

**Department of Commerce
Business Resources Division**

**Montana Capital Companies
Annual Report to the Montana Legislature**

August 19, 2008

The Montana Capital Companies Act (the Act) was intended to stimulate economic activity in Montana by providing tax credit incentives to investors in Montana capital companies, who in turn provided debt and equity financing to new or expanding qualified Montana businesses. The Act was originally created in 1983.

The Act was administered through the Montana Board of Investments until late 1991. The responsibility for oversight of the tax credits, qualified investments schedule, and general operations of the program was reassigned in 1992 to what is now the Regional Development Bureau of the Business Resources Division.

There have been 13 capital companies active since the inception of the program. All of the capital companies have now met the investment requirements and have been decertified pursuant to the Act. There are no remaining tax credits to be issued after the deadline passed in 1995.

**Department of Commerce
Business Resources Division**

**Montana Equity Capital Investment Act
Report to the Montana Legislature**

Overview and Current Status

Statutory Summary

As stated in the Act, the purpose of the Montana Equity Capital Investment Act is to benefit the State of Montana by attracting out-of-state venture investment funds interested in providing equity capital and near-equity capital to Montana businesses, to nourish a private seed and venture capital industry in Montana and to encourage lead local investors, all to strengthen the State's economy and build a significant, permanent capital resource to serve the needs of Montana businesses.

To achieve this purpose, the Act establishes the Montana Equity Capital Investment Board, a State board consisting of five members appointed by the Governor, and authorizes it to contract with a designated investor group to implement an investment plan approved by the Board.

The designated investor group is to organize, capitalize and administer the Montana Equity Fund, and a sub-fund, the Montana Evergreen Fund, which are private investment funds. The designated investor group is also to contract with investors to provide capital for the Funds.

In its contract with the Board, the designated investor group is to agree that its implementation plan for the Montana Equity Fund will provide that for every \$1 invested by the Montana Equity Fund in its aggregate portfolio of fund investments, the designated investor group "shall seek to cause a minimum of \$1 of equity capital or near-equity capital to be invested in Montana businesses or projects or primary sector businesses headquartered in the State or having 50% of their gross sales receipts from products principally produced in the State or services provided from a Montana location. A "Montana business or project" means an entity with at least 50% of its employees or assets located in Montana.

To encourage private individuals and entities to invest in the Funds, the Act authorizes the designated investor group to contract with investors for a scheduled return of capital and a rate of return on capital which is guaranteed by certificates to be issued by the Board. The guaranteed return and rate of return are subject to approval by the Board and further circumscribed by a maximum rate of return.

At the time of the investment, the Board is to issue a Certificate to the investor, which can be redeemed for tax credits. The Certificate is transferable and the Board is to establish, with the Department of Revenue, a system of registration for the tax credits. If the actual return or rate of return does not meet the scheduled return and rate of return in the contract, the holder is entitled to redeem the Certificate to reflect the difference in value as a tax credit against individual income taxes, corporation license taxes, or insurance premiums taxes. The amount of tax credits is limited by the Act to \$60 million, a maximum of \$12 million to be redeemed in a single year on a first come, first served basis. A Certificate for tax credit may be carried forward for 12 years, but tax credits may not be claimed before July 1, 2010 or after July 1, 2031. The Certificate is binding on the Board and the Department of Revenue once capital is provided to the Funds.

If the return on investment exceeds the scheduled rate of return, fees, reimbursement of expenses and up to 10% of net realized gains (which maybe allocated to the designated investor group and specified investors), the excess amount (defined as "proceeds") is to be reinvested in the Montana Equity Fund until the Fund has invested or reserved for investment \$60 million. When this condition has been met, 75% of proceeds would then be distributed to the Montana Evergreen Fund and the remaining 25% to the State general fund until the Montana Evergreen Fund has invested or reserved for investment \$60 million. Thereafter, all proceeds would be distributed to the State general fund. Fifty years after organization of the Funds, all investments are to be liquidated and any proceeds deposited in the State general fund.

