

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
59th LEGISLATURE - REGULAR SESSION**

**JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND  
COMMERCE**

**Call to Order:** By **CHAIRMAN RICK RIPLEY**, on January 10, 2005 at  
8:00 A.M., in Room 317-C Capitol.

**ROLL CALL**

**Members Present:**

Rep. Rick Ripley, Chairman (R)  
Sen. Gregory D. Barkus (R)  
Sen. Ken (Kim) Hansen (D)  
Sen. Bob Hawks (D)  
Rep. Walter McNutt (R)  
Rep. John L. Musgrove (D)

**Members Excused:** Rep. Rosalie (Rosie) Buzzas (D)

**Members Absent:** None.

**Staff Present:** Britt Nelson, Committee Secretary  
Shane Sierer, Legislative Branch  
Doug Schmitz, OBPP Representative

**Please Note.** These are summary minutes. Testimony and discussion  
are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB2, 1/9/2005  
Executive Action:

**Hearing on the Department of Commerce: Montana Promotion Division**

**Tony Preite** addressed the committee giving an outline for the Department of Commerce's presentation for the day.

**Betsy Baumgart, Administrator of the Montana Promotions Division,** represents two programs within the Division; the Travel Montana Program and the Montana Film Office. She provided a few handouts for the committee, a copy of the Power Point Presentation, the annual Report on the Montana Tourism Industry, the Lewis and Clark Brochure, and an executive summary of the Montana Tourism and Recreation Strategic Plan -- 2003-2007. The Montana Promotions Division is sponsored through a statutory appropriations of four percent of the Accommodations Tax. She specified that in the LFD Budget Analysis on Page C-187, there was a spike in the 2004 Revenue. That included the additional three percent that is now being charged on lodging. However, the Montana Promotion Division is only funded by the four percent. The additional three percent is going into the general fund. She also wanted to make clear that there was only one Decision Package being brought in front of the Committee which would ask for increased authority to allow the Division to take in private funds in order to do more cooperative type marketing campaigns with private businesses. She went over the trends of tourism and film in Montana and then briefly summarized what the Division does for the Travel Montana and Montana Film Office. She broke the Power Point Presentation into four sections; Tourism, The Montana Film Office, Travel Montana - Lewis and Clark Marketing, and Winter-In-State. While discussing the Tourism section she covered where tourists came from and when, why they came, what the visitors brought to Montana, and what the Division used their funding for. The Mission Statement of the Montana Promotion Division "is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location." She also described the Governor's Tourism Advisory Council and its impact on the Montana Promotion Division. (Pages 1-3)

**EXHIBIT (jnh06a01)**

**EXHIBIT (jnh06a02)**

**EXHIBIT (jnh06a03)**

**EXHIBIT (jnh06a04)**

***{Tape: 1; Side: A; Approx. Time Counter: 0 - 14.5}***

**Betsy Baumgart** continued with her presentation talking about the Montana Film Office. The primary role of the Montana Film Office

"is to bring production into Montana for the economic benefit of the State." She provided a Motion Picture Film Guide, which shows where, when, and who held productions in Montana. The productions include feature films, commercials, still shots, television spots, documentaries, and assistance to production companies.

**EXHIBIT** (jnh06a05)

**Betsy Baumgart** explained the effects that the film industry has had on Montana and the communities within it. She provided the direct expenditures, revenues, and the indirect benefits of having the film industry come to Montana (Pages 3-4).

