
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 Housing, under 2-15-1814, MCA.
- Board of Horseracing, under 2-15-1809, 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.

Agency Bills Passed During 2013 Session:

- HB 11, appropriating \$33,983,538 in the FY 2014-2015 biennium for the Treasure State Endowment Program.
- HB 15, appropriating \$11,418,642 plus \$900,000 for planning grants, and \$100,000 for emergency grants related to the quality schools facility grant program.
- SB 29, revising the primary sector workforce program to remove redundant language and allow rules.

Department of Commerce

Agency Overview

March 2014

For the Economic Affairs Committee

- SB 30, revising the Big Sky Trust Fund wage rate to include consideration of employee benefits and to provide that the new jobs funded by the Big Sky Economic Development Program must meet or exceed 170% of Montana's current minimum wage or the current average weekly wage of the relevant county.

Agency Bills That Failed During 2013 Session: None

Bills Affecting Agency Operations That Passed During 2013 Session:

- HB 2 - The 2013 Legislature removed funding for the Energy Promotion Division and support for 5.0 FTE plus operating expenses and related general fund money from the Department of Commerce and put operating costs and support for 2.0 FTE for energy promotion into the Governor's Office of Economic Development. According to a March 2014 Budget Status Report provided to the Legislative Finance Committee, the Governor's Office transferred the general fund money and related FTE positions back to the Department of Commerce in June 2013. The report notes that at the end of January 2014 personal services for the program were 92.3% expended and operating costs were 63.9% expended. The report also said that Commerce staff indicated the program had 3.0 FTE and that "Commerce will need to use other funds to support the additional FTE costs". See: http://leg.mt.gov/content/Publications/fiscal/interim/2014_financemty_March/2015-Biennium-update.pdf
- **HB 388** - Removed the ability of the Department of Commerce to use the Distressed Wood Products Revolving Loan Fund for anything but the wood products industry. Previously the revolving fund could be used for primary sector businesses statewide. The fiscal note said there was no fiscal impact to the Department of Commerce. A 2012 report on the Loan Fund Outcome Measures to the Economic Affairs Committee is available at <http://leg.mt.gov/content/Committees/Interim/2011-2012/Economic-Affairs/Meeting-Documents/August%202012/wood-products-rept-2012.pdf>.
- **SB 215** - Moved the Board of Horseracing from the Department of Livestock to the Department of Commerce.

Montana Department of Commerce						
Analysis of 2015 Biennium Budgets (Does Not Include Administrative or Cat and Dog Appropriations)						
William Hoffmann (841-2720)				3/14/2014		
(1) Commerce 2015 Biennium Budgets by Funding Source:						
Division	FTE *	General Fund	State Special	Federal Special	Proprietary	2015 Biennium Total
Business Resources Division						
Business Resources HB 2 & BA	24.8	\$11,066,434	\$4,375,665	\$8,678,000	\$-	\$24,120,099
Business Resources 15-35-108, MCA SA	4	\$2,200,000	\$-	\$-	\$-	\$2,200,000
Trade Offices SA	0	\$-	\$210,220	\$-	\$-	\$210,220
Big Sky Trust Fund SA	3	\$-	\$6,833,114	\$-	\$-	\$6,833,114
Distressed Wood Products SA	2	\$-	\$2,319,175	\$2,719,633	\$-	\$5,038,808
Research & Commercialization SA	2	\$2,550,000	\$3,017,219	\$-	\$-	\$5,567,219
Business Resources Total:	35.8	\$15,816,434	\$16,755,393	\$11,397,633	\$-	\$43,969,460
Montana Promotion Division	29.5	\$-	\$48,126,792	\$-	\$-	\$48,126,792

Department of Commerce
Agency Overview

March 2014

For the Economic Affairs Committee

Division	FTE*	General Fnd	State Spec.	Fed. Special	Proprietary	Total: 2015 Biennium
Community Development Division						
Coal Board	1.16	\$-	\$4,143,832	\$-	\$-	\$4,143,832
Hard Rock Mining Impact Board	1.16	\$-	\$1,614,288	\$-	\$-	\$1,614,288
Neighborhood Stabilization Program BA	0	\$-	\$-	\$2,687,210	\$-	\$2,687,210
Community Dev. Block Grant (CDBG)	5.5	\$688,621	\$-	\$10,635,398	\$-	\$11,324,019
Treasure State Endowment Program	6.17	\$-	\$36,164,225	\$-	\$-	\$36,164,225
Community Technical Assistance (CTAP)	2.17	\$782,186	\$-	\$-	\$-	\$782,186
Quality Schools Grants Program	4.17	\$-	\$13,183,712	\$-	\$-	\$13,183,712
HOME Program	5.83	\$-	\$-	\$13,294,252	\$-	\$13,294,252
Community Development Total:	26.2	\$1,470,807	\$55,106,057	\$26,616,860	\$-	\$83,193,724
Montana Facility Finance Authority	3				\$1,157,003	\$1,157,003
Board of Investments	32.00				\$14,068,358	\$14,068,358
Housing Division						
Board of Housing	30.00				\$10,040,402	\$10,040,402
Housing Division HB 2	0.00		\$300,000	\$4,390,513		\$4,690,513
Section 8 Housing	21.33				\$88,178,757	\$88,178,757
Housing Division Total	51.33		\$300,000	\$4,390,513	\$98,219,159	\$102,909,672
Board of Horseracing	1.25		\$768,357			\$768,357
Montana Heritage Commission	12.00		\$2,469,631			\$2,469,631
Director's Office	19.00			\$1,100,000	\$3,710,727	\$4,810,727
Department of Commerce Total	210.08	\$17,287,241	\$123,526,230	\$43,505,006	\$117,155,247	\$301,473,724

*FTE Totals did not include modified budget amendment FTE or summer interns.