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**For the Economic Affairs Committee**

Department Head: Meg O'Leary, Director (appointed by governor with Senate approval)

Description and Responsibilities:

- Responsible for economic and social studies and data gathering/synthesis related to planning and economic development, including aid to regional development groups/planners.
- Advises and assists Montana business/labor and local/tribal communities in economic development, including compiling and maintaining information on development sites and preservation of historical sites.
- Cooperates with and provides technical assistance to local governments and their planning or zoning commissions or other agencies involved in community development and gathers studies and information necessary to provide development assistance.
- Manages microbusiness and other business development loan programs and provides technical assistance and training.
- Manages the quality school facility grant program to help schools address energy efficiency, major deferred maintenance, and other infrastructure and technology needs.
- Coordinates with tribal governments and the director of Indian affairs on promoting Indian tourism activities and takes lead on state recreational planning and development related to private recreational investment.
- Serves as official state liaison between persons interested in new economic enterprises and state and local groups and tribal governments.
- Assists in publicizing state facilities/ attractions.
- Studies and promotes market expansion of Montana products, including training and assistance to manufacturers of local products.
- May provide housing surveys, information on available governmental housing assistance programs, and research on housing design.
- Oversees community infrastructure grant program.
- Facilitates all energy development/jobs (specific mention of alternative energy in 17-6-403).
- Handles coal impact grants (through Coal Board).
- Establishes and maintains a central depository of Montana census and economic information.

Administratively Attached Entities:

- Board of Horseracing, under 2-15-1809, MCA.
- Board of Housing, under 2-15-1814, MCA.
- Board of Investments, under 2-15-1808, MCA.
- Board of Research and Commercialization Technology, under 2-15-1819, MCA.
- Coal Board, under 2-15-1821, CMA.
- Economic Development Advisory Council, under 2-15-1820, MCA.
- Hard-Rock Mining Impact Board, under 2-15-1822, MCA.
- Montana Council on Developmental Disabilities, under 2-15-1869, MCA.
- Montana Facility Finance Authority, under 2-15-1815, MCA.
- Montana Heritage Preservation and Development Commission, under 22-3-1002, MCA.
- State-Tribal Economic Development Commission, under 90-1-131, MCA.

Legislative Audits:

- [Financial Compliance Audit](#) for fiscal years ending June 30, 2013, for Department of Commerce.
- [Performance Audit](#) of Film Credits
- [Performance Audit](#) of Small Business Development Centers, published January 2006.

Bills Passed During 2015 Session Impacting the Department of Commerce:

- HB 11, appropriating for the Treasure State Endowment Program:
  - \$13,941,000 for the FY 2016-2017 biennium, down from \$33,983,538 in the FY 2014-2015 biennium, for nonbridge infrastructure projects (like wastewater);
  - \$3,988,000 for bridge infrastructure projects;
  - \$100,000 for emergency infrastructure grants to local governments; and

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**For the Economic Affairs Committee**

- \$900,000 for infrastructure planning grants.
- HB 83, repealing visitor information center-related law. At the request of the Department of Commerce.
- HB 252, allowing the Board of Research and Commercialization account to be used for more purposes beyond clean coal research or renewable resource research and development.
- HB 289, revising zoning requirements for economic development districts.
- SB 51, requiring sharing of debt offset and collection information by the Department of Revenue for Department of Commerce grantmaking purposes. This was a Dept. of Commerce-requested bill.
- SB 64, revising laws governing the Montana Heritage Commission, which is administratively assigned to the Department of Commerce. The legislation retains a reference that the commission and the department negotiate an indirect administrative rate annually, with biennial review by a designated, appropriate legislative interim committee. This is usually done by the Economic Affairs Committee. The Environmental Quality Council requested the legislation.
- SB 122, which among other things adds manufacture of ammunition components to the list of economic development activities eligible for Big Sky Economic Development program grants and loans.
- SB 163, revising the primary sector workforce program by creating a state special revenue account that retains appropriated money plus accrued interest in the account for use in primary sector business training and program costs.

*Agency Bills That Failed During 2015 Session:*

- HB 120, reinstating the Big Sky on the Big Screen Act, which provided tax credits as an incentive to bring filmmakers and related creative artists to Montana

*Audits*

- A financial compliance audit is currently under way for the Department of Commerce. The last [financial compliance audit](#) was for the two fiscal years ending June 30, 2013.
- A [performance audit](#) was done on the Big Sky on the Big Screen Act in September 2011.

*Budgets*

(See next pages. According to Kris Wilkinson of the Legislative Fiscal Division, the benefits and claims section of the budget includes benefits for the tenant-based Section 8 housing under the Board of Housing and the project-based Section 8 housing that both provide rental assistance to low-income renters. The amounts, respectively, were \$17.4 million and \$18.5 million in FY 2014.)