***{Tape: 1; Side: A; Approx. Time Counter: 14.5 - 17}***

**Betsy Baumgart's** next section of the presentation covered the Travel Montana Program which is the Lewis and Clark Marketing Program. She presented the target audience, the research they had accomplished, the specific advertisements they had used, and the locations of publications. There are two planned Lewis and Clark signature events occurring in Montana, leading up to the Lewis and Clark Bicentennial. One of the events is in Great Falls during June of 2005, the second is in Billings during July of 2006. This presentation segued into discussion of the Lewis and Clark Co-Op which is a partnership with Idaho, Washington, and Oregon. She covered the media placement for the ads in magazines and national television campaigns. She covered the costs of the 2004 Lewis and Clark media campaign, including television, magazines, and internet purchases. She proceeded to show the different types of publications they had generated. The final part of this section was concerned with the Group Tour Program and the Travel Montana's Tourism Development Program; Community Tourism Assessment Program (CTAP), Tourism Infrastructure Investment Program (TIIP), and the Special Event Grant Program (SEGP). Each of these programs was covered in further detail in the following slides (Pages 4-9).

***{Tape: 1; Side: A; Approx. Time Counter: 17 - 38.5}***

**Betsy Baumgart** then presented the last section of the slide show, Winter-In-State, a campaign to keep Montanans in Montana during the winter season. This campaign was a cooperative action with Mackenzie River Pizza Company, Montana Ski Areas Association, and Big Sky Airlines. She provided the components of the campaign including advertisements, incentives, and results. On the last slide she gave the Montana Promotion Division's Decision Package. Their request is to increase the in state special revenue

authority to increase national advertising by \$292,000 per year for a total of \$75,000 each year (Pages 9-11).

***{Tape: 1; Side: A; Approx. Time Counter: 38.5 - 48.3}***

**Questions from the Committee Members and Responses**

**SEN. HAWKS** asked Ms. Baumgart if they contracted out graphic design and branding for their campaigns.

**Betsy Baumgart** answered that they did indeed contract out those services. She stated that they use two different ad agencies, one from Great Falls that is responsible for the warm season campaigns and their winter campaign is contracted to a company in Bozeman.

**SEN. HANSEN** wanted to know what the projected number of visitors for the Lewis and Clark activities was.

***{Tape: 1; Side: A; Approx. Time Counter: 48.3 - 51.1}***

**Betsy Baumgart** responded that the numbers were difficult to come up with because it is a three-and-a-half year trail that covers seventeen states. The original estimate was eight million people but that number spread over seventeen states and three-and-a-half years is no longer an accurate guess. The hope is that visitors will extend their stay in Montana to take in some of the Lewis and Clark activities that will be held.

**CHAIRMAN RIPLEY** wondered why there were less visitors last year than the year before seeing as it was not as bad a fire year.

**Betsy Baumgart** informed CHAIRMAN RIPLEY that the reason for the fall in visitors might have been possibly linked to the fires which were quite extensive, especially in the Glacier National Park area. However, she said that what they found in Glacier was that the Park did an amazing job getting people to stay in Montana by moving them to other parts. She thinks that part of the problem is that the ad budget is not large enough to compete with other states who have more money to work.

***{Tape: 1; Side: B; Approx. Time Counter: 0 - 2.6, End of questions}***

**Hearing on Department of Commerce: Community Development Division**

**Dave Cole** provided a handout of the Power Point Presentation which constituted his presentation. There are four major programs within the Division. The Treasure State Endowment Program (TSEP) and the Community Development Block Grant Program (CDBG) are administered directly by the Division staff. The two boards which are appointed by the Governor, the Coal Board and the Hard Rock Mining Impact Board, are also staffed by the Community Development Division.

**Dave Cole** covered the Treasure State Endowment Program first. The TSEP is a State-funded grant program that assists local governments with construction and repair of water and waste projects. TSEP is in place to help fund projects that will "protect the public's health and safety, make local public facility projects affordable and promote economic development and job creation." He provided the committee with information about who is eligible for the financial assistance provided by TSEP. He also provided a list of the applicants, the type of project, how much money they requested, and the amount that they were awarded. There has been over \$58 million in matching construction grants and 155 local governments who have benefitted from this Program since 1993.

