includes sludge removal and renovation of the existing facultative lagoon system. The funding package included a HB 8 loan in the amount of \$800,000. The project is complete.

DNRC-Water Resources Division - Deadman's Basin Supply Canal Diversion Replacement Project

Located on the Musselshell River approximately ten miles east of Harlowton, this concrete structure diverts water from the Musselshell River into Deadman's Basin Reservoir, an off-stream storage reservoir that services irrigators along the Musselshell River as far east as Melstone. The project includes a complete replacement of the existing structure. The funding package included a House Bill 8 loan in the amount of \$500,000. The project is complete.

DNRC-Water Resources Division - Cottonwood Flume Replacement Project

Located approximately ten miles south of Bozeman in Gallatin County, the Cottonwood Flume conveys irrigation water from Middle Creek Reservoir (aka Hyalite Reservoir) to irrigators in the south Gallatin Valley. A structural failure rendered the flume inoperative; this project replaced failed and failing portions of the existing flume. The funding package included a House Bill 8 loan in the amount of \$800,000. The project is complete.

DNRC-Conservation and Resource Development Division - Water and Wastewater System Improvements and Refinances

To date, \$3,100,000 has been loaned. Entities that have borrowed from the program include:

- Four Corners Gallatin County Water and Sewer District. Located approximately five miles west of Bozeman, the district was formed to provide a centralized wastewater collection and treatment system to service area subdivisions. The loan amount was \$2,600,000.
- Town of Hysham. As part of a water system upgrade including an elevated storage reservoir, \$500,000 of existing debt was refinanced utilizing RRGL loan proceeds, resulting in significant savings to the community.

New Loans-2017 HB 8

New loans to be included in House Bill 8 include:

- Avalanche Irrigation District-\$6,000,000. The project will include the installation of a pumping facility and up to twelve pivot irrigation systems on land located east of Canyon Ferry Reservoir.
- Huntley Project Irrigation District-\$13,586,820. This loan would finance two primary projects, the most significant of which is the reconstruction of a failing canal tunnel. Options include rehabilitation of the existing tunnel or the abandonment of the tunnel and a re-route of the canal. Other work includes improvements to multiple canals within the system.
- Montana Department of Natural Resources and Conservation-Conservation and Resource Development Division-\$8,000,000. These loan proceeds would be used to construct infrastructure projects or to refinance existing debt, resulting in significant savings to communities in interest costs on existing loans.

Reclamation and Development Grants Program Renewable Resource Loans and Bonds

Coal Severance Tax Bonds

Reauthorizations-2017 HB 8

Loans to be reauthorized include:

- Dry Prairie Regional Water Authority-\$6,000,000. These loan proceeds would be used to meet state match requirements for Dry Prairie regional water projects.
- North Central Regional Water Authority-\$10,000,000. These loan proceeds would be used to meet state match requirements for North Central Montana regional water projects.
- Highwood Water and Sewer District - \$60,000.

Table F-7					
Renewable Resource Loan					
Applicant		County		Loan	
Dry Prairie Regional Water System	Local Share	Roosevelt	\$	6,000,000	Reauthorization
North Central Regional Water System	Local Share	Hill	\$	10,000,000	Reauthorization
Highwood WSD		Chouteau	\$	60,000	Reauthorization
Avalanche Irrigation District		Broadwater	\$	6,000,000	
Huntley Irrigation District		Yellowstone	\$	13,600,000	
Refinance existing debt or rehabilitation of infrastructure		Statewide	\$	8,000,000	
Bond Reserve			\$	6,549,000	
			Total	\$ 50,209,000	

Treasure State Endowment Program TSEP

Purpose - The Treasure State Endowment Program (TSEP) is a state-funded grant program created to help local governments fund infrastructure projects, defined by statute as drinking water systems, wastewater treatment, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. TSEP was authorized by Montana voters through the passage of Legislative Referendum 110 in June 1992 (Sections 90-6-701, *et seq.*, MCA). Title 90, Chapter 6, Part 7, MCA sets out the basic requirements for TSEP. The mission of TSEP is to assist local governments in funding infrastructure projects that will:

- 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 2019 Biennium Executive Budget contains the department's evaluation of each of the TSEP applications and the detailed funding recommendations.