# Department of Commerce

## Agency Overview

September 2015

### For the Economic Affairs Committee

Montana Department of Commerce							
Analysis of 2017 Biennium Budgets (Does Not Include Administrative or Misc Cat and Dog Appropriations) -- William Hoffmann (841-2720)							
Division	FTE *	General Fund	State Special	Federal Special	LRBP	Proprietary	Total
<b>Office of Tourism &amp; Business Development</b>							
Office of Tourism & Business Development HB 2	22.34	\$ 9,921,881	\$ 6,124,293	\$ 1,852,989	\$ -	\$ -	\$ 17,899,163
Business Development SA 15-35-108, MCA	4.00	\$ 2,200,000	\$ -	\$ -	\$ -	\$ -	\$ 2,200,000
Promotions & Trade SA 15-65-121 & 90-1-115, MCA	29.50	\$ -	\$ 50,003,523	\$ -	\$ -	\$ -	\$ 50,003,523
Big Sky Trust Fund SA 90-1-205, MCA	3.00	\$ -	\$ 7,031,452	\$ -	\$ -	\$ -	\$ 7,031,452
Distressed Wood Products SA 90-1-504, MCA	2.00	\$ -	\$ 2,065,237	\$ 2,065,007	\$ -	\$ -	\$ 4,130,244
Research & Commercialization SA 90-3-1003, MCA	2.00	\$ -	\$ 7,309,139	\$ -	\$ -	\$ -	\$ 7,309,139
<b>Office of Tourism &amp; Business Development:</b>	<b>62.84</b>	<b>\$ 12,121,881</b>	<b>\$ 72,533,644</b>	<b>\$ 3,917,996</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,573,521</b>
<b>Community Development Division</b>							
Coal Board	1.16	\$ -	\$ 5,286,842	\$ -	\$ -	\$ -	\$ 5,286,842
Hard Rock Mining Impact Board	1.16	\$ -	\$ 1,647,100	\$ -	\$ -	\$ -	\$ 1,647,100
Neighborhood Stabilization Program BA	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Dev. Block Grant (CDBG)	7.50	\$ 808,325	\$ -	\$ 15,756,091	\$ -	\$ -	\$ 16,564,416
Treasure State Endowment Program	6.17	\$ -	\$ 20,232,048	\$ -	\$ -	\$ -	\$ 20,232,048
Community Technical Assistance (CTAP)	2.17	\$ 2,703,707	\$ -	\$ -	\$ -	\$ -	\$ 2,703,707
Quality Schools Grants Program	4.17	\$ -	\$ 821,353	\$ -	\$ -	\$ -	\$ 821,353
HOME	4.12	\$ -	\$ -	\$ 16,635,570	\$ -	\$ -	\$ 16,635,570
<b>Community Development Total:</b>	<b>26.45</b>	<b>\$ 3,512,032</b>	<b>\$ 27,987,343</b>	<b>\$ 32,391,661</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,891,036</b>
<b>MT Facility Finance Authority</b>							
	3.00	\$ -	\$ -	\$ -	\$ -	\$ 1,015,950	\$ 1,015,950
<b>Housing Division</b>							
Board of Housing	32.00	\$ -	\$ -	\$ -	\$ -	\$ 8,286,572	\$ 8,286,572
Housing Division HB 2	0.00	\$ -	\$ 300,000	\$ 4,409,649	\$ -	\$ -	\$ 4,709,649
Section 8 Housing	21.33	\$ -	\$ -	\$ -	\$ -	\$ 84,905,866	\$ 84,905,866
<b>Housing Division Total:</b>	<b>53.33</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 4,409,649</b>	<b>\$ -</b>	<b>\$ 93,192,438</b>	<b>\$ 97,902,087</b>
<b>Board of Investments</b>							
	32.00	\$ -	\$ -	\$ -	\$ -	\$ 15,860,481	\$ 15,860,481
<b>Board of Horse Racing</b>							
	1.25	\$ -	\$ 559,685	\$ -	\$ -	\$ -	\$ 559,685
<b>Montana Heritage Commission</b>							
	12.00	\$ -	\$ 2,802,184	\$ -	\$ 387,500	\$ -	\$ 3,189,684
<b>Director's Office</b>							
	19.00	\$ -	\$ -	\$ 1,100,000	\$ -	\$ 4,103,680	\$ 5,203,680
<b>Department of Commerce Total:</b>	<b>209.87</b>	<b>\$ 15,633,913</b>	<b>\$ 104,182,856</b>	<b>\$ 41,819,306</b>	<b>\$ 387,500</b>	<b>\$ 114,172,549</b>	<b>\$ 276,196,124</b>
* FTE Totals Do Not Include Modified Budget Amendment FTE or Summer Interns							
<b>2017 Biennium Agency Operating Plan</b>							
				2017 Biennium Total	2017 %		
FTE		FY 2016	FY 2017	209.87	100.00%		
Personal Services		\$ 17,332,470	\$ 17,606,959	\$ 34,939,429	12.65%		
Operating		\$ 31,263,151	\$ 31,406,781	\$ 62,669,932	22.69%		
Equipment		\$ 65,346	\$ 45,346	\$ 110,692	0.04%		
Capital Outlay		\$ 80,000	\$ -	\$ 80,000	0.03%		
Local Assistance		\$ 6,246,437	\$ 6,246,437	\$ 12,492,874	4.52%		
Grants		\$ 50,515,539	\$ 29,926,030	\$ 80,441,569	29.12%		
Benefits & Claims		\$ 40,887,024	\$ 39,759,454	\$ 80,646,478	29.20%		
Transfers		\$ 814,775	\$ 814,775	\$ 1,629,550	0.59%		
Debt Service		\$ 1,592,800	\$ 1,592,800	\$ 3,185,600	1.15%		
<b>Total Costs</b>		<b>\$148,797,542</b>	<b>\$127,398,582</b>	<b>\$276,196,124</b>	<b>100.00%</b>		
<b>Funding</b>							
General Fund		\$ 8,664,636	\$ 6,969,277	\$ 15,633,913	5.66%		
State Special		\$ 61,041,987	\$ 43,140,869	\$ 104,182,856	37.72%		
Federal Special		\$ 22,063,576	\$ 19,755,730	\$ 41,819,306	15.14%		
LRBP		\$ 387,500	\$ -	\$ 387,500	0.14%		
Proprietary		\$ 56,639,843	\$ 57,532,706	\$ 114,172,549	41.34%		
<b>Total Funding</b>		<b>\$148,797,542</b>	<b>\$127,398,582</b>	<b>\$276,196,124</b>	<b>100.00%</b>		

