

Total Department Of Commerce Funding by Source of Authority
2015 Biennium Budget

Funds	Non-		Statutory Appropriation	Total All Sources	% Total All Funds
	HB 2	Budgeted Proprietary			
General Fund	\$12,718,998	\$0	\$9,500,000	\$22,218,998	8.8%
State Special Total	\$11,898,104	\$0	\$65,111,869	\$77,009,973	30.6%
02049 Hard Rock Mining	\$404,860	\$0	\$1,200,000	\$1,604,860	0.6%
02090 Business Asst-private	\$180,000	\$0	\$0	\$180,000	0.1%
02094 Distressed Wood Match	\$0	\$0	\$24,030	\$24,030	0.0%
02100 Distressed Wood State	\$0	\$0	\$999,532	\$999,532	0.4%
02102 Mt Heritage Pres & Development	\$0	\$0	\$2,380,050	\$2,380,050	0.9%
02116 Accommodation Tax Account	\$36,229	\$0	\$34,485,716	\$34,521,945	13.7%
02154 Mt Promotion-private	\$1,500,000	\$0	\$0	\$1,500,000	0.6%
02210 Microbusiness Admin Acct	\$203,684	\$0	\$0	\$203,684	0.1%
02212 Microbusiness Loan Acct	\$4,000,000	\$0	\$0	\$4,000,000	1.6%
02254 Regional Accommodation Tax	\$0	\$0	\$11,968,355	\$11,968,355	4.7%
02270 Treasure State Endowment	\$1,128,331	\$0	\$0	\$1,128,331	0.4%
02271 L&c Bicentennial Plate Fund	\$0	\$0	\$110,000	\$110,000	0.0%
02293 Film Production Credit	\$0	\$0	\$2,000	\$2,000	0.0%
02445 Coal Board	\$4,135,000	\$0	\$0	\$4,135,000	1.6%
02557 Research & Commercialization	\$0	\$0	\$7,300,000	\$7,300,000	2.9%
02575 Mobile Home Revolving Loan Fund	\$300,000	\$0	\$0	\$300,000	0.1%
02771 Economic Development Trust Fund	\$0	\$0	\$6,642,186	\$6,642,186	2.6%
02848 Sbdc Private Revenue Nonfed	\$10,000	\$0	\$0	\$10,000	0.0%
Federal Special Total	\$35,431,622	\$0	\$2,140,402	\$37,572,024	14.9%
03059 Community Development Block	\$15,879,631	\$0	\$0	\$15,879,631	6.3%
03061 Eda Revolving Loan Fund	\$801,020	\$0	\$0	\$801,020	0.3%
03092 Distressed Woods Federal	\$0	\$0	\$2,140,402	\$2,140,402	0.8%
03110 Hud Comprehensive Counseling	\$550,000	\$0	\$0	\$550,000	0.2%
03144 Shelter Plus Care - Hud	\$749,996	\$0	\$0	\$749,996	0.3%
03207 Small Business Dev. Centers	\$1,471,850	\$0	\$0	\$1,471,850	0.6%
03233 Instep/epscor Funds	\$50,000	\$0	\$0	\$50,000	0.0%
03282 Emergency Homeowners Loan Prog	\$500,000	\$0	\$0	\$500,000	0.2%
03300 Home Grants	\$13,243,027	\$0	\$0	\$13,243,027	5.3%
03441 Ddpac - Dev Disabled Council	\$1,100,000	\$0	\$0	\$1,100,000	0.4%
03932 Cdbg Rlf	\$536,098	\$0	\$0	\$536,098	0.2%
03945 Boh Forclosure Mitigation	\$550,000	\$0	\$0	\$550,000	0.2%
Proprietary Total	\$0	\$112,303,720	\$2,939,462	\$115,243,182	45.7%
06014 Industrial Revenue Bond I-95	\$0	\$949,228	\$2,939,462	\$3,888,690	1.5%
06015 Facilities Finance Authority	\$0	\$1,130,663	\$0	\$1,130,663	0.4%
06030 Boh Financial Program Fund	\$0	\$8,928,297	\$0	\$8,928,297	3.5%
06031 Housing Trust Fund	\$0	\$20,000	\$0	\$20,000	0.0%
06074 Sec 8 Project Based	\$0	\$42,038,664	\$0	\$42,038,664	16.7%
06075 Hud Section 8 Housing Program	\$0	\$42,105,150	\$0	\$42,105,150	16.7%
06078 Affordable House Revolving Ln	\$0	\$20,000	\$0	\$20,000	0.0%
06079 Revolving Loan Fund - Tanf	\$0	\$20,000	\$0	\$20,000	0.0%
06085 Section 8 Mod Rehab	\$0	\$3,753,510	\$0	\$3,753,510	1.5%
06527 Investment Division	\$0	\$9,816,828	\$0	\$9,816,828	3.9%
06542 Commerce Centralized Services	\$0	\$3,521,380	\$0	\$3,521,380	1.4%
Total All Funds	\$60,048,724	\$112,303,720	\$79,691,733	\$252,044,177	100.0%
Percent - Total All Sources	23.8%	44.6%	31.6%		

