



# 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

Legislative Fiscal Analyst  
CLAYTON SCHENCK

Date: November 17, 2006

To: Legislative Finance Committee

From: Jon Moe  
Fiscal Specialist

Subject: Required Reports for November 2006 LFC Meeting (WEB Version)

The legislature (through statute, language in bills, or committee action) requires certain reports to be submitted to the Legislative Finance Committee (LFC) and the Legislative Fiscal Division (LFD). State agencies and other entities have been requested to provide information on various subjects of interest to facilitate the decision-making process.

The reports fit into two categories: 1) reports required to be submitted to the LFC are generally to monitor compliance or progress with legislative policy/initiatives; and 2) reports required to be submitted to the LFD are primarily to provide data relevant for staff analysis of budget issues for the next legislative session. The attached report lists the required reports identified and the occurrences of the reports received or expected to be received during the 2007 biennium. Three reports have been received since the last LFC meeting (October 2006), all of which are attached for your review. Two other reports are expected very soon:

- The Montana Comprehensive Health Association annual report (under item #15) will be sent directly to all legislators in the next few weeks by Blue Cross/Blue Shield (the "lead carrier").
- A Medicaid cost report for November 2006 (under item #17) should be available in the next couple of days but is not distributed to the committee unless requested, but is reviewed by the LFD Medicaid analyst.

Generally, this summary report on "required reports" is provided to the committee simply for information purposes. Although it is on the LFC meeting agenda, there are typically no oral reports provided unless there is an issue identified by the staff that needs to be brought to the committee's attention. If a committee member has a question, he or she can contact the indicated staff member directly or raise the question in the meeting.

If you have questions, please feel free to contact Jon Moe by e-mail at [jonmoe@mt.gov](mailto:jonmoe@mt.gov) or by telephone at 406-444-2986.

# Required Reports List for 2006-07 Biennium

Prepared by the Legislative Fiscal Division

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>1</b> House Bill 2	Governor's Office	Per HB 2	LFC	Wilkinson	
<b>Short Description: Interim reports by the Marketing and Business Recruitment program as required in HB 2, by July 31, 2005, July 1, 2006, and November 15, 2006.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Governor's Office	7/31/2005	9/22/2005	On file - revision received 12/1/05
	2006	Governor's Office	2/24/2006	2/24/2006	On file - 2nd revision of 7/31 report
	2007	Governor's Office	7/1/2006	10/4/2006	On file - report packet to LFC at Oct 06 meeting
	2007	Governor's Office	11/15/2006	11/16/2006	On file - mailed to LFC in Nov meeting mailout

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>2</b> 2-17-515	Administration	Upon Occur.	LFC	DeWitt	
<b>Short Description: Exceptions to information technology policy, standard, or other requirement.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Administration-ITSD		10/7/2005	Part of CIO report at LFC meeting
	2006	Administration-ITSD		12/6/2005	Part of CIO report at LFC meeting
	2006	Administration-ITSD		3/10/2006	Part of CIO report at LFC meeting
	2006	Administration-ITSD		6/9/2006	Part of CIO report at LFC meeting
	2007	Administration-ITSD		9/22/2006	On file & reported at LFC meeting

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>3</b> 2-17-522	Administration	March, Even Yr	LFC	DeWitt	
<b>Short Description: Updates to state strategic information technology plan. It is to be provided to the LFC at its first meeting following March 1st of even year.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Administration-ITSD	3/10/2006	3/10/2006	Presented at Mar 10th LFC meeting

# Required Reports List for 2006-07 Biennium

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>4</b> 17-1-505(2)	Agencies	Upon Occur.	LFD	Moe	
<b>Short Description: Report on the identification of the use of a dedicated revenue provision that does not satisfy the criteria established in statute. The Legislative Fiscal Analyst will report these to the LFC no later than Oct. 31 of the year preceding a regular session.</b>					
<b>Reports Scheduled / Rec'd:</b>	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006				None reported