***{Tape: 1; Side: B; Approx. Time Counter: 2.6 - 12.1}***

**EXHIBIT (jnh06a06)**

**Dave Cole** then proceeded to discuss the Community Development Block Grant Program. This program is a federally funded program which provides grants for cities, towns, and counties with a population under 50,000. The priority for the funding is to assist low and moderate income families. The types of projects which they fund are infrastructure improvements, public facilities, and housing and neighborhood renewal projects. There are currently 90 local projects being administered by the CDBG staff. Mr. Cole also provided the committee with data on what type, where, and how much the grants were for from the last few years.

***{Tape: 1; Side: B; Approx. Time Counter: 12.1 - 19.9}***

**EXHIBIT (jnh06a07)**

**Dave Cole** continued his presentation by introducing the Montana Coal Board. The Coal Board is funded by the 7.75% Coal Severance Tax Shared Account. The purpose is to "provide grants to help

communities meet public facility or public service needs related to the development or decline of coal mines or coal-fired power generating plants." Mr. Cole's presentation covered who was available for the grants, how many grants were submitted and awarded, some of the major projects that were funded, and where they were located.

***{Tape: 1; Side: B; Approx. Time Counter: 19.9 - 23.3}***

**EXHIBIT(jnh06a08)**

**Dave Cole** introduced the last section of the Division as the Hard Rock Mining Board. This board is a five-member board that is appointed by the Governor. The purpose is to "mitigate the fiscal impacts on local government services and facilities due to new large-scale hard rock mining development." The funding comes from 2.5% of the Metalliferous Mines Licence Tax. The Board reviews "Impact Plans" for their compliance with the Hard Rock Mining Impact Act. There are eight different "Impact Plans" approved by the Board in Montana currently.

***{Tape: 1; Side: B; Approx. Time Counter: 23.3 - 27.4}***

**Dave Cole** concluded his presentation with a discussion on the Community Development Division Decision Packages that would be reviewed by the Committee. There are three Decision Packages that need approval; DP 6003-CD Grants Adjustment, DP 6013-CD Administrative Costs Adjustments, and DP 6060-CD Hard Rock Adjustments.

**EXHIBIT(jnh06a09)**

***{Tape: 1; Side: B; Approx. Time Counter: 27.4 - 32}***

**Questions From the Committee Members and Responses**

**SEN. BARKUS** inquired what the length of time was from filing an application and when they receives funding for a CDBG.

**Dave Cole** reported that from the time they apply until the time that his Division provides the grants is about three to four months. The 'real time' involved for the communities is the lead time before hand, from the time the problem is identified at the local level; and it takes a couple of years before they apply. This is because of the preliminary engineering that must be done and the effort that is involved in assembling the funding package. Typically the public facility projects need three to

four sources of funding to make those forms available to the local residents.

**SEN. BARKUS** continued with a follow up question concerning the Biennial Appropriations.

**Dave Cole** explained that the Biennial Appropriations is for Coal Board Grants only.

**SEN. BARKUS** expounded upon his question, inquiring what the time for Coal Board Grant applications was.

**Dave Cole** replied that there is a two-step process, a pre-application and a pro-application process. Once a community has their pre-application approved it would take three to four months for the approval of the full application.

**SEN. HAWKS** then wanted Mr. Cole to clarify the triggering conditions for the CDBG as far as their designation of who qualifies.

**Dave Cole** reported that under the law, specifically the Federal Housing and Urban Development Act, low to moderate income is defined as 80% of the median household income. This amount is adjusted on a county-by-county basis. He relayed that some communities disagree with the census information and the Division has authorization from HUD to investigate these discrepancies and change the base level accordingly.

**CHAIRMAN RIPLEY** suggested that Mr. Cole was expecting a rise in federal funds in order to ask for an increase. He wished to know how likely Mr. Cole felt it would be that there would be a federal increase.