5% Base Budget Reduction Form
[17-7-111-3\(f\)](#)

AGENCY CODE & NAME: 6501 Department of Commerce

		Minimum Requirement	
		General Fund	State Special Revenue Fund
TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET		\$ 158,260	\$ 146,536
Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	Line item 62102 Consult & Prof Services in the Business Resources Division in MBARS decision package 5103 reduces general fund expenditures by \$49,436 each FY.	\$ 49,436	
2	Line item 66156 Special Projects in the Business Resources Division in MBARS decision package 5103 reduces general fund expenditures by \$50,000 each FY.	\$ 50,000	
3	Line item 62102 Consult & Prof Services in the Energy Promotion & Development Division in MBARS decision package 5501 reduces general fund expenditures by \$50,000 each FY.	\$ 50,000	
4	Reduce HB 2 private fund authority in the Montana Promotion Division by \$146,536		\$ 146,536
5	General fund programs throughout the agency would take an across the board reduction of \$8,824 each FY.	\$ 8,824	
6			
7			
8			
9			
10			
11			
	TOTAL SAVINGS	\$ 158,260	\$ 146,536
	DIFFERENCE		0

Form A

5% Base Budget Reduction Form

AGENCY CODE & NAME: 6501 Department of Commerce

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

This proposed reduction is intended to meet part of the 5% reduction plan required in (MCA 17-7-111(3)(f)). The Division contracted with three eastern Montana Certified Regional Development Corporations (CRDC's) to provide for the development of a plan and other resources to address impacts of energy development on eastern Montana. The three organizations we contracted with were the Great Northern Development Corporation in Wolf Point, the Eastern Plains RC&D in Terry and the Southeast Montana Development Corporation in Colstrip. A partner organization that is also participating is Richland County Economic Development in Sydney. The Division also contracted with the Montana Manufacturing Extension Center to provide training to Montana small businesses on strategic growth planning.

#2 THE SAVINGS THAT ARE EXPECTED:

\$49,436 each FY.

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Similar activities that need to be addressed in regional and local economic development may not be funded as a result of this reduction.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

By not reducing the funding.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No.

Form B

5% Base Budget Reduction Form

AGENCY CODE & NAME: 6501 Department of Commerce

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

This proposed reduction is intended to meet part of the 5% reduction plan required in (MCA 17-7-111(3)(f)). The Division granted \$50,000 to Southeast Montana Development Corporation to provide partial funding for a revolving loan fund for small businesses impacted by the extensive wildfires in the region during the summer of 2012.

#2 THE SAVINGS THAT ARE EXPECTED:

\$50,000 each FY.

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Similar activities that need to be addressed in regional and local economic development may not be funded as a result of this reduction.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

By not reducing the funding.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No.

Form B

5% Base Budget Reduction Form

AGENCY CODE & NAME: 6501 Department of Commerce

- #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**
Line item 62102 Consult and Prof Services in the Energy Promotion & Development Division reduces 2015 general fund expenditures for OTO Eastern Montana energy studies that will not be needed in the 2015 biennium.
- #2 THE SAVINGS THAT ARE EXPECTED:**
\$50,000 each FY.
- #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**
Similar activities that need to be addressed in regional and local economic development may not be funded as a result of this reduction.
- #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**
By not reducing the funding.
- #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**
No.

Form B

5% Base Budget Reduction Form

AGENCY CODE & NAME: 6501 Department of Commerce

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

The Department proposes to reduce the amount of HB 2 private funds authority for the MT Promotion Division by \$146,536.

#2 THE SAVINGS THAT ARE EXPECTED:

An overall annual reduction of \$146,536 in SSR authority in HB 2 would be recognized, and reduce the amount of funds from private organizations that could be used in cooperative marketing efforts.