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Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>5</b> 17-1-102(4)	Administration	FY End	LFC	DeWitt	
<b>Short Description: Reports on general fund/non-general fund encumbrances remaining at fiscal year-end. After 3 years, approved extensions must be reported.</b>					
<b>Reports Scheduled / Rec'd:</b>	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Administration	9/15/2005	9/21/2005	On file - NonGF Encumbr extensions
	2006	Administration	9/15/2005	9/21/2005	On file - GF Encumbr extensions
	2007	Administration	9/15/2006	9/20/2006	On file - GF Encumbr extensions
	2007	Administration	9/15/2006	9/20/2006	On file - NonGF Encumbr extensions

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Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>6</b> 17-2-107(5)	CHE/Administration	Annual	LFC	Peura	DeWitt
<b>Short Description: Loans or loan extensions authorized for two consecutive fiscal years to same accounting entity - due 9/1 of the next year.</b>					
<b>Reports Scheduled / Rec'd:</b>	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Administration	9/1/2005	9/21/2005	On file
	2006	CHE	9/1/2005	2/21/2006	On file
	2007	Administration	9/1/2006	9/20/2006	On file
	2007	CHE	9/1/2006	10/5/2006	On file

## Required Reports List for 2006-07 Biennium

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>7</b>	17-2-107(6)	Commissioner Higher Ed	Annual	LFC	Peura
<b>Short Description: Negative cash balances for any two consecutive fiscal years - due 9/1 of the next year.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	CHE	9/1/2005	9/7/2005	On file
	2007	CHE	9/1/2006	10/5/2006	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>8</b>	17-2-111	Administration	Feb. 1, 2006	LFC	Moe
<b>Short Description: Information of state special revenue accounts as requested by the LFC.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006				None requested

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>9</b>	17-2-304(1)	Approving Authority	Sept 15	LFC	Purdy
<b>Short Description: Information concerning accounts with cash balances in excess of statutory limits; certification of statutory exceptions.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	OBPP	9/15/2005	9/13/2005	On file
	2007	OBPP	9/15/2006	9/29/2006	On file

# Required Reports List for 2006-07 Biennium

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>10</b> 17-7-140(1)(b)	Agencies	Upon Occur.	LFD	Purdy	
<b>Short Description:</b> Analyze if GF program is mandatory and analyze the impact of the proposed reduction in spending in instances in which the Governor is proposing reductions in spending of up to 10 percent. The "trigger" for this to occur is in statute.					
<b>Reports Scheduled / Rec'd:</b>	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006				No reported occurrences
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Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>11</b> 17-7-140(1)(b)	Budget Director	Upon Occur.	LFD	Purdy	
<b>Short Description:</b> Copy of the recommendations for reductions in spending. The "trigger" for this to occur is in statute.					
<b>Reports Scheduled / Rec'd:</b>	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006				No reported occurrences
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Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>12</b> 17-7-304(2)	USystem (Bd of Regents)	If Requested	LFC	Peura	Duncan
<b>Short Description:</b> Long-term plan for major and deferred maintenance expenditures and equipment or fixed assets.					
<b>Reports Scheduled / Rec'd:</b>	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006				Not requested at this time

## Required Reports List for 2006-07 Biennium

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>13</b> 17-8-101 (5)	OBPP	Semi-Annual	LFC	Purdy	
<b>Short Description: Appropriations transferred from one state agency to another if original purpose is maintained.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	OBPP	9/15/2005	9/7/2005	On file
	2006	OBPP	2/15/2006	2/21/2006	On file
	2007	OBPP	9/15/2006	8/29/2006	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>14</b> 17-8-101 (7)	Administration	Annually	LFC	DeWitt	
<b>Short Description: Nature, status, and justification for all new accounts in the enterprise fund and the internal service fund.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Administration	9/30/2005	9/21/2005	On file
	2007	Administration	9/30/2006	9/21/2006	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>15</b> 33-22-1514(4)	Lead Carrier (BC/BS)	Semi-Annual	LFC	Wilkinson	
<b>Short Description: Report on the operation of the Montana Comprehensive Health Association plan by selected lead carrier, which is Blue Cross/Blue Shield.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	BlueCross/BlueShield	10/15/2005	11/16/2005	FY05 annual report-sent direct to legislators
	2006	BlueCross/BlueShield	4/15/2006	4/12/2006	FY06 Semi-annual rpt-sent direct to legislators
	2007	BlueCross/BlueShield	10/15/2006		FY06 annual rpt to be sent soon to legislators