**Dave Cole** remarked that it was not just current funds at the national level that were being considered but that the Division had a certain amount of money that remained from past fiscal years. As these projects are being constructed and so forth they have a tendency to create a bubble of past funds. The base year, 2004 had an unusually low level of expenditures, which he can not account for. However, that stuck them at a lower level than they have needed since.

**CHAIRMAN RIPLEY** also was curious about the request for increased travel, \$5,250, to attend training. He requested to know what the current budget was.

**Dave Cole** explained that the current budget was based on the greater routine activities of the division. However, the training is not offered every year so the budget has been based on very little out-of-state travel and it is the out-of-state travel that requires the increase in funds.

**CHAIRMAN RIPLEY** enquired how many full time employees would attend the training if they received the \$5,250.

**Dave Cole** postulated that approximately three staff members would be able to go through the program.

*{Tape: 1; Side: B; Approx. Time Counter: 32 - 43.6}*

**Hearing on the Department of Commerce: Facility Finance Authority**

**Michelle Barstad, the Executive Director of the Montana Facility Finance Authority**, provided a brief overview of the Authority. The Authority was formed to help contain health care costs. They are a HB 576 fund, meaning that they do not receive any tax dollars, their money is based on what they charge people to use their services. The primary function is to issue tax exempt bonds, primarily to hospitals. They also provide services to pre-release facilities. Their mission is to provide the most financially feasible options for eligible entities.

*{Tape: 1; Side: B; Approx. Time Counter: 43.6 - 51.3}*

**Michelle Barstad** commented that the Authority has a staff of two. She expressed that the way they are able to operate is to contract with the Montana Board of Investments for administrative services. The Department of Commerce provides administrative services for membership services. The Authority has achieved over one billion dollars in debt. She clarified that this amount was not outstanding debt and it is not debt of the state but of individual entities. She announced that there was only about \$625 million outstanding and that there have been no defaults. She provided three handouts, the first showing the accumulative transactions that they have loaned on a dollar basis and transaction basis.

**EXHIBIT (jnh06a10)**

**Michelle Barstad's** next handout was the Montana Facility Finance Authority Chronology of Events, a compilation of the financial and Program highlights of the Authority. She wanted to point out

that they had loans slightly under \$9,800 to over \$130 million and that they serve 122 entities in 44 communities.

**EXHIBIT(jnh06a11)**

**Michelle Barstad's** last handout was one she felt was very important for the Committee to see. It showed the places and the entities that the Authority had served. She pointed out the projects that they had financed in many of the locations around the state.

**EXHIBIT(jnh06a12)**

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 4.4}*

**Questions From the Committee and Responses**

**SEN. BARKUS** wanted to know what the difference was between solely financing and their operation.

**Michelle Barstad** responded that they issue revenue financing.

**SEN. BARKUS** followed up on the question, asking if the entity is obligated to pay back the revenue bonds with private financing.

**Michelle Barstad** answered, that yes, the only state debt was the financing for Warm Springs.

*{Tape: 2; Side: A; Approx. Time Counter: 4.4 - 6}*

**Hearing on Department of Commerce: Housing Division**

**Bruce Brensdal, Administrator of the Housing Division,** provided the committee with a handout of the Power Point Presentation which he had prepared. The Housing Division consists of two main areas the Housing Assistance Bureau and the Montana Board of Housing. Both of these divisions consist of three programs. The Housing Assistance Bureau contains; Section Eight Tenant Based Programs, Section Eight Project Based Programs, and Home Investment Partnership Programs. The Montana Board of Housing contains; Single Family Programs, Multi Family Programs, and Elderly Programs. Each of these sections was covered in the Power Point Presentation.

**Bruce Brensdal** first covered the Section Eight Programs. The Tenant Based Section Eight Program helps tenants pay for rent. The Project Based Section Eight Program currently has 101 Projects. The funding comes from the performance based contract

with HUD, rental subsidy flows to landlords, and an administrative fee to operate the Program.

