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ECONOMIC AFFAIRS INTERIM COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
Nate McConnell
Frank Smith
Gordon Vance

HOUSE MEMBERS

Derek Harvey
Joshua Kassmier
Mark Noland
Vince Ricci
Sharon Stewart-Peregoy
Katie Sullivan

COMMITTEE STAFF

Patricia Murdo - Research Analyst
Jameson Walker - Attorney
Fong Hom - Secretary

MINUTES LOG

April 9, 2020

Capitol Building Remote Room 102
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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ROLL CALL

Members Present:

Rep. Sharon Stewart-Peregoy, Chair
Rep. Vince Ricci, Vice Chair
Sen. Jason Ellsworth
Rep. Derek Harvey
Rep. Joshua Kassmier
Rep. Mark Noland
Rep. Katie Sullivan
Sen. Gordon Vance

Members Excused:

Sen. Nate McConnell
Sen. Frank Smith (*listened by phone*)

Staff Present:

Patricia Murdo, Research Analyst
Jameson Walker, Attorney
Fong Hom, Secretary

AGENDA (Attachment 1)

COMMITTEE ACTION

The Economic Affairs Interim Committee at its April 9, 2020, meeting:

- Requested a letter be sent to the Montana District of the Small Business Administration urging consideration for nonessential businesses impacted by COVID-19 related business shutdowns.
- Agreed to have an April 30 teleconference call meeting.

CALL TO ORDER/ROLL CALL

- 10:00:00 Rep. Sharon Stewart Peregoy called the meeting to order at 10:00 a.m. The committee secretary called roll. Sen. Nate McConnell and Sen. Frank Smith were excused. Sen. Smith listened by phone.
- 10:01:35 Rep. Stewart Peregoy gave opening remarks.

UPDATE FROM MONTANA DISTRICT SMALL BUSINESS ADMINISTRATION

- 10:03:40 Brent Donnelly, District Director, Montana District Office, U.S. Small Business Administration, gave a presentation on the SBA's Paycheck Protection Program, the SBA Express Bridge Loan and Debt Relief.

Committee Questions

- 10:10:16 Sen. Ellsworth asked about the date on which loans under the Paycheck Protection Program must start to be spent.
- 10:12:50 Rep. Ricci asked about nonessential businesses that are applying for the loan.
- 10:14:02 Rep. Stewart Peregoy asked if nonessential businesses that have already laid off their workers are eligible for the PPP loan, or if the program is only for businesses, such as a restaurant providing take out. Rep. Stewart Peregoy asked about the thought process that is behind social distancing.
- 10:17:07 Rep. Noland asked whether the guidelines would cover an employer who furloughed workers but had hired new workers to retain the same payroll numbers because some of the furloughed workers took a job with another employer.
- 10:17:56 Sen. Ellsworth suggested that the committee write a letter to the Small Business Administration to consider those nonessential businesses that have been shut down and have no tasks for workers until closer to startup.
- 10:19:54 Rep. Stewart Peregoy asked if her assumption is correct that if the shelter in place order is lifted by May 15, nonessential businesses could still apply for the PPP loan.

IMPACTS OF COVID 19 ON SELECTED TOPICS **REPORTS FROM AGENCY OFFICIALS**

Department of Labor and Industry Unemployment Division

- 10:22:31 Brenda Nordlund, Acting Commissioner of the Department of Labor & Industry, discussed unemployment claims, requests for payments, and

questions dealing with the COVID 19 pandemic, including new federal programs that are under the CARES Act: The Federal Pandemic Unemployment Compensation Program (FPUC), Pandemic Unemployment Assistance Program (PUA), and the Pandemic Emergency Unemployment Compensation Program (PEUC).

Committee Questions of Ms. Nordlund

- 10:34:47 Rep. Harvey asked if there is a plan moving forward of adding more staff or possibly transferring staff from other departments into the agency to help the unemployment division.
- 10:36:23 Sen. Ellsworth asked for guidance regarding his constituents' concerns about qualifying for unemployment and applying for reconsideration. He also asked about the rules for COVID-19 claims.
- 10:41:15 Rep. Sullivan asked about requirements to provide information to employers when they are laying employees off.
- 10:42:43 Rep. Noland asked if an audit will be done to make sure that no fraud or abuses were committed.
- 10:44:06 Rep. Ricci asked if people are having to wait because of the number of claims that have to be processed.
- 10:46:20 Sen. Ellsworth asked about the additional \$600 per week to individual claimants.
- 10:47:10 Rep. Noland asked if any of the federal money will go to replenish Montana's unemployment fund.

Department of Commerce Housing Division

- 10:48:26 Bruce Brensdal, Housing Division, Department of Commerce

Committee Questions

- 10:52:36 Sen. Ellsworth commented that there are forbearance options for homeowners