- For the 2019 biennium, there were 60 complete applications requesting \$31.9 million in project grant funds.
- TSEP contains two lists of projects recommended for TSEP infrastructure grant funds – one list for eligible infrastructure projects Table **F-8** and the other for bridge projects Table **F-9**. Both tables list each project and the recommended grant award.
- 5 bridge projects and 24 other TSEP infrastructure projects request funding in the 2019 biennium with an appropriation of \$16,754,473 in GO bond proceeds in HB 14.
- TSEP contains appropriations to the department for \$900,000 for matching infrastructure planning grants, and \$100,000 for emergency projects during the 2019 biennium to be funded with state special revenue in HB 11.

Since the Last Session

As of November 1, 2016:

- 27 of the 36 grantees that received a TSEP grant award from the 64th Legislature have met start up conditions for their projects and executed a contract with the Department of Commerce, for a total obligation of \$13,604,349 of the interest earnings appropriated for the 2017 biennium.
- One of the grant awards was returned and the project withdrawn, which allowed TSEP to award the next two out of the three contingent projects to be funded.
- 1 of 33 grantees have completed the projects that received a grant award from the 64th Legislature.
- 5 emergency grants have been awarded by the department for a total of \$83,500.
- 70 planning grants have been awarded by the department for a total of \$900,000.

Treasure State Endowment Program TSEP

Table F-8 Treasure State Endowment Program					
Rank	County	Applicant	Project Type	Project Description	Awarded Amount
1	Sanders	Sanders Co. Sewer District at Paradise	WW	Construct gravity sewer collection with low pressure sanitary sewer system	\$750,000
2	Beaverhead	Beaverhead Co. Jackson Water & Sewer District	W	Drill 3 new wells, new well house pumps, transmission main and install curb stops	\$294,000
3	Fergus	Denton, Town of	W	Construct new storage tank and transmission main, install cartridge filtration	\$625,000
4	Lewis & Clark	Helena, City of	WW	Construct a gravity sewer collection system to Westside, connect to Helena wastewater treatment system	\$750,000
5	Stillwater	Absarokee Water & Sewer District	W	Replace water mains	\$500,000
6	Sheridan	Medicine Lake, Town of	WW	Rehabilitate lagoons and install spray irrigation for disposal	\$625,000
7	Roosevelt	Froid, Town of	WW	Construct two cell retention lagoon system	\$750,000
8	Glacier	Cut Bank, City of	W	Replace 8,800 feet of aging water mains	\$750,000
9	Lincoln	Eureka, Town of	WW	Phase 1b construction to provide services to annexed residents in Midvale area	\$555,000
10	Toole	Nine Mile Water & Sewer District	W	Connect to Sunburst water system, install water distribution system & booster station	\$750,000
11	Cascade	South Wind Water & Sewer District	W&WW	Install wastewater collection and water distribution	\$750,000
12	Park	Livingston, City of	WW	Upgrade water reclamation facility	\$625,000
13	Broadwater	Townsend, City of	WW	Install wastewater collection, pumping and treatment improvements	\$625,000
14	Daniels	Scobey, City of	W	Replace ~11,800 feet water mains & associated hydrants, valves, fittings	\$500,000
15	Gallatin	Manhattan, Town of	WW	Replace trunk lines and mains	\$611,800
16	Judith Basin	Stanford, Town of	W	Drill new well, install submersible pump, new well building and transmission mains	\$500,000
17	Sanders	Hot Springs, Town of	W	Drill new well, upgrades to existing well, extension of water main, rehabilitate storage tank	\$478,632
18	Madison	Sheridan, Town of	W	Complete distribution and storage tank improvements	\$625,000
19	Cascade	Simms County Sewer District	WW	Construct new wastewater treatment facility	\$750,000
20	McCone	Circle, Town of	W	Replace water mains	\$625,000