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Reduced cooperative marketing efforts.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Reduced cooperative marketing efforts would translate into less exposure of MT as a tourist destination.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No.

Form B

5% Base Budget Reduction Form

AGENCY CODE & NAME: 6501 Department of Commerce

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

General fund programs throughout the agency would take an across the board reduction of \$8,824 each FY.

#2 THE SAVINGS THAT ARE EXPECTED:

\$8,824 each FY.

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

The proposed impact would mean positions would remain vacant longer, supplies and material purchases delayed slightly.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Impacts to constituents and staff is thought to be minimal.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No.

Form B

5% Base Budget Reduction Form

AGENCY CODE & NAME:

- #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

- #2 THE SAVINGS THAT ARE EXPECTED:

- #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

- #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

- #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Form B

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- #2 THE SAVINGS THAT ARE EXPECTED:

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- #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

- #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

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#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

#2 THE SAVINGS THAT ARE EXPECTED:

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Form B

Department of Commerce

Mission:

The Department of Commerce through its employees, community partners, public outreach, and media contacts enhances economic prosperity in Montana; fosters community lead diversification and sustainability of a growing economy; maintains and improves our infrastructure, housing and facilities; and promotes and enhances Montana's positive national and international image.

"The Department of Commerce will enhance and sustain a healthy economy so Montana businesses, communities, and people can prosper."

Goals and Objectives:

- Work to improve the state's economy through business creation, expansion, retention, and diversification of the state's economic base.
- Provide direct technical assistance and training for Montana's entrepreneurs, businesses, and their employees in partnership with communities, counties, and local and regional development groups.
- Enhance the growth of the Montana economy through the promotion of tourism development, promoting and protecting historic sites, and the marketing of Montana as a travel and filmmaking destination.
- Promote access to new markets, both foreign and domestic, for Montana goods and services.
- Provide financing for homeownership and rental assistance opportunities for Montana families.
- Develop and improve public infrastructure and housing opportunities for the state's citizens by providing grants and technical assistance to Montana communities and counties.
- Prudently manage the investments of state and local government funds.
- Provide fair and equal treatment of our fellow employees and our customers.

2015 Biennium Report on Internal Service and Enterprise Funds 2015

Fund	Fund Name	Agency #	Agency Name	Program Name
06012	HFA Loan Program	65010	Dept. of Commerce	Facility Finance Authority
06015	Facilities Finance Authority			

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Operating Revenues:						
Fee revenue						
Administrative Fees	613,161	679,618	713,097	475,000	490,000	490,000
Investment Earnings	74,960	64,046	53,025	6,000	49,000	49,000
Securities Lending Income	620	1,018	-	80	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	782	-	-	-
Total Operating Revenue	688,742	744,682	766,904	481,080	539,000	539,000
Operating Expenses:						
Personal Services	194,679	189,575	186,424	197,984	222,458	222,375
Other Operating Expenses	199,590	140,763	202,074	197,640	330,331	319,499
Total Operating Expenses	394,270	330,338	388,498	395,624	552,789	541,874
Operating Income (Loss)	294,472	414,344	378,406	85,456	(13,789)	(2,874)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	294,472	414,344	378,406	85,456	(13,789)	(2,874)
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	(22,299)	(17,955)	(17,419)	(22,299)	(18,000)	(18,000)
Change in net assets	272,173	396,389	360,987	63,157	(31,789)	(20,874)
Total Net Assets- July 1	3,478,010	3,750,183	4,151,874	4,512,861	4,576,018	4,544,229
Prior Period Adjustments	-	5,303	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	3,478,010	3,755,486	4,151,874	4,512,861	4,576,018	4,544,229
Net Assets- June 30 (Fund Balance)	3,750,183	4,151,874	4,512,861	4,576,018	4,544,229	4,523,355
60 days of expenses						
(Total Operating Expenses divided by 6)	65,712	55,056	64,750	65,937	92,132	90,312