Department of Commerce  
Agency Overview

September 2015

For the Economic Affairs Committee

<b>Montana Department of Commerce</b>					
Analysis of 2015 & 2017 Biennium Budgets (Does Not Include Administrative or Misc Cat and Dog Appropriations)					
William Hoffmann (841-2720)					
<b>8/17/2015</b>					
<b>(1) Commerce 2015 Biennium Budget by Operating Plan</b>					
				2015 Biennium	2015 Biennium
		FY 2014	FY 2015	Total	%
FTE		210.08	210.08	210.08	100.00%
Personal Services		\$ 15,480,170	\$ 15,819,605	\$ 31,299,775	10.38%
Operating		\$ 33,666,381	\$ 33,945,212	\$ 67,611,593	22.43%
Equipment		\$ 92,199	\$ 74,008	\$ 166,207	0.06%
Capital Outlay		\$ 31,536	\$ 31,536	\$ 63,072	0.02%
Local Assistance		\$ 5,721,918	\$ 6,246,437	\$ 11,968,355	3.97%
Grants		\$ 76,026,269	\$ 25,200,857	\$ 101,227,126	33.58%
Benefits & Claims		\$ 42,012,817	\$ 41,212,817	\$ 83,225,634	27.61%
Transfers		\$ 1,488,000	\$ 1,488,000	\$ 2,976,000	0.99%
Debt Service		\$ 1,343,162	\$ 1,592,800	\$ 2,935,962	0.97%
<b>Total Costs</b>		<b>\$ 175,862,452</b>	<b>\$ 125,611,272</b>	<b>\$ 301,473,724</b>	<b>100.00%</b>
<b>Funding</b>					
General Fund		\$ 9,105,196	\$ 8,182,045	\$ 17,287,241	5.73%
State Special		\$ 84,811,280	\$ 38,714,950	\$ 123,526,230	40.97%
Federal Special		\$ 24,280,272	\$ 19,224,735	\$ 43,505,006	14.43%
Proprietary		\$ 57,665,705	\$ 59,489,542	\$ 117,155,247	38.86%
<b>Total Funding</b>		<b>\$ 175,862,453</b>	<b>\$ 125,611,272</b>	<b>\$ 301,473,724</b>	<b>100.00%</b>
<b>(2) Commerce 2017 Biennium Budget by Operating Plan</b>					
				2017 Biennium	2017
		FY 2016	FY 2017	Total	%
FTE		209.71	209.87	209.87	100.00%
Personal Services		\$ 17,332,470	\$ 17,606,959	\$ 34,939,429	12.65%
Operating		\$ 31,263,151	\$ 31,406,781	\$ 62,669,932	22.69%
Equipment		\$ 65,346	\$ 45,346	\$ 110,692	0.04%
Capital Outlay		\$ 80,000	\$ -	\$ 80,000	0.03%
Local Assistance		\$ 6,246,437	\$ 6,246,437	\$ 12,492,874	4.52%
Grants		\$ 50,515,539	\$ 29,926,030	\$ 80,441,569	29.12%
Benefits & Claims		\$ 40,887,024	\$ 39,759,454	\$ 80,646,478	29.20%
Transfers		\$ 814,775	\$ 814,775	\$ 1,629,550	0.59%
Debt Service		\$ 1,592,800	\$ 1,592,800	\$ 3,185,600	1.15%
<b>Total Costs</b>		<b>\$ 148,797,542</b>	<b>\$ 127,398,582</b>	<b>\$ 276,196,124</b>	<b>100.00%</b>
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