## Required Reports List for 2006-07 Biennium

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>16</b> 39-71-2363(2c)	State Fund	October 1	LFC	Wilkinson	
<b>Short Description: Submit for review the approved annual budget for State Fund for the succeeding fiscal year.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	State Fund	10/1/2005	9/21/2005	On file - Sent direct to legislators
	2007	State Fund	10/1/2006	9/20/2006	On file - Sent direct to legislators

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>17</b> 53-6-110(4)	DPHHS	Monthly	LFC	Steinbeck	
<b>Short Description: Monthly (11/15 - 6/15) reports containing estimates of the cost for Medicaid services and a budget status report for all department programs, and a fiscal year-end summary of Medicaid costs and department budget status report.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	DPHHS	11/15/2005	11/15/2005	Provided to LFA analyst
	2006	DPHHS	12/15/2005	12/15/2005	Provided to LFA analyst
	2006	DPHHS	1/15/2006	1/15/2006	Provided to LFA analyst
	2006	DPHHS	2/15/2006	2/17/2006	Provided to LFA analyst
	2006	DPHHS	3/15/2006	3/15/2006	Provided to LFA analyst
	2006	DPHHS	4/15/2006	4/15/2006	Provided to LFA analyst
	2006	DPHHS	5/15/2006	5/15/2006	Provided to LFA analyst
	2006	DPHHS	6/15/2006	6/15/2006	Provided to LFA analyst
	2007	DPHHS	9/15/2006	9/15/2006	FYE Report - Provided to LFA analyst
	2007	DPHHS	11/15/2006		Expected soon

## Required Reports List for 2006-07 Biennium

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>18</b> 53-6-116(5)	DPHHS	Upon Occur.	LFC	Steinbeck	
<b>Short Description: Managed-care and capitated health care systems for medicaid recipients if developed.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006				No reported occurrences

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>19</b> 61-5-121(1)(a)	Justice	October, even year	LFC	Gervais	
<b>Short Description: Report on deposit and transfer of amounts from drivers licence fees to the highway patrol officers' retirement pension trust fund. [Technical issue resulting from problem with coordination of multiple bills affecting drivers' licence function.]</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2007	Justice	10/31/2006		Not rec'd or expected-technical issue in legis.

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>20</b> 85-1-605(4)	Nat Resources & Cons	Upon Occur.	LFC	Duncan	
<b>Short Description: Allocation of renewable resource grants and loans for emergencies.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	DNRC		9/21/2005	On file - report as of 6/30/05
	2007	DNRC		11/17/2006	On file

# Required Reports List for 2006-07 Biennium

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
<b>21</b> 90-6-703	Commerce	Upon Occur.	LFC	Duncan	
<b>Short Description: Report on emergency grants awarded from an appropriation from the treasure state endowment special revenue account for emergency grants.</b>					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Commerce		9/21/2005	On file
	2007	Commerce		11/17/2006	On file

*[Hardcopy of this report was on letterhead of Governor's Office of Economic Development, State Capitol, P.O. Box 200801, Helena, MT 59620-0801]*

## MEMO

DATE: November 16, 2006

TO: **Legislative Interim Finance Committee**  
**Legislative Interim Economic Affairs Committee**

FROM: Evan Barrett, Chief Business Officer  
Governor's Office of Economic Development (GOED)

SUBJ: **Updated report on ongoing economic development and marketing/recruitment activities since October 1, 2006**

Below is a summary of significant changes/additions to the Economic Development Report that was submitted to you on October 1<sup>st</sup>.

- As a result of our long-term efforts in the energy field, we were pleased to see the following:
  - Governor Schweitzer and TransCanada announced that a new \$2 billion high-voltage direct current (HVDC) transmission line linking Montana energy sources to the southwest United States will go into permitting. Montana's estimated portion of the line construction cost is estimated at \$600 million. The existence of the line, which could carry as much as 3500 MW to market, could trigger as much as \$5+ Billion in energy project construction in Montana.
  - Governor Schweitzer announced that DKRW/Arch Coal and Bull Mountain Energy had chosen a site 14 miles south of Roundup as the site for a \$1.5-2 billion combined coal mine, gasification/IGCC power plant (300 MW) and an 22,000 barrels/day coal-to-diesel plant that is projected to have a 4200 total job impact in the Roundup/Billings area, including over 1700 direct permanent jobs.
- Economic Development Recruitment activity
  - Masters Group International, an office products manufacturing and assembly company, will locate their operations in Butte and will employ

120 people. The State will participate in a Board of Investments value-added loan in the amount of \$600,000.

