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Economic Affairs Interim Committee
63rd Montana Legislature

SENATE MEMBERS

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ELSIE ARNTZEN
DICK BARRETT
TOM FACEY

HOUSE MEMBERS

RYAN LYNCH--Vice Chair
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COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

July 15, 2014

Senator Jeff Essmann, Chair
and Legislative Council

Dear Senator Essmann and Legislative Council members:

A budget increase is being requested for the 8-member Economic Affairs Committee in the FY2017 Biennium, and the Economic Affairs Committee has endorsed the increase for the following reasons:

- The Economic Affairs Committee has monitoring responsibilities for a diverse array of state agencies, covering industry from agriculture and livestock to banking and all employment issues, including workers' compensation. Monitoring covers four departments plus the State Auditor's Office, the Governor's Office of Economic Development, Montana State Fund, and the Office of the Commissioner of Banking and Financial Institutions. The Office of the Commissioner of Banking and Financial Institutions was added in the 2013 Session. See 5-5-233, MCA.
- This past interim the committee decided that the number of issues and the complexity of many of these issues required 2-day meetings. Given the distance that many members have to travel, the number of issues to be covered in meetings, and the recognition by Legislative Council that safe travel particularly in the fall and winter months can mean arriving the day before a meeting that starts early, there is a need for a larger budget for Economic Affairs to accommodate the extra legislative travel days and stays and the full meeting days.

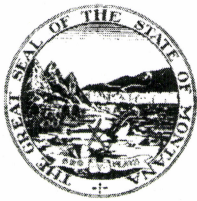
The Economic Affairs Committee hopes that the Legislative Council will see fit to endorse the increase in funding for this active committee.

Sincerely,


Senator Bruce Tutvedt
EAIC Presiding Officer


Representative Ryan Lynch
EAIC Vice Presiding Officer

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Energy and Telecommunications Interim Committee
63rd Montana Legislature

SENATE MEMBERS
 CLIFF LARSEN--Chair
 EDWARD BUTTREY
 ROBYN DRISCOLL
 ALAN OLSON

HOUSE MEMBERS
 KEITH REGIER--Vice Chair
 MIKE LANG
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COMMITTEE STAFF
 SONJA NOWAKOWSKI, Lead Staff
 TODD EVERTS, Staff Attorney
 JOY LEWIS, Secretary

Chairman Essmann,

During the Energy and Telecommunications Interim Committee's July meeting, members learned more about proposed Environmental Protection Agency rules requiring states to reduce carbon dioxide emissions in the power sector by about 30 percent below 2005 levels by 2030. The Environmental Quality Council received a similar update at its July meeting.

While the ETIC recognizes that it cannot set the agenda of future interim committees, the ETIC is requesting the 2015-16 EQC consider establishing a subcommittee of EQC and ETIC members to learn more about these proposed rules. To that end, the ETIC requests that the Legislative Council, in developing its preliminary budget package, plan appropriately for the creation of this subcommittee. The EQC does not meet until September 10-11. Staff will provide a prompt update to the Legislative Council concerning the EQC's decision on the matter.

The ETIC proposes a subcommittee with equal representation from both the EQC and ETIC and both parties. The subcommittee would consist of a House and Senate Democrat and a House and Senate Republican from the ETIC and the EQC for a total of eight members. Because the EQC and ETIC generally meet during the same week every other month, the subcommittee could meet in that timeframe to reduce additional costs. The Legislative Financial Office estimates this subcommittee could meet six times and operate on a budget of about \$10,000.

The Department of Environmental Quality has indicated that the rule will affect about a dozen sources in Montana, including coal and natural gas fired power plants, as well as some petroleum refining facilities. The DEQ has until 2017 to develop a plan for Montana to meet the federal target. The federal rule indicates states will be granted a great deal of flexibility in implementing the rule.

The EPA's draft rule has the potential to significantly impact Montana's economy--specifically energy generation across the state. It also could change the way Montana's utilities and rural electric cooperatives do business. It is critical that Montana's Legislature play a key role in shaping any rules that are proposed to meet the federal mandate. It is equally critical that a subset of legislators invest the time to become experts on this subject. The work of the subcommittee would be narrow in scope and focus on the rule and how Montana can best position itself to implement a final rule. The subcommittee itself would set out its specific interim work plan.

Thank you for your time and consideration.

ETIC Chairman Cliff Larsen

ETIC Vice-Chairman Keith Regier

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July 2, 2014

**Senator Jeff Essmann, Chair
Montana Legislative Council
P.O. Box 80945
Billings, MT 59108-0945**

Dear Senator Essmann,

As the chair of the State Administration and Veterans' Affairs Interim Committee, I am responding to your request for letters from interim committee chairpersons concerning budget requests for the next interim.

SAVA was budgeted 10 meeting days this interim based on an assumption that we would meet six times for one-day meetings and two times for two-day meetings. By the end of this interim, we will have met 12 times: the full committee for 9 days and a three member subcommittee for 3 days.

As of June 17, we have 2 meetings remaining and will have expended just 58% of our budget. Based on this analysis, I do not anticipate that the next interim SAVA committee will need a budget increase for additional meeting days.

The efficiency of the SAVA Interim Committee is due in much respect to our staff who are long-serving state employees who keep us all on task and do incredible work when we're not in Helena.

Please do not hesitate to contact me if you have any questions.

Sincerely,

**Dee L. Brown, Chair
SAVA Interim Committee**