Treasure State Endowment Program TSEP

21	Yellowstone	Lockwood Water & Sewer District	W	Improve water treatment facilities	\$625,000.00
22	Wheatland	Harlowton, City of	W	Replace 9,900 feet water distribution mains	\$750,000.00
23	Cascade	Cascade, Town of	WW	Install collection system and pumping improvements, sludge removal	\$500,000.00
24	Toole	Shelby, City of	W	Improve water system components	\$750,000.00
25	Teton	Dutton, Town of	W	Replace transmission main, improvements in pump house, replace chemical feed pumps	\$500,000.00
26	Daniels	Flaxville, Town of	WW	Install new liner in primary treatment cell, expand & line 2nd treatment cell, remove sludge, TV inspect & clean collection system	\$625,000.00
27	Silver Bow	Butte-Silver Bow	WW	Improvements to wastewater collection lines	\$349,286.00
			Totals	TOTALS	\$15,064,432.00

Table F-9					
Treasure State Endowment Program - Bridges					
Rank	County	Applicant	Project Type	Project Description	Awarded Amount
1	Missoula	Missoula County	Bridge	Replace Bible Lane, Frenchtown Main Street Bridges	\$500,000
2	Park	Park County	Bridge	Replace Mission Creek Bridge	\$107,957
3	Madison	Madison County	Bridge	Replace Laurin Bridge	\$237,284
4	Prairie	Prairie County	Bridge	Rehabilitate Milwaukee Bridge	\$160,000
5	Gallatin	Gallatin County	Bridge	Replace Nixon Gulch Bridge	\$684,800
Total					\$1,690,041

Quality School Grant Program QS

Purpose - The Quality Schools Grant Program (Quality Schools) is a competitive grant program created to provide infrastructure grants, matching planning grants, and emergency grants to K-12 public school districts in Montana. The statute creating the program was passed by the 61st Legislature became law on April 28, 2009 (Sections 90-6-801, *et seq.*, MCA). Under state law, the principal objectives of the Quality Schools program are to:

- enhance the quality of life and protect the health, safety, and welfare of Montana's public school students;
- ensure the successful delivery of an educational system that meets the accreditation standards provided for in 20-7-111;
- extend the life of Montana's existing public school facilities;
- promote energy conservation and reduction;
- integrate technology into Montana's education framework to support student educational needs for the 21st century; and
- be fiscally responsible by considering both long-term and short-term needs of the public school district, the local community, and the state.

Executive Recommendation

Volume 8 of the Governor's 2019 biennium Executive Budget contains the department's evaluation of each of the Quality Schools applications and the detailed funding recommendations.

- There is \$5,413,014 to fund 9 projects included in HB 14 funded by GO bond proceeds. For the 2019 biennium, there were 50 applications requesting \$36.5 million in project grant funds.
- Table **F-10** lists each project and the recommended grant.

Since the Last Session

As of November 1, 2016:

- No project, emergency or planning funding was provided through the Quality Schools program to assist school districts, therefore, no project status is provided.

Table F-10				
Quality Schools Grant Program				
Rank	County	Applicant	Project Description	Awarded Amount
1	Lake	St. Ignatius K-12	Elementary school deteriorated envelope repair	\$ 680,511
2	Fergus	Grass Range ELE	Abate asbestos tile/mastic and mudded pipe joints from the building and replace with non-asbestos materials	\$ 55,631
3	Custer	Miles City ELE	Fire alarm and security upgrades	\$ 352,834
4	Lincoln	Libby K-12	Heating and ventilation and air conditioning system	\$ 1,075,000
5	Custer	Custer County HS	Replacement of combined sanitary sewer and storm	\$ 953,576
6	Fergus	Grass Range HS	Upgrade all doors to meet fire safety codes	\$ 77,183
7	Roosevelt	Wolf Point HS	Update the existing roof water drainage system, parking lot drainage, and parking lot surface	\$ 918,600
8	Lake	Polson ELE	Elementary school boiler replacement	\$ 1,224,679
9	Chouteau	Geraldine K-12	Bleacher replacement project	\$ 75,000
Total				\$ 5,413,014

Montana Community Grant Program

Purpose – To provide grant funding for public safety and infrastructure improvements in Montana communities.