- BCD Travel, the third largest corporate travel management company in the world with \$12 billion in sales and an excess of 12,000 employees, announced that they will be locating in Butte in the old Sato Travel Building (Sato Travel recently closed their 200 seat call center) and will hire 60 to 70 employees by March 2007, and will have an additional 100 employees in 12 to 18 months. GOED worked in concert with the local development organization on this recruitment.
- Marketing program activity
  - Evan Barrett along with Jim Smitham from the Butte Local Development Corporation, Steve North and Brett Doney from the Great Falls Economic Development Authority attended the CoreNet Site Selectors annual trade show in early November.
  - Three members of our staff made 76 community presentations on economic growth through energy development across the eastern 2/3 of the state in order to acquaint the citizens of those areas to the potential for resource, job and tax base development from prospective energy projects in the wind, bio-fuels, coal and oil & gas areas.
  - The wind energy marketing piece was developed and produced (a copy of which is attached). *[Attachment is not available here]*

If you have any questions regarding this status report, please feel free to give me a call at 444-9757. Thank you.

**EMERGENCY GRANT STATUS REPORT**

**MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION-  
RESOURCE DEVELOPMENT BUREAU**

**REPORT DATE: NOVEMBER 1, 2006**

**Contact: Bob Fischer, P.E.  
Civil Engineer, DNRC-CARDD  
444-6688  
rfischer@state.mt.us**

**Renewable Resource Grant and Loan Program Emergency Grant Appropriation  
for the 2007 Biennium-\$100,000**

**DNRC State Water Projects Bureau \$30,000  
Middle Creek Dam Emergency Repairs  
October, 2006**

**Town of Richey \$30,000  
Water Storage Tank Emergency Replacement  
October, 2006**

**Town of Sheridan \$27,047  
Mill Creek Sewer Crossing Emergency Repair  
October, 2006**

**EMERGENCY GRANT STATUS REPORT**  
**MONTANA DEPARTMENT OF COMMERCE**  
**TREASURE STATE ENDOWMENT PROGRAM**

Date: November 17, 2006

Contact: Jim Edgcomb  
TSEP Manager  
841-2785  
jedgcomb@.mt.gov

**Amount appropriated for emergency grants for the 2007 biennium - \$100,000**

**Emergency grants awarded during the 2007 biennium include:**

- Powell County - \$4,960 was awarded October 31, 2006  
A temporary Bailey bridge was installed over Rock Creek on Old Stage Road. The bridge, which had failed, is located about nine miles northwest of Deer Lodge. The department has a signed contract, construction has been completed, but no TSEP funds have been disbursed yet.
- Town of Hot Springs - \$28,000 was awarded October 13, 2006.  
The wastewater system's only lift station failed and the project consisted of replacing pumps and controls, and upgrading safety features. The department has a signed contract, the project is in progress, but no TSEP funds have been disbursed yet.
- Town of Richey - \$30,000 was awarded October 3, 2006.  
The water system's only storage tank was leaking severely, and the project consisted of replacing the 140,000 gallon buried concrete tank that was built in 1937. The department has a signed contract, the project is in construction, but no TSEP funds have been disbursed yet.
- Town of Sheridan - \$27,047 was awarded October 3, 2006.  
The wastewater system's main sewer line leaving the town had a break in the top of the 10-inch sewer main where it crosses Mill Creek. The project consisted of replacing the clay-tile sewer pipe between manholes #73 and #74, slipping a protective casing around the sewer pipe at the Mill Creek stream crossing, installing the new pipe about one foot deeper than it currently was situated, and establishing a fish friendly check structure at the pipeline crossing to mitigate the potential adverse impacts from stream erosion on the pipeline. The department has a signed contract, the project has been completed, but no TSEP funds have been disbursed yet.

**Total amount awarded during the 2007 biennium: \$90,007**