

OFFICE OF THE GOVERNOR
STATE OF MONTANA

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LT. GOVERNOR

June 14, 2023

David C. Williamson, Chairman
Southwest Montana Veterans Home Foundation
65 Veterans Circle
Butte, MT 59701

Dear Mr. Williamson:

I write you, as chairman of the foundation affiliated with the Southwest Montana Veterans Home (SWMVH), today to reaffirm my commitment to ensure Montana veterans receive the resources they need following their selfless service to our nation. It's a commitment that runs throughout my administration.

Delivering on that priority in the most recent legislative session, I'm proud to have exempted 50 percent of retired military pensions from the state income tax, strengthened the property tax assistance program for disabled veterans, and paved the way for a new veterans' cemetery in Columbia Falls. These are critical initiatives that will support Montana veterans.

I understand there are concerns, some real and some contrived, about funding a sixth cottage at SWMVH. Let me say upfront that we are committed to getting the sixth cottage built, while also being the best stewards possible of Montana taxpayer resources. I'm confident you and I can both appreciate that dual obligation to our veterans and to Montana taxpayers.

I'd like to open the conversation with a bit of background so we're approaching this issue with the same set of facts. Before the 2023 legislative session, the Office of Budget and Program Planning (OBPP) received no requests to fund a sixth cottage at SWMVH. Therefore, as introduced on December 12, 2022, House Bill 5 did not include funding for the sixth cottage. House Bill 5 did, however, include \$5.25 million in state funds for SWMVH cottage connectors at my request. We proudly got this funding across the finish line, representing over \$8.5 million contributed to this priority project for SWMVH since 2021.

Early in the 2023 legislative session, Representative Mike Hopkins, R-Missoula, and Representative John Fitzpatrick, R-Anaconda, approached OBPP about adding a line item for the SWMVH sixth cottage, with \$1 million dedicated from the state and \$6 million from the federal government in matching funds. With our administration's full support, House Bill 5 was amended with that state-federal funding allocation for the sixth cottage at SWMVH, including the directive that "[f]ederal funds must be obligated prior to project initiation." That version of

House Bill 5, which would have fully authorized and funded the sixth cottage through a state-federal match, passed the House of Representatives unanimously on March 31, 2023.

On April 21, 2023, the Senate Finance and Claims Committee eliminated the federal match the House approved and instead dedicated \$6 million in state funds for the project, reducing total funding for the project by \$1 million. The federal match has been a central element for funding the SWMVH, and the Senate Finance and Claims Committee rejected that approach. They also shrank the total appropriation for the cottage from \$7 million, as passed by the House and supported by our administration, to \$6 million, shifting the cost to Montana taxpayers.

It is worth noting that the legislature in 2021, with our support, authorized the state to expend \$4 million for the construction of a sixth cottage at SWMVH. When proposing an amendment to House Bill 5 in a March 24, 2021, hearing of the House Appropriations Committee, then-Representative Jim Keane, D-Butte, noted there is “a donor who wants to contribute a significant amount of money” toward a sixth cottage. Regardless, the \$4 million authorization from 2021 remains available for use.

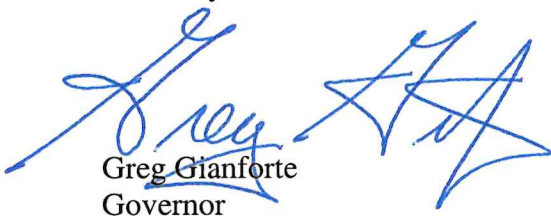
As I have indicated, I took no line-item veto lightly in House Bill 5. Ultimately, we must be good stewards of taxpayers’ dollars, and when a capital project like SWMVH has traditionally been funded through a state-federal match, we should continue that well-established process.

To that end, I recently asked Budget Director Ryan Osmundson to identify \$1 million in state funds to dedicate to a sixth cottage at SWMVH. The budget director has assured me he can identify \$1 million for the project from existing appropriations.

When the \$1 million in funding is identified and available, and in keeping with the original proposal for a state-federal cost-share for the sixth cottage, I invite you to work with me and members of our congressional delegation to secure necessary funding from the federal government. To the extent we can, let’s also identify the donor former Rep. Keane referenced in 2021 and determine whether he or she is still willing to contribute. Let’s work together to get the sixth cottage built, with state funding, federal funding, and potentially, private funding.

As Montanans, there is more that unites us than divides us, and you and I share a common commitment to ensuring Montana veterans have the resources they need. Ultimately, the freedoms we enjoy would not exist without the sacrifice of our veterans who selflessly served our nation. It’s a debt we can never fully repay, but we can make strides to that end. I look forward to continuing to work with you to advance the cause of Montana veterans.

Sincerely,


Greg Gianforte
Governor

cc: U.S. Senator Steve Daines
U.S. Senator Jon Tester
U.S. Representative Matt Rosendale
U.S. Representative Ryan Zinke
Senator John Esp, Chair of Senate Finance and Claims Committee
Representative Llew Jones, Chair of House Appropriations Committee
Representative John Fitzpatrick
Representative Mike Hopkins