Executive Recommendation

The Executive proposes a \$47 million appropriation to distribute grants to local and tribal governments in Montana for public facility infrastructure projects and public safety improvement projects including water, wastewater, and bridges. There is an appropriation of \$3,000,000 for the Montana to contribute to and participate in the Integrated Test Center (ITC) being built at Basin Electric Power Cooperative's Dry Fork Station near Gillette, Wyoming. The ITC will be an incubator for game changing carbon capture utilization and storage technology and a catalyst for change in the coal industry. Montana's Participation in the ITC is critical to the future of coal in Montana. Coal Technical Training Port. The appropriation is funded from GO Bond proceeds. In addition, the Montana community grants will be distributed through the Department of Commerce through an application process.

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 (MHS), the C&A program was transferred to the Montana Arts Council (MAC) in the 1985 biennium and continues 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. The recommended grant awards total is \$440,000 for the 2019 biennium.

Executive Recommendation –

- **Volume 7 of the Governor's 2019 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 \$440,000. Table **F-5** below shows the requested amount and recommended grant amounts.
- 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 2019 biennium is \$904,220.
- Montana Arts Council administration and services are recommended for \$519,088 and appropriated in HB 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.

Cultural and Aesthetic Grant Program

Table F-11				
Cultural and Aesthetic Grant Program				
GRT #	Organization	Rank	Recommended	Cumulative
Special Projects \$4,500 and Under				
1906	Mai Wah Society Museum	1	\$4,500	\$4,500
1904	Council for the Arts, Lincoln	2	\$4,500	\$9,000
1903	Butte Citizens for Preservation & Revitaliz.	3	\$4,500	\$13,500
1912	Upper Swan Valley Historical Society	4	\$4,500	\$18,000
1907	Montana Chamber Music Society	5	\$4,500	\$22,500
1900	Alpine Artisans, Inc.	6	\$4,500	\$27,000
1908	Montana Flute Association	7	\$4,500	\$31,500
1911	Treasure County '89ers Inc.	8	\$3,500	\$35,000
1905	Judith Mountain Players, The	9	\$3,500	\$38,500
1910	The Root & The Bloom Collective	10	\$3,000	\$41,500
1902	Billings Cultural Partners	11	\$2,000	\$43,500
1901	Arts & Above	12	\$2,000	\$45,500
1909	Peeterse, Natalie	13	\$0	\$45,500
1913	Waksman, Alana	14	\$0	\$45,500
Special Projects				
1920	Montana Preservation Alliance	1	\$10,000	\$55,500
1919	Montana Historical Society	2	\$10,000	\$65,500
1914	Emerson Center for the Arts & Culture	3	\$10,000	\$75,500
1916	Friends of the Historical Museum at Fort Missoula	4	\$4,000	\$79,500
1918	Helena Symphony	5	\$6,000	\$85,500
1917	HAVEN	6	\$6,000	\$91,500
1915	Friends of Big Sky Education DBA Warren Miller Performing Arts Center	7	\$3,500	\$95,000
Operating Support				
1958	Montana Shakespeare in the Parks	1	\$12,000	\$107,000
1923	Art Mobile of Montana	2	\$10,000	\$117,000
1927	Billings Symphony Society	3	\$10,000	\$127,000
1953	Montana Association of Symphony Orchestras	4	\$8,000	\$135,000
1959	Museums Association of Montana	5	\$8,000	\$143,000
1956	Montana Performing Arts Consortium	6	\$8,000	\$151,000
1947	MAGDA	7	\$8,000	\$159,000
1955	Montana Dance Arts Association	8	\$8,000	\$167,000
1952	Montana Arts	9	\$8,000	\$175,000
1948	MCT, Inc.	10	\$10,000	\$185,000
1957	Montana Repertory Theatre	11	\$10,000	\$195,000
1943	Humanities Montana	12	\$10,000	\$205,000
1922	Archie Bray Foundation	13	\$10,000	\$215,000
1946	Irwin & Florence Rosten Foundation	14	\$6,000	\$221,000
1921	Alberta Bair Theater	15	\$10,000	\$231,000