**EXHIBIT(jnh06a13)**

***{Tape: 2; Side: A; Approx. Time Counter: 6 - 9.3}***

**Bruce Brensda** continued narrating his slide show and introduced the HOME Investment Partnership Program. This program is for local governments, Public Housing Authorities and Community Housing Development Organizations. The money is used to fund projects for new construction, acquisition and rehabilitation, home-ownership, and Tenant Based Rental Assistance. HUD awards money to the program and then the HOME Program awards grants to local communities.

**EXHIBIT(jnh06a14)**

**Bruce Brensda** next addressed The Board of Housing. The Board is composed of seven members appointed by the Governor. They issue Tax Exempt Bonds to purchase single and multifamily mortgages. They also operate other Federally funded programs. Mr. Brensda's information contained the Bond Programs and funding for both Single Family and Multi Family Bond Programs.

**EXHIBIT(jnh06a15)**

***{Tape: 2; Side: A; Approx. Time Counter: 9.3 - 18.7}***

The last program **Bruce Brensda** discussed was the Reverse Annuity Mortgage Program. The purpose of this Program is to help seniors access equity in their homes to help pay living expenses. The senior citizens can request a loan from \$15,000 to \$100,000 with payments being made monthly for ten years. The loan does not need to be payed back as long as the individuals reside in their home. However, once they leave the place of residence, payments must be made. The loan can be payed back by selling the home, the family could refinance the loan, or keep the house and repay the loan however they choose. The next slides showed the economic benefits of Section Eight Rental Assistance, the HOME Program, and the Montana Board of Housing Program. The last slide he showed contained the Decision Packages; DP 7405-HOME Federal Grant Adjustment HB0002, and DP 7414-Administrative Cost Adjustment HB0002.

**EXHIBIT(jnh06a16)**

**EXHIBIT(jnh06a17)**

*{Tape: 2; Side: A; Approx. Time Counter: 18.7 - 24.3}*

**Questions From the Committee and Responses**

**REP. MUSGROVE** wondered what the percentage of the budget the Administrative Housing Costs constituted.

**Bruce Brensdal** replied that the operating budget was about \$2.5 million dollars which, as far as the total percentage of overall activity goes, is small. They are allowed on Single Families to charge one-and-an-eighth percent split and on the Multi-Family they are allowed to charge one-and-a-half percent split. He assured the Committee that they typically don't charge anywhere close to that split.

**SEN. BARKUS** questioned whether the Housing Division was allowed to refinance a house with a Housing Loan.

**Bruce Brensdal** affirmed SEN. BARKUS' comment.

**CHAIRMAN RIPLEY** requested that Mr. Brensdal describe the DP 7405 coding error that occurred.

**Bruce Brensdal** responded that there was an error in the accounting process in which some of the federal funds were coded wrong and that had to be corrected.

**Bill Hoffman, the Budget Manager for The Montana Department of Commerce**, was able to expand on the question asked of Mr. Brensdal. He believed that what had happened was that there were some discretions recorded as Operating Expenses and they should have been recorded as Grants Expenses. So what occurred was the Grant Expenses were increased and the Operating Expenses were decreased with a net effect of zero on the total.

*{Tape: 2; Side: A; Approx. Time Counter: 24.3 - 29.9}*

**Hearing on the Department of Commerce: Board of Investments**

**Carroll South, Executive Director of The Board of Investments** passed out a packet to the committee members covering his presentation. The Board of Investments is a quasi-division board which means that it is fairly independent. There are nine members appointed by the Governor. Five of the members have to be concurrent with the Governor's term. The Board has two major assignments, one of which is to invest the Unified Investment Program created by the state constitution. Under this program all state funds are captured and invested. The handout gave an

overview of the major components of what the Board does. He showed who owns the money that is invested. The largest component is pension funds with 62% of the portfolio. He proceeded to explain the breakdown of funds. He also described the total funds split up by investment. The largest investment is in equity closely followed by fixed income. The Board has decided over the past years that it would be easier for the participants if they created mutual funds. So over the last 18 years the Board has invested six investment pools that operate exactly like mutual funds. The Domestic Equity Pool, at 30%, is the largest percent of the total portfolio. He identified each pool and what percentage of the portfolio they comprised.