Constitutionality:

In August of 2005, the State's Bond Counsel, Dorsey & Whitney, wrote an opinion letter to the Director of the Office of Budget and Program Planning. In that letter, Dorsey & Whitney reviewed several Montana Supreme Court decisions and concluded that the Act may be unconstitutional under the Public Purpose Clause and the Appropriations Clause of the Montana Constitution. In addition, the letter states that the Act may have required a supra-majority vote in the Legislature under Article VIII, Section 8 of the Montana Constitution since the Act, in their opinion, allows for the issuance of tax certificates that may constitute state debt.

In October of 2005, the Legislative Counsel, Greg Petesch, wrote a memorandum to the Economic Affairs Interim Committee in response to a request from the Committee for him to analyze the Dorsey & Whitney opinion. In that memorandum, Mr. Petesch reviewed several Supreme Court decisions and Attorney General opinions that appear to legitimize the Montana Equity Capital

Investment Act under the Public Purpose Clause, the Appropriations Clause, and Article VIII, Section 8 of the Montana Constitution.

As a result of these two conflicting opinions relative to the Constitutionality of the Montana Equity Capital Investment Act, the Board proceeded to perform due diligence on this issue by discussing it with individuals in the national "Fund of Funds" investment community. The response from those individuals seems to indicate that it will be difficult, if not impossible, to raise funds from potential investors in the Fund of Funds program with these conflicting opinions. They state that the tax credit certificates that investors hold as collateral for the loaned funds could be in jeopardy if a court declares the Act to be unconstitutional at some future time. Their advice to the Board was to resolve the issue before implementing the program by asking the Attorney General or the Montana Supreme Court to rule on the constitutionality of the Act.

The Board requested in writing to the Attorney General his opinion of the two conflicting letters discussed above. To this point, the Attorney General's Office has indicated that they will not provide an opinion on this issue since it deals with constitutional issues and the Attorney General does not provide opinions on questions of constitutionality.

In order to have the Supreme Court consider this issue of constitutionality, it may be necessary to proceed in implementing the program and issuing a Request For Proposal to raise funding for the program. If the Board is unable to raise capital in order to implement the program because of the questionable constitutionality, the issue will then be "ripe" for consideration by the court. If the Board is able to raise funding for the program after giving notice to potential investors that conflicting opinions exist, the issue may not need to be resolved and the Board may proceed in implementing the program assuming that the Act is constitutional.

Board Membership:

In the fall of 2007, Governor Schweitzer appointed the following Board members;

Gary Buchanan, Chair

Billings

Appointment date: 10/4/2007; Term ends: January 1, 2011

Qualification: expertise and competence in investment and/or tax credit administration and management

Robert Minto

Missoula

Appointment date: 10/4/2007; Term ends: January 1, 2011

Qualification: expertise and competence in investment and/or tax credit administration and management

Robert Pancich

Great Falls

Appointment date: 10/4/2007; Term ends: January 1, 2009

Qualification: expertise and competence in investment and/or tax credit administration and management

Lawrence Anderson

Great Falls

Appointment date: 10/4/2007; Term ends: January 1, 2009

Qualification: expertise and competence in investment and/or tax credit administration and management

Ellen Feaver

Helena

Appointment date: 10/4/2007; Term ends: January 1, 2009

Qualification: expertise and competence in investment and/or tax credit administration and management

Program Funding, Staffing, and Activity:

The Act was adopted by the Legislature in 2005 but funds were not appropriated to implement the program. The program was not implemented during the 2007 biennium for lack of money.

The Department of Commerce requested funding of \$150,000 per year for the expenses of the Board and staff during the 2007 Legislature. In addition, the Department requested \$150,000 to bring a test case before the Montana Supreme Court to determine the constitutionality of the Act. The Legislature approved the operating budget for the Board during the 2007 Legislature but eliminated the request for the Constitutional test case.