Cultural and Aesthetic Grant Program

Cultural and Aesthetic Grant Program				
GRT #	Organization	Rank	Recommended	Cumulative
1932	Cohesion Dance Project	16	\$6,000	\$237,000
1980	Zootown Arts Community Center	17	\$6,000	\$243,000
1976	Western Heritage Center	18	\$6,000	\$249,000
1967	Ravalli County Museum	19	\$6,000	\$255,000
1963	Paris Gibson Square Museum of Art	20	\$6,000	\$261,000
1940	Helena Presents/Myrna Loy Center	21	\$7,500	\$268,500
1937	Grandstreet Broadwater Productions	22	\$7,500	\$276,000
1979	Yellowstone Art Museum	23	\$7,500	\$283,500
1969	Schoolhouse History & Art Center	24	\$6,000	\$289,500
1961	Northwest Montana Historical Society	25	\$6,000	\$295,500
1972	Sunburst Foundation	26	\$4,500	\$300,000
1968	Rocky Mountain Ballet Theatre	27	\$4,500	\$304,500
1936	Glacier Symphony and Chorale	28	\$6,000	\$310,500
1977	Whitefish Theatre Co	29	\$5,000	\$315,500
1942	Holter Museum of Art	30	\$5,000	\$320,500
1928	Butte Symphony Association	31	\$4,500	\$325,000
1978	World Museum of Mining	32	\$6,000	\$331,000
1926	Billings Preservation Society	33	\$6,000	\$337,000
1951	Missoula Writing Collaborative	34	\$6,000	\$343,000
1975	WaterWorks Art Museum	35	\$6,000	\$349,000
1950	Missoula Cultural Council DBA Arts Missoula	36	\$5,000	\$354,000
1966	Queen City Ballet Company	37	\$4,500	\$358,500
1964	Pondera Arts Council	38	\$5,000	\$363,500
1931	Carbon County Historical Society	39	\$5,000	\$368,500
1938	Great Falls Symphony	40	\$5,000	\$373,500
1941	Hockaday Museum of Art	41	\$5,000	\$378,500
1971	Stillwater Historical Society	42	\$5,000	\$383,500
1974	Verge Theater	43	\$4,000	\$387,500
1970	Southwest Montana Arts Council	44	\$4,500	\$392,000
1973	The Extreme History Project	45	\$4,500	\$396,500
1944	Intermountain Opera Association	46	\$4,500	\$401,000
1954	Montana Ballet Company	47	\$4,000	\$405,000
1930	Carbon County Arts Guild & Depot Gallery	48	\$4,000	\$409,000
1949	Missoula Community Access Television	49	\$4,000	\$413,000
1933	Daly Mansion Preservation Trust	50	\$3,500	\$416,500
1939	Hamilton Players, Inc	51	\$3,500	\$420,000

Cultural and Aesthetic Grant Program

Cultural and Aesthetic Grant Program				
GRT #	Organization	Rank	Recommended	Cumulative
1960	North Valley Music School	52	\$3,500	\$423,500
1965	Pondera History Association (PHA)	53	\$3,000	\$426,500
1924	Big Horn Arts and Craft Association	54	\$3,000	\$429,500
1945	Int'l Wildlife Film Festival/The Roxy	55	\$2,500	\$432,000
1929	C.M. Russell Museum	56	\$2,500	\$434,500
1925	Bigfork Art and Cultural Center	57	\$2,000	\$436,500
1935	Gallatin Historical Society	58	\$0	\$436,500
1962	NOVA Center for the Performing Arts	59	\$0	\$436,500
1934	Flathead Lake Music Camp Inc.	60	\$0	\$436,500
Capitol Expenditures				\$436,500
1981	City of Shelby Champions Park	1	\$3,500	\$440,000