***{Tape: 2; Side: A; Approx. Time Counter: 29.9 - 48}***

The next section of his handout showed in more detail the investments of the Board including comparison to Book Value, who owns the funds, and the Fund income. The last section of his presentation addressed the In-State Investment Program. There are different types of loans under this program; the Commercial Loan, the Infrastructure Loan Program, and the "Value-Added" loan.

***{Tape: 2; Side: A; Approx. Time Counter: 48 - 51.2}***

Each of these has different eligibility regulations, maximum and minimum loan sizes, and different levels of Board participation. This handout also answered some basic questions that individuals might have concerning the Board.

**EXHIBIT (jnh06a18)**

**Carroll South** divulged that the fee increase that they were requesting was on an annual basis at two percent. The Board is gradually transitioning its expenses from soft dollars to hard dollars. They want get rid of soft dollar expenses. They made the decision this year to bring \$131,000 of Bloomberg Financial Expenses that they had in soft dollars into their budget. The long term goal is to get rid of all soft dollar creditors and absorb them into their budget. The soft dollar expenses are wound into the performance of the investments and is not shown as actual expenditure. The costs that the Board incurs for all internally managed funds is three point six Basis Points compared to the 20-30 Basis Points incurred in the private sector for the same kind of investment.

***{Tape: 2; Side: B; Approx. Time Counter: 0 - 3}***

**Questions From the Committee and Responses**

**SEN. HAWKS** wanted clarification on soft dollars. He wanted to know if they were Federal dollars or private sector funds.

**Carroll South** attempted to define soft dollars. He replied that in order to do an equity trade a person has to have a broker who will find what you want to buy and find a seller and a buyer. Full service brokers charge five cent commission per share. As part of that they are supposed to provide research for the person whom they are providing brokering services. He said that this was a straight forward use of soft dollars. The brokerage cost itself is around two cents. So the three cents that they use is to give a person research by their own staff. What the Board is trying to get away from is the same five cent share brokerage.

**SEN. BARKUS** was curious about the performance of the private equity security. He was questioning the performance of the financial portfolio.

**Carroll South** responded that SEN. BARKUS was not looking at the performance. It left out all of the money received in that asset over the course of the year. The return for 2004 was 29% and the two year annual return was 16.26%.

**SEN. BARKUS** asked if what Mr. South was saying was that they were taking money out of that sector.

**Carroll South** gave an example. They invested \$75 million with a company. Within a year they had all of that money back and they still had \$25 million in the fund.

**SEN. BARKUS** wondered if there were any administrative purposes to having soft dollars.

**Carroll South** replied that there were absolutely not, that it would be a breach of ethics.

**CHAIRMAN RIPLEY** asked what Repurchase Agreements were.

**Carroll South** answered that they were an overnight investment that somehow gets very complicated.

**{Tape: 2; Side: B; Approx. Time Counter: 3 - 10}**

**Hearing on the Department of Commerce: Management Services  
Division**

**Barb Charlton, the Division Administrator for the Management Services Division** concluded the day with a presentation on the Management Services Division and the Director's Office. She also provided a handout following her Power Point Presentation. The Director's Office assists the department with executive, administrative, legal, and policy guidance. The Office also acts as a liaison among many different institutes. The Management Services Division provides internal support to all agency divisions, bureaus, and programs. The services provided are administrative in scope.