At this point in time, the Board has not hired permanent staff (2 FTE authorized) due to the question of constitutionality. The Board, Department of Commerce staff, along with a contracted consulting firm, have been performing the necessary activity to implement the program.

The Board performed initial due diligence by surveying other States that had implemented a "Fund of Funds" program. The survey requested information on a variety of issues including legislation, rules, organization, implementation, challenges, legal issues, staffing issues, and costs. In addition, the Board requested the RFP's and other organizational and reporting documents that the other State's were using.

Since that time, the Board contracted with Communications and Management Services, LLC who continue to perform due diligence on behalf of the Board by going into greater depth in understanding how other State programs have been working. That review will result in the preparation of draft RFP's and scoring mechanisms for the Board to review and finalize. The review and analysis will also result in the resolution of questions and issues that the Board will need to decide upon in order to implement an effective program for the State of Montana. As of August 2008, the Board is preparing to consider pertinent issues in order to proceed to issuing the RFP. It is anticipated that the Board will be meeting within the next two months.

STATE-TRIBAL ECONOMIC DEVELOPMENT COMMISSION
Fiscal Years 2008 & 2009
BIENNIUM REPORT TO LEGISLATURE

Statutory Summary:

Launched under the Native American Economic Development Act of 1999 and permanently established by the 2007 Legislature, the State-Tribal Economic Development Commission is administratively attached to the Montana Department of Commerce and housed in the Governor's Office of Indian Affairs. Composed of 11 governor-appointed members, the Commission meets every other month and the general purpose of the Commission is to pursue the expansion of economic development opportunities for the eight Indian Nations in Montana in partnership with the tribal governments in the areas of business, manufacturing, tourism, agriculture, and community development. The Commission is funded at \$85,657 per year for the biennium which covers the personal services of one full time employee as well as supplies, Commission member travel, contracted services and other operating expenses. The Commission cooperates and coordinates with the tribes and other Indian-interest organizations by making recommendations to the Director of the Montana Department of Commerce on projects to be funded under the Indian Country Economic Development (ICED) Program.

The Commission is generally tasked with recruiting business enterprises to locate or invest in enterprises on reservations as well as with identifying the availability of federal, state, and private sector funds for tribal governments, Indian business enterprises, and communities located on Indian reservations in Montana

The Commission is also tasked to either apply for, or assist tribal governments in applying for grants listed in the Catalog of Federal Domestic Assistance, for which either the Commission or the tribe are considered eligible, and would supply tangible economic benefits to any or all Indian reservations in Montana. The Commission is responsible for notifying tribal governments, the Governor, the state Coordinator of Indian Affairs, Commerce, and Agriculture and Transportation agency directors of specific funding for which tribes may be eligible.

The Commission is responsible for evaluating the apportionment of current spending of federal funds by state agencies in the areas of economic development, housing, community infrastructure, business finance, tourism promotion, transportation and agriculture. The Commission is also responsible for a comprehensive assessment of the economic development needs and priorities of each Indian reservation in the state.

The Commission is also tasked with working cooperatively with tribal government officials, the state Coordinator of Indian Affairs, and appropriate state officials to help foster state-tribal cooperative agreements (Title 18, Chapter 11, part 1) that enhance economic development on Indian reservations and help the Montana Department of Commerce fully implement and comply with the economic development provisions tasked to the Montana Department of Commerce at MCA 90-1-105.

Board Membership:

The Commission should be comprised of one member from each of the seven federally recognized tribes in Montana and one member from the Little Shell band of Chippewa Indians. A tribal government may advertise for individuals interested in serving on the Commission and develop a list of applicants from which it may choose a nominee to recommend to the Governor. In place of choosing from a list of applicants, a tribal government may select an elected tribal official to recommend for membership on the Commission. If a tribal government nominates or otherwise recommends more than one person for membership on the Commission, the Governor shall select one individual from among those recommended persons. Governor Schweitzer has appointed the following Board members:

Shawn Real Bird, Chairman (Crow)