**Requested Rates for Enterprise Funds
Fee/Rate Information**

Application Fee:	
Loan Amount	Fee
Up to \$5,000,000	30 basis points (bp) (.0030)
Up to \$10,000,000	the > of 25 bp or \$ 15,000
Up to \$25,000,000	the > of 15 bp or \$ 25,000
Up to \$50,000,000	the > of 12.5 bp or \$ 37,500
Up to \$100,000,000	the > of 7.5 bp or \$ 62,500
Over \$100,000,000	the > of 6.5 bp or \$ 75,000
Annual Fee:	
	Fee
Stand Alone Bond Issues	5 bp X the outstanding principal amount
Private Placement bond issues	5 bp X the outstanding principal amount
Trust Fund Loan Program	5 bp X the outstanding principal amount
Master Loan Program	10 bp X the outstanding principal amount

Authority: Fee revenues: 90-7-202 and 90-7-211, MCA; Investment Earnings: 90-7-202, MCA

2015 Biennium Report on Internal Service and Enterprise Funds 2015

Fund	Fund Name	Agency #	Agency Name	Program Name
06014	Industrial Revenue Bond I-95	65010	Dept. of Commerce	Board of Investments

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Operating Revenues:						
Fee revenue						
Fee Revenues	-	-	-	500	1,000	1,500
Investment Earnings	261,771	90,953	67,797	140,994	172,137	203,280
Securities Lending Income	165	233	184	350	400	450
Premiums	-	-	-	-	-	-
Other Operating Revenues	2,270,083	1,549,944	1,345,856	1,251,784	1,484,732	1,716,019
Total Operating Revenue	2,532,018	1,641,130	1,413,837	1,393,628	1,658,269	1,921,249
Operating Expenses:						
Personal Services	205,745	167,630	275,326	305,632	308,035	323,312
Other Operating Expenses	134,030	121,932	133,865	150,066	189,153	170,960
Debt Service Expenses (Statutory)	1,828,551	835,910	740,441	1,102,290	1,344,662	1,594,800
Total Operating Expenses	2,168,325	1,125,472	1,149,632	1,557,988	1,841,850	2,089,072
Operating Income (Loss)	363,693	515,658	264,205	(164,360)	(183,581)	(167,823)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	363,693	515,658	264,205	(164,360)	(183,581)	(167,823)
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	494,639	17,955	17,419	18,000	18,000	18,000
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	858,331	533,613	281,624	(146,360)	(165,581)	(149,823)
Total Net Assets- July 1	5,406,924	6,265,256	6,798,869	7,080,493	6,934,133	6,768,552
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	5,406,924	6,265,256	6,798,869	7,080,493	6,934,133	6,768,552
Net Assets- June 30 (Fund Balance)	6,265,256	6,798,869	7,080,493	6,934,133	6,768,552	6,618,729
60 days of expenses						
(Total Operating Expenses divided by 6)	361,388	187,579	191,605	259,665	306,975	348,179
Requested Rates for Enterprise Funds						
Fee/Rate Information						
	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Budgeted Revenues						
Fees & Investment Revenues	\$3,026,657	\$ 1,659,085	\$1,431,256	\$ 1,393,628	\$1,658,269	\$1,921,249

2015 Biennium Report on Internal Service and Enterprise Funds 2015

Fund	Fund Name	Agency #	Agency Name	Program Name
06527	Investment Division	65010	Dept. of Commerce	Board of Investments

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Operating Revenues:						
Fee revenue						
Administrative Fees	4,869,468	4,416,709	4,619,784	4,430,000	5,109,144	5,234,796
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	167	-	-	-	-
Total Operating Revenue	4,869,468	4,416,876	4,619,784	4,430,000	5,109,144	5,234,796
Operating Expenses:						
Personal Services	2,369,344	2,372,134	2,498,975	2,729,157	2,956,401	3,101,061
Other Operating Expenses	1,967,820	1,917,749	2,001,642	2,075,915	2,152,743	2,133,735
Total Operating Expenses	4,337,163	4,289,883	4,500,617	4,805,072	5,109,144	5,234,796
Operating Income (Loss)	532,305	126,993	119,167	(375,072)	-	-
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	532,305	126,993	119,167	(375,072)	-	-
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	(472,340)	-	-	-	-	-
Change in net assets	59,965	126,993	119,167	(375,072)	-	-
Total Net Assets- July 1	213,850	273,815	400,808	519,975	144,903	144,903
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	213,850	273,815	400,808	519,975	144,903	144,903
Net Assets- June 30 (Fund Balance)	273,815	400,808	519,975	144,903	144,903	144,903
Net Current Assets- June 30 (Working Capital)	651,587	934,921	1,105,769	730,697	730,697	730,697
60 days of expenses						
(Total Operating Expenses divided by 6)	722,861	714,981	750,103	800,845	851,524	872,466

**Requested Rates for Internal Service Funds
Fee/Rate Information**

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
BOI Administrative Fee Rate	4,819,844	4,768,607	4,831,041	4,831,041	5,109,144	5,234,796

Allocation Methodology: The revenue objective of the Board of Investments is to assess the costs of operations to each portfolio the Board invests while attempting to maintain a reasonable and prudent 60 day working capital reserve.

