MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Director
AMY CARLSON

DATE: May 31, 2022

TO: Economic Affairs Interim Committee

FROM: Kris Wilkinson, Lead Fiscal Analyst

RE: Office of Economic Development

Statute establishes the Office of Economic Development (office) within the Governor's Office. Policy and program specifics outlined in statute for the office include:

- Business retention and recruitment
- Workforce development
- Technology development
- Infrastructure improvement
- Permitting and regulatory processes

The Governor appoints the chief business development officer whose duties include:

- Advise the Governor on policy issues related to economic development
- Lead the state's business recruitment, retention, and expansion efforts
- Coordinate the development and distribution of a statewide coordinated strategic development plan
- Coordinate the individual functions and programs within the office
- Serve as the state's primary liaison between federal, state, and local agencies, Montana tribal governments, private, nonprofit economic development organizations, and the private sector

For the 2023 biennium the legislature provided $720,214 in general fund in FY 2022 and $727,304 in FY 2023 to support the office. The following figure shows the budget and expenditures for the office in FY 2022 through the end of May.

Governor's Office Office of Economic Development FY 2022 Expenditures Through May				
	Budgeted	Expended	Remaining Budget	% Expended
FTE	5.00	2.00		
Personal Services	$483,846	$143,597	$340,249	29.68%
Operating Expenses	195,269	46,881	148,388	24.01%
Total Expenditures	$679,115	$190,478	$488,637	28.05%

Statute requires that state agencies reduce personal services authority in any year that the workers' compensation premiums are lower for the agency than in the previous year. In March personal services for the Office of Economic Development personal services authority was reduced by $99 as a result. In April the Governor's Office transferred appropriation authority of $41,000 in operating expenses out of the Office of Economic Development and into the Executive Office Program.

Within personal services the 5.00 FTE funded for the biennium include 1.00 FTE for the chief business development officer and 4.00 FTE for policy specialists. As of the end of May, the Governor has not appointed the chief business development officer, relying instead on the Department of Commerce to provide leadership on business development. One of the four policy specialists is currently filled leaving a total of four positions within the office vacant at the end of May.