Crow Agency

Appointment Term: July 1 2007 through June 30, 2009

Qualification: Economic Development Director for the Crow Tribe

Joe Durglo, Vice Chairman (Confederated Salish and Kootenai Tribe)

Pablo

Appointment Term: July 1, 2008 through June 30, 2010

Qualification: Former Planning Director for Confederated Salish and Kootenai Tribe, tribal council member

Alternate: **E.T. 'Bud' Moran** (Confederated Salish & Kootenai)

Pablo

Appointment Term: July 1, 2008 through June 30, 2010

Qualification: tribal council member

Dr. Russell Boham (Little Shell Tribe of Chippewa Indians of Montana)

Great Falls

Appointment Term: July 1, 2007 through June 30, 2009

Qualification: Little Shell tribal member and Executive Director of the Little Shell Tribe of Chippewa Indians of Montana.

Alternate: **Ronald Doney** (Little Shell Tribe of Chippewa Indians of Montana)

Great Falls

Appointment Term: July 1, 2007 through June 30, 2009

Qualification: Little Shell Tribe of Chippewa Indians of Montana council member

Joe Fox Jr. (Northern Cheyenne)

Lame Deer

Appointment Term: July 1, 2008 through June 30, 2010

Qualification: Northern Cheyenne council member and member of the Northern Cheyenne Economic Advisory Council

Alternate: **Allen Fisher** (Northern Cheyenne)

Lame Deer
Appointment Term: July 1, 2008 through June 30, 2010
Qualification: Northern Cheyenne council member

Ronald 'Smiley' Kittson (Blackfeet)

Browning
Appointment Term: July 1, 2008 through June 30, 2010
Qualification: Blackfeet Tribal Council member

Alternate: **Emorie Davis-Bird (Blackfeet)**,
Browning
Appointment Term: July 1, 2008 through June 30, 2010
Qualification: Blackfeet Tribe Economic Development Director

Rodney Miller (Fort Peck)

Wolf Point
Appointment Term: July 1, 2008 through June 30, 2010
Qualification: Fort Peck Workforce Development Director

Alternate: **Walter White Tail Feather (Fort Peck)**
Poplar
Appointment Term: July 1, 2008 through June 30, 2010
Qualification: Fort Peck Economic Development Director

Caroline Brown (Fort Belknap)

Appointment: July 1, 2007 through June 30, 2009
Qualification: Fort Belknap Tribal Planning Director

Alternate: **Loren 'Bum Stiffarm (Ft. Belknap)**,
Appointment: July 1, 2007 through June 30, 2009
Qualification: Fort Belknap Chief of Staff

Richard Sangrey (Rocky Boy)

Appointment Term: July 1, 2008 through June 30, 2010
Qualification: Rocky Boy Chippewa Cree Chief of Staff

Lesia Evers (Turtle Mountain and Blackfeet descendant)

Appointment Term: at the pleasure of the Governor
Qualification: Economic Development Specialist, Governor's Office of Economic Development

Andy Poole (Montana Department of Commerce)

Appointment term: at the pleasure of the Governor
Qualification: Deputy Director of the Montana Department of Commerce

Jennifer Perez-Cole (Ft. Belknap Assiniboine)

Appointment Term: at the pleasure of the Governor
Qualification: Governor's State Coordinator of Indian Affairs

STEDC Funding Recommendations

FY 2008 recommendations to the Director of the Montana Department of Commerce for Indian Country Economic Development funds were:

- Fund tribal economic development projects with the governing body of each Indian reservation in Montana and with the governing body of the Little Shell Tribe of Chippewa Indians (\$70,000 each; \$560,000 total) through the ICED program. A total of 48 jobs were created, trained and/or retained through these tribal projects.
- Sponsor the **2007 Montana Indian Business Alliance (MIBA) Conference** (\$6,000) attended by over 125 Indian business owners, tribal leaders, state and federal government representatives and public sector businesses.
- Sponsor 20 Indian youth to attend the **First People's Youth Entrepreneurship Camp** (\$16,000). Youth were regionally nominated and are eligible for full-tuition scholarships to the University of Great Falls.
- Fund American Indian Business Leaders' (AIBL) **Montana Entrepreneurial Youth Enrichment Initiative** curriculum development (\$21,800) which will assist in the opening of 10 new AIBL chapters in schools located in Indian communities.
- Fund **Indianpreneurship[®] Training** on the reservations (\$24,000) which trained 71 individuals in the basics of business ownership and was made available to each reservation and for the Little Shell tribe.
- Assist Indian-business private sector expansion through the **Indian Equity Fund** pilot project (\$70,000). The Indian Equity Fund assisted nine business owners in either the start-up or expansion of their respective businesses.

For FY 2009 the Commission recommended to the Director of the Montana Department of Commerce that \$70,000 be used to fund tribal economic development projects with the governing body of each Indian reservation in Montana and with the governing body of the Little Shell Tribe of Chippewa Indians. The Commission is currently in the process of establishing a proposal funding matrix that measures all proposals against the Commission's statutory requirements. The Commission is also working to establish a standard open competitive process for funding Statewide Indian Country Economic Development (SWICED) projects. The Commission continues to identify key measureable data that can not only identify the contribution of private sector businesses located in reservation areas, but also the apportionment of Indian owned businesses contributing to Montana's economy. This more in-depth Phase II analysis of the Monetary Contributions Report of the Reservations referenced below will also reveal the economic development needs and priority economic development solutions of each Indian reservation and community in the state.

STED Commission and Staff Activities:

For FY 2008, the Commission collaborated on other activities including:

- Update and printing of the **Reservation Economic Demographic Fliers** (\$2,200). The Commission worked with the Department of Labor and Industry Research and Analysis Bureau and the Census and Economic Information Center to develop, gather data and print the eight individual tribal fliers. These fliers cover narrative information contributed by each tribe regarding current noteworthy economic developments for the tribe as well as statistical information regarding tribal population age, educational attainment, employment status and industrial sectors.
- The Commission also awarded each tribe a grant for **Micro Economic Development Projects** (\$8,000 per tribe) which included the development of a specialty license plate, tourism advertising, tribal enterprise business consulting, tribal enterprise expansion and inventory purchase, private sector business empowerment curriculum development and training/seminar sponsorship, pow wow grounds enhancement and a tribal identification improvement project.
- The Commission continued work on a Bresnan Communications feasibility study: **Tribal Telecommunications Connectivity** which assesses the feasibility of establishing a video, voice and data network for each reservation. This project coordinates with the Big Sky Trust Fund, the tribes and the respective certified regional development centers. Walk-out reports are compiled by Bresnan and the results are shared with the respective tribal council. Each tribe has the option of utilizing their proprietary findings to potentially establish a tribally-owned telecommunications utility.
- The Commission also released the **2007 Monetary Contributions Report of Reservations to the State of Montana** in October 2007 which quantified a portion of the revenue Indian tribes add to Montana's economy. This report analyzed state, tribal and federal revenues, but did not capture private sector revenues in reservation areas. This study revealed that tribes contribute over \$1 Billion to the state of Montana's economy.
- The Commission also assisted with the **Governor's Tribal Leaders Summit** and hosted the **Native American Tribal Energy Company** in a presentation to the summit attendees as well as to the Commission.
- During scheduled meetings the Commission has collaborated with:
 - the Federal Reserve regarding the implementation of the **Universal Commercial Code** and **Tribal Model Secured Transaction Act**,
 - the Department of Transportation regarding the Disadvantaged Business Enterprise and findings in a Department of Transportation report titled "Native American Economic Development: Barriers to Native American Participation in Highway Construction"
 - **Native Capital Investment (Four Circle Development Fund)** regarding capital investment into tribal business enterprises
 - The **Montana Cowboy Hall of Fame** and the contribution of Indian tribes in Montana to the cowboy, rodeo, and pow wow genres.
- The Commission through it's staff collaborated with the:
 - **Montana Board of Crime Control** - coordination of trainings
 - **Indian Nonprofit Association** (formerly Indian Philanthropy and Nonprofit Group) - coordination of planning and initiative development meetings