2015 Biennium Report on Internal Service and Enterprise Funds 2015

Fund	Fund Name	Agency #	Agency Name	Program Name
06542	Commerce Centralized Services	65010	Dept. of Commerce	Director's Office

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Operating Revenues:						
Fee revenue						
Administrative Fees	1,330,551	1,138,504	1,205,764	1,280,764	1,500,371	1,501,677
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	25,052	25,000	25,000	25,000	25,000	25,000
Total Operating Revenue	1,355,603	1,163,504	1,230,764	1,305,764	1,525,371	1,526,677
Operating Expenses:						
Personal Services	1,285,645	1,290,793	1,332,811	1,324,103	1,603,019	1,608,032
Other Operating Expenses	311,984	316,172	282,389	316,560	232,560	234,311
Total Operating Expenses	1,597,629	1,606,965	1,615,200	1,640,663	1,835,579	1,842,343
Operating Income (Loss)	(242,026)	(443,462)	(384,436)	(334,899)	(310,208)	(315,666)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	237,389	339,601	302,365	302,365	302,365	302,365
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	237,389	339,601	302,365	302,365	302,365	302,365
Income (Loss) Before Operating Transfers	(4,638)	(103,861)	(82,071)	(32,534)	(7,843)	(13,301)
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	(4,638)	(103,861)	(82,071)	(32,534)	(7,843)	(13,301)
Total Net Assets- July 1	215,728	211,090	107,229	25,158	(7,376)	(15,219)
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	215,728	211,090	107,229	25,158	(7,376)	(15,219)
Net Assets- June 30 (Fund Balance)	211,090	107,229	25,158	(7,376)	(15,219)	(28,520)
Net Current Assets- June 30 (Working Capital)	414,220	420,948	367,207	334,673	326,830	313,529
60 days of expenses						
(Total Operating Expenses divided by 6)	266,271	267,828	269,200	273,444	305,930	307,057

**Requested Rates for Internal Service Funds
Fee/Rate Information**

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
State Programs						
Indirect Cost Rate	12.95%	12.95%	12.95%	12.95%	14.65%	14.65%
Federal Programs						
Indirect Cost Rate	12.95%	12.95%	12.95%	12.95%	14.65%	14.65%

Allocation Methodology: Indirect costs for the Director's Office are allocated to supported programs via a federally calculated indirect cost plan for federally funded programs, and a legislatively approved rate for state funded programs. Indirect cost rates are charged to supported programs based upon actual personal services expenditures. Authority: Federally calculated indirect cost plan for federally funded programs, and legislatively approved rate for state funded programs. FY 2014 and FY 2015 federally approved rate is an estimated rate.

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Fund 06074	Fund Name SEC 8 Project Based	Agency # 65010	Agency Name Dept. of Commerce	Program Name Housing Division - PB Section 8
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	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Operating Revenues:						
Fee revenue						
Administrative Fees	-	-	-	-	-	-
Investment Earnings	32,654	22,588	22,167	37,650	37,650	37,650
Securities Lending Income	1,032	1,520	1,029	1,100	1,100	1,100
Premiums	-	-	-	-	-	-
Other Operating Revenues	19,149,479	19,851,612	19,783,329	21,343,140	20,874,772	21,579,677
Total Operating Revenue	19,183,166	19,875,719	19,806,525	21,381,890	20,913,522	21,618,427
Operating Expenses:						
Personal Services	421,378	475,984	524,127	413,911	442,956	443,668
Other Operating Expenses	18,426,207	19,073,973	19,153,923	20,558,398	20,280,076	20,871,964
Total Operating Expenses	18,847,584	19,549,958	19,678,051	20,972,309	20,723,032	21,315,632
Operating Income (Loss)	335,581	325,762	128,474	409,581	190,490	302,795
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	335,581	325,762	128,474	409,581	190,490	302,795
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	335,581	325,762	128,474	409,581	190,490	302,795
Total Net Assets- July 1	2,934,621	3,270,202	3,595,964	3,724,438	4,134,019	4,324,509
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	2,934,621	3,270,202	3,595,964	3,724,438	4,134,019	4,324,509
Net Assets- June 30 (Fund Balance)	3,270,202	3,595,964	3,724,438	4,134,019	4,324,509	4,627,304
60 days of expenses						
(Total Operating Expenses divided by 6)	3,141,264	3,258,326	3,279,675	3,495,385	3,453,839	3,552,605