**Barb Charlton** also talked about the Montana Council on Developmental Disabilities (MCDD). This council provides assistance to Montanans with disabilities in the realms of living, working, and participation in the community. The funding for the Director's Office and the Management Services Division come from an internal service type proprietary fund from indirect costs charged to all agency programs. The MCDD receives its funding entirely from HB 2 with federal special revenues. The mission of the Director's Office and Management Services is to enhance the Department's mission of economic and community development by assisting departmental staff, and setting the visionary direction in which the Department of Commerce does business.

Every division, bureau and program in the agency uses the services provided by the Director's Office and Management Services Division. This Division helps the overall effectiveness of the agency by standardizing business processes and employing the best business practices wherever possible, while keeping the costs to support programs low.

**Barb Charlton** narrated the history of how the MCDD came to be a part of the Director's Office and Management Services Division through HB 576. The MCDD Program is the only program within the Director's Office and Management Services Bureau funded in HB 2 with Federal Special Revenue. Other than the addition of MCDD Program and the transfer of the Montana Heritage Preservation and Development Commission there have been no major changes within the Division. There were no significant requests for funding increases in the next biennium. The Department proposed to reduce the 2007 15% biennium indirect cost rate to 13.7% in 2006 and 13.65% in 2007. With these rates the projected ending unreserved fund balance for fiscal year 2007 would be \$194,276, or close to a 60-day working capital reserve.

**Barb Charlton** finished her presentation discussing the two Decision Packages; The HB 576 Decision Package, which calls for the reduction of the Indirect Rates. And the HB 2 Decision Packages for MCDD, Present Law Adjustments. The 2007 biennium operating plan for the program will be realigned and additional federal special revenue authority is requested to match available federal funds for the 2007 biennium. Approval of this proposal will eliminate two full time employees and reclassify personal services and operating costs into the grants expenditure category.

**EXHIBIT(jnh06a19)**

***{Tape: 2; Side: B; Approx. Time Counter: 10 - 25.8}***

**CHAIRMAN RIPLEY** asked for a clarification of the two Decision Packages.

**Barb Charlton** responded that yes, there were two Decision Packages. There was one Decision Package, HB 2, and one Decision Package for an indirect rate, HB 576. She indicated that HB 576 needs to be approved but would not be voted on by the committee.

**Questions From the Committee and the Responses**

**SEN. HAWKS** wondered what the overall effect of the centralization process has been, if the Department became more efficient from the changes.

**Barb Charlton** referred the question to Andy Poole.

**Andy Poole** responded that the centralization of services has been successful as far as centralization of Support Services. Centralizing in the Department of Commerce as far as pulling in the Heritage Department and the MCDD has been beneficial for the departments.

**SEN. BARKUS** was looking for clarification. He wanted to know if the Department was asking for an additional \$85,000 a year

**Barb Charlton** responded that yes that was correct.

**Tony Preite** concluded the departments presentation and said that they would take any questions the Committee had for the Department of Commerce.

***{Tape: 2; Side: B; Approx. Time Counter: 25.8 - 35.8}***

**SEN. BARKUS** questioned when the Committee might get the narratives and explanations concerning the Governor's requests for Decision Packages.

**Shane Sierer** explained that he had worked on those subjects over the weekend and would be presenting them to the Department of Commerce for review. He would review the extra Decision Package that he had received that morning. He stated that it was up to the Committee decide when they would want the information.

**CHAIRMAN RIPLEY** thought that the sooner the information got to the Committee the better. However, he also felt that Shane might want to look over it and then send the information to the members.

*{Tape: 2; Side: B; Approx. Time Counter: 35.8 - 40}*

There were two pamphlets handed out at the beginning of the meeting, one on the Montana Treasure State Endowment Program and the other on Montana Community Development Block Grant Program.

[EXHIBIT \(jnh06a20\)](#)

**ADJOURNMENT**

Adjournment: 10:15 A.M.

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REP. RICK RIPLEY, Chairman

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BRITT NELSON, Secretary

RR/BN

Additional Exhibits:

**EXHIBIT ([jnh06aad0.PDF](#))**