- **Montana Indian Business Alliance** - assistance with 2007 Montana Indian Business conference
- **Montana Department of Commerce's Montana Promotion Division** – distribution of the Tourism Infrastructure Investment Program and the Special Events Grant Program to tribes and pow wow celebration contacts
- **Water, Wastewater and Solid Waste Action Coordinating Team (W2ASACT)** attendance at regularly scheduled meetings and assistance with distribution of meetings and materials to tribal infrastructure development contacts and coordination with the Department of Natural Resources and Conservation to distribute grant applications to tribes
- **RES2008 Annual Reservation Economic Summit & American Indian Business Trade Fair** was attended by two Commission members and staff to learn about tribal enterprise contracting opportunities, business, gaming and energy developments of tribes and to network with the **National Center for American Indian Enterprise Development**
- **The Beat** developed by Commission and Office of Indian Affairs staff has become a valuable resource to state, tribal, public and private enterprises. The Beat is a weekly publication that covers pertinent Indian economic development news and events in Montana as well as national and international events that may have a potential impact for Montana's tribes. The Beat also covers job vacancies relevant to tribal communities, trainings and events and grant notification of grant programs for which tribes in Montana may be eligible. This resource is distributed to tribal governments, Commission members, state agency directors, Indian interest organizations and vested individuals who distribute the publication further to a wider network of readers. This weekly publication is distributed to 1,200+ individuals.
- The staff also performed site visits to the Fort Peck Tribal Executive Board, the Enterprise Community, A & S Diversified, Integrated Solutions, Fort Peck Native Artisans Guild, Fort Peck Landowners Association, the Snowy Mountain Development Corporation, the Great Northern Development Corporation, and the Department of Agriculture Bio-Product Innovation Program in Wolf Point.

For FY 2009 the Commission continues to participate with the programs listed above as well as develop further relationships with the Department of Agriculture and its funding programs such as Growth Through Agriculture, the Montana Department of Commerce's International Trade Relations Bureau, Montana Marketing Program, the Trade Show Assistance Program, and the Montana Marketing Technical Assistance Partnership and the development of a Native Made in Montana labeling/marketing program. The Commission will host the Regional Development Officers at the next scheduled meeting to collaborate of regional development involving the tribes. The Commission will also work with the tribes, the Department of Revenue and the Census and Economic Information Center to develop a list of business and tax incentives offered to businesses by tribes to be published in the next annual issue of the Reservation Economic and Demographic Fliers. The staff and Commission will continue to work with the Governor's American Indian Nations (GAIN) Council, the Governor's

Office of Economic Development and the Governor's Office of Indian Affairs to strategically address economic development in Indian country.

State-tribal agreements that were fostered to date FY 2008 and 2009 with the assistance of the Governor's Coordinator of Indian Affairs, the Governor's Office of Economic Development staff, the GAIN tribal attorney and appropriate state officials were:

- the Fort Peck-State of Montana Oil and Natural Gas Production Tax Revenue Sharing Agreement,
- the Crow Class III Horse Racing agreement,
- the Class III Fort Belknap Gaming Compact,
- improved gaming compacts with the Rocky Boy's Chippewa Cree Tribe and the Northern Cheyenne tribe that increased the compacts to Class III games (400 machines and \$2,000 payouts)
- the Montana Tobacco Tax Agreements in place with Blackfeet, Fort Peck, Fort Belknap, Crow, Northern Cheyenne and Rocky Boy's tribes
- The Montana Alcoholic Beverages Tax Agreement with the Blackfeet, Fort Peck and Fort Belknap tribes
- Highway construction/ TERO agreements, including the near completion of the "People's Way" corridor improvements to U.S. Hwy 93 on the Flathead Indian Reservation
- The Crow-Australian Energy agreement for a coal-to-liquids plant located on the Crow reservation.