Requested Rates for Enterprise Funds

Fee/Rate Information

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Administration Contract Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base fee rate paid by HUD = 2% time Fair Market Rent for all projects under ACC contract for standard performance, as judged by HUD monthly, quarterly and annually.						
Administration Contract Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Performance fee incentive rate based on 17 Incentive Based Performance Standards (IBPS), graded monthly, quarterly, and annually by HUD Can be either positive or negative, based on whether time standards and performance requirements are met on each of the 17 IBPS standards Rate 3 (per unit)						
Rents Contract Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Amounts for rentals are based on 100% of contracted amounts per unit each month, less tenant share of rents

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Fund	Fund Name	Agency #	Agency Name	Program Name
06075	HUD Section 8 Housing Program			Housing Division - TB Section 8
		65010	Dept. of Commerce	
06085	HUD Section 8 Mod Rehab			Housing Division - TB Section 8

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Operating Revenues:						
Fee revenue						
Administrative Fees	-	-	-	-	-	-
Investment Earnings	11,016	13,389	15,005	11,680	11,680	11,680
Securities Lending Income	1,116	1,983	1,316	2,050	2,050	2,050
Premiums	-	-	-	-	-	-
Other Operating Revenues	20,501,276	21,522,755	20,368,189	22,527,000	22,159,270	22,824,270
Total Operating Revenue	20,513,408	21,538,127	20,384,511	22,540,730	22,173,000	22,838,000
Operating Expenses:						
Personal Services	589,949	570,858	593,635	631,262	728,770	730,156
Other Operating Expenses	19,901,263	19,454,580	20,686,941	21,945,323	21,952,777	22,446,957
Total Operating Expenses	20,491,212	20,025,438	21,280,576	22,576,585	22,681,547	23,177,113
Operating Income (Loss)	22,196	1,512,689	(896,065)	(35,855)	(508,547)	(339,113)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	22,196	1,512,689	(896,065)	(35,855)	(508,547)	(339,113)
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	22,196	1,512,689	(896,065)	(35,855)	(508,547)	(339,113)
Total Net Assets- July 1	4,643,446	4,664,867	6,177,556	5,281,491	5,245,636	4,737,089
Prior Period Adjustments	(775)	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	4,642,671	4,664,867	6,177,556	5,281,491	5,245,636	4,737,089
Net Assets- June 30 (Fund Balance)	4,664,867	6,177,556	5,281,491	5,245,636	4,737,089	4,397,976
60 days of expenses						
(Total Operating Expenses divided by 6)	3,415,202	3,337,573	3,546,763	3,762,764	3,780,258	3,862,852

Requested Rates for Enterprise Funds

Fee/Rate Information

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Administration Contract						
Rate	\$ 54.85	\$ 63.44	\$ 64.07	\$ 55.21	\$ 60.18	\$ 66.19
Base fee rate paid by HUD = \$45.79 per unit per month under lease for Housing Choice Vouchers, and \$45.79 per month for each unit under HAF contract on Mod Rehab. Estimate increases of 3.5% per year for FY 2006 and FY 2007.						
Under HUD contract, for every family with 3 or more minors which either leases the first time or moves; HUD will pay a fee of \$75.00						
Homeownership Start-up Fee						
Rate	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$ 1,000.00	\$ 1,000.00
Under HUD contract, for every family the program starts in Homeownership Vouchers Homeownership Assistance, HUD allows a fee of \$1,000						
Project Based Section 8 Opt-Out Start-up Fee						
Rate	\$250.00	\$250.00	\$250.00	\$250.00	\$ 250.00	\$ 250.00
Under HUD contract, for every unit HUD approves transferring from Project Based Section 8 to the Housing Choice Vouchers Program, HUD provides reimbursement of start-up expenses of \$250.						
Rents Contract						
Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Amounts for rentals are based on 100% of contracted amounts per unit each month, less tenant share of rents						

Lodging Facility Use Taxes

Montana currently has a 7 percent tax on lodging facilities in the state, commonly referred to as the “bed tax”. The total tax is divided into two parts:

- A 4 percent Lodging Facility Use Tax has been in place since 1987. This tax equals 4 percent of the rate charged on accommodations and is collected from customers of the facility upon payment. The tax can only be based on the fees charged for lodging and cannot include the costs for meals, transportation, entertainment, or any other similar charges. The revenues are distributed as discussed below.
- A 3 percent Lodging Sales & Use Tax was enacted by the 2003 legislature. This tax, imposed for the “privilege of using property or services within this state”, is equal to three percent of the rate charged on accommodations. All revenues are deposited to the general fund.

Pursuant to the statement of intent provided by the legislature when it enacted the 4 percent bed tax, all proceeds are to be dedicated to the promotion of Montana's travel and tourism industries. Of the total collections, \$400,000 is allocated to the Montana Heritage Preservation and Development Account for the purpose of purchasing, restoring, and maintaining historically significant properties in Montana that are in need of preservation. Additionally, state funds are reimbursed for any bed tax paid by state employees while on official business, and the Department of Revenue is allowed to keep an amount based on estimated costs of collecting and disbursing the proceeds from the tax (currently less than 1% of collections). The remaining proceeds are statutorily allocated as follows:

- 64.9% to the Department of Commerce
- 22.5 % to be distributed by the Department of Commerce to regional nonprofit tourism corporations as defined in 15-65-101 (6), MCA
- 6.5 % to the Department of Fish, Wildlife, and Parks for maintenance of facilities in state parks that have both resident and nonresident use
- 3.6% Montana Historical Society, 2.6% for Montana historical interpretation and 1% for the installation or maintenance of roadside historical signs and historical sites
- 2.5% to the Montana university system for operation of the Montana travel research program

The figure below shows the collections and distributions of the lodging use facilities taxes over the last two biennia, and the amounts projected by the Legislative Fiscal Division for the 2015 biennium.

Department of Commerce							
Lodging Facilities Use Taxes							
	Distribution Basis	Actual FY 2010	Actual FY 2011	Actual FY 2012	Forecast FY 2013	Forecast FY 2014	Forecast FY 2015
Accommodations Tax Receipts		\$29,265,000	\$33,809,000	\$37,724,000	\$40,389,000	\$42,831,000	\$45,424,000
Distributions							
General Fund	3% tax	12,331,000	14,241,000	15,606,000	17,309,000	18,356,000	19,467,000
Department of Revenue - Administration	Reimburse	131,000	132,000	136,000	136,000	141,000	141,000
Montana Heritage Preservation & Development	Fixed	400,000	400,000	400,000	400,000	400,000	400,000
Montana University System	2.5% of net	410,075	475,900	539,550	563,600	598,350	635,400
Montana Historical Society							
Sites and Signs	1.0% of net	164,030	190,360	215,820	225,440	239,340	254,160
Historical Interpretation	2.6% of net	0	0	561,132	586,144	622,284	660,816
Fish Wildlife & Parks	6.5% of net	1,066,195	1,237,340	1,402,830	1,465,360	1,555,710	1,652,040
Department of Commerce							
Department Use	64.9% of net	11,072,025	12,849,300	14,006,718	14,631,056	15,533,166	16,494,984
Distribution to Regions and Cities	22.5% of net	3,690,675	4,283,100	4,855,950	5,072,400	5,385,150	5,718,600

Of those amounts, the largest share is the 64.9% to the Department of Commerce to operate the Montana Promotion Division. The division uses this funding in addition to the state special revenue funded in HB 2 to promote the tourism industry in Montana. The Office of Tourism FY 12 Annual Report breaks Montana Promotion Division spending into the following categories:

- Consumer Marketing – 40%
- Montana Brand – 1%

- Visitor Information Services – 2%
- Group Marketing – 1%
- Tourism Development – 6%
- Telemarketing and Fulfillment – 5%
- Publicity & Public Relations – 4%
- Publications – 3%
- International Marketing – 3%
- Industry Services and Administration – 16%
- Electronic Marketing – 8%