For FY 2009, staff has performed site visits to the Blackfeet and Crow reservations as well as to the Sweetgrass Development Corporation, the Glacier County Commissioners, the Little Shell Tribal Office, the Crow and Blackfeet Economic Development Departments, Browning Community Development Corporation. Staff will continue to work with the tribes, and will complete reservation and economic development organization visits by the end of FY 2009.

**Department of Commerce
Treasure State Endowment Program**

**Preliminary Engineering, Emergency Grants, and Projects Not
Completed
Report to the Montana Legislature**

Overview:

90-6-703(2) & (3), MCA requires the Treasure State Endowment Program (TSEP) to report preliminary engineering and emergency grants to the Montana Legislature. 90-6-710(5), MCA requires TSEP to report Projects not completed to the Montana Legislature.

Report:

TSEP provides information on both the emergency grants and the preliminary engineering grants as part of the "Governor's Executive Budget" book, volume 4, which is provided to the Montana Legislature. Information on both of these types of grants is discussed in Part 2 of the book, which is titled "Actions Taken Since the 2007 Legislature." For the emergency grants, each grant awarded is listed and a brief summary of the project is included. In addition to the summary information about preliminary engineering grants provided in Part 2, a list of the preliminary engineering grants awarded is provided in Appendix D, which is titled "TSEP Preliminary Engineering Grants Awarded by the Department During the 2009 Biennium." Each grant recipient, the type of system being studied, the amount of the grant, and the status of the preliminary engineering report is listed.

90-6-710(5), MCA, states that "The department shall report to each regular session of the legislature the status of all projects that have not been completed in order for the legislature to review each project's status and determine whether the authorized grant should be withdrawn." As a result, Appendix C of the book is titled "Status of uncompleted TSEP projects that were previously appropriated funding." Summary information about each project, including its current status, is provided for all previously awarded projects that have not been completed.

MEMORANDUM

Montana Board of Investments

Department of Commerce
2401 Colonial Drive, 3rd Floor
Helena, MT 59601
(406) 444-0001

To: Kevin Hayes, Publications Coordinator
Montana Legislative Services Division

From: Geri Burton, Deputy Director

Date: August 20, 2008

Subject: Reports to Legislature

The following addresses 5-11-210 M.C.A. requirements.

Pursuant to 17-5-1650 M.C.A., the Montana Board of Investments is required to submit two copies of its annual report to the Legislative Services Division and a copy to a legislator on request. The annual report will be titled Montana Board of Investments Fiscal Year 2008 Annual Report. The report will contain historical data from 1972 (the first fiscal year the Board managed the unified investment program) through 2008. All historical data are extracted from the Board's annual published reports. Statistical data are provided on the Board's investment activity in 2008 and changes in investments from 2007. Appendix A will include income generated by account and securities portfolios for all accounts managed by the Board. Appendix B will contain the Board's audited financial statements with accompanying portfolios. The financial statements will provide detailed information on the investment pools, the "all other funds" account and the Bond Program. The estimated cost per copy is \$12.00.

Pursuant to 17-6-230 M.C.A., the Montana Board of Investments is required to submit a report on retirement system trust funds invested by the Board. The report can be part of the Board's annual report required by 17-5-1650 M.C.A. The Montana Board of Investments Fiscal Year 2008 Annual Report will include statistical data on the State's nine (9) pension funds' investments.

We Share Montana History



Montana Heritage Preservation and Development Commission

Biennium Report to the Montana Legislature
2008 - 2009

Director's Introduction / Overview

Sale or Purchase of Property

- Status report

Major Accomplishments

- Preservation
- Education
- Volunteers
- Economic Development
- Collections

Financial Status

- Cash Balance Trends
- Revenue and Expenditures
- Grants

Agency Background

Appendix

- Status Report with Long Range Funds

Commission Members (attachment)

**Protecting State-Owned Heritage Sites in
Virginia City ~ Nevada City ~ Reeder's Alley**