Department of Commerce
Coal Board Grants
FY 2012

Entity	Description	Amount	Meeting	Grant #
Ashland Fire District	Protective Fire Clothing*	\$18,000	7/15/2011	0681
Ashland Fire District	PAR	19,000	4/20/2012	0712
Big Horn County	Crow Agency Water Disinfection	148,300	7/15/2011	0671
Big Horn County	Tandem Truck and Dump Box*	74,000	7/15/2011	0683
Big Horn County	Rural Fire Equipment*	34,000	7/15/2011	0684
Big Horn County	Residences for Sheriffs' Officers	100,000	9/30/2011	0697
Big Horn County	Public Library Improvements	72,125	9/30/2011	0698
Big Horn County	Hospital Generator	205,000	1/20/2012	0705
Big Horn County	Little Big Horn College Work Readiness	49,500	1/20/2012	0706
Big Horn County	Automatic Vehicle Location System	65,000	1/20/2012	0707
Big Horn County	Growth Policy Update	23,500	4/20/2012	0708
Big Horn County	Heritage Acres Window Replacement	35,000	4/20/2012	0709
Big Horn County	Portable Radios	35,000	7/20/2012	0715
Big Horn County	Public Safety Software	75,000	10/19/2012	0721
Colstrip	Emergency Alert System	25,000	7/15/2011	0670
Colstrip	Fire Truck	190,000	9/30/2011	0692
Colstrip	Water Master Plan	36,662	4/20/2012	0710
Colstrip	Shop Building	200,000	4/20/2012	0711
Colstrip	SHAC Building Repairs	68,000	10/19/2012	0723
Crow Tribe	Wastewater UV Disinfection	95,106	7/15/2011	0672
Crow Tribe	Pryor Senior Center Improvement	61,890	1/20/2012	0701
Crow Tribe	Chlorination Room	46,250	7/20/2012	0717
Custer County	Jail Facility PAR	60,000	10/19/2012	0722
Forsyth	Wastewater Collection Improvements	250,000	7/15/2011	0682
Forsyth School District #4	Boiler and HVAC Improvements	125,000	7/15/2011	0666
Hardin	Water Project	400,000	9/30/2011	0699
Hardin	Fire Dept. Personal Protective Equipment	46,625	4/20/2012	0714
Hardin	Wastewater Equipment	100,000	7/20/2012	0716
Lame Deer School District #6	Elementary School Library Completion	175,239	7/20/2012	0719
Lavina	Water Preliminary Engineering Report	41,200	9/30/2011	0685
Miles Community College	Heavy Equipment Program Equipment	120,000	9/30/2011	0694
Musselshell Co	Contract amendment to #0644	46,242	7/15/2011	0644A

Musselshell County	Ongoing Staffing Request	263,514	7/15/2011	0669
Musselshell County	Fattig Road Chip Seal-Old Dived Road Crack Seal	70,000	7/15/2011	0675
Musselshell County	Dean Creek VFD Expansion	195,000	9/30/2011	0686
Musselshell County	VFD Bunker Suits	17,622	9/30/2011	0687
Musselshell County	Roundup Memorial Healthcare Improvements	200,000	9/30/2011	0688
Musselshell County	Snow Removal Equipment	180,000	9/30/2011	0689
Musselshell County	Sheriff's Department Tasers and Video Equipment*	44,000	9/30/2011	0690
Musselshell County	Pager System Upgrade/Repeater Site Generators	200,000	1/20/2012	0702
Musselshell County	Jail Camera Security System*	23,070	1/20/2012	0703
Musselshell County	Jail Restroom Renovation	13,000	1/20/2012	0704
Norther Cheyenne	Contract amendment to #0678	15,000	4/20/2012	0678A
Northern Cheyenne	Renovation of Admin Offices for NCUC	92,001	7/15/2011	0678
Powder River County	Update Growth Policy and Land Plan	15,000	7/15/2011	0680
Rosebud Co	Contract amendment to #0663	81,447	7/15/2011	0663A
Rosebud County	Courthouse Roof Repair*	170,000	9/30/2011	0695
Rosebud County	Bus Barn Project*	50,000	1/20/2012	0696
Rosebud County	Rosebud Health Rural Care Center	400,000	1/20/2012	0700
Roundup	Water Distribution Upgrades	500,000	7/15/2011	0668
Roundup	Ceiling Tile Repair*	12,638	7/15/2011	0676
Roundup	Portable Classroom Lease & Setup	43,727	7/15/2011	0677
Roundup	Wastewater UV Disinfection	220,000	7/15/2011	0679
Roundup	City Hall Updates amendment	23,117	9/30/2011	0665A
Treasure County	Sheriff's Vehicle*	25,684	7/15/2011	0673
		<u>\$5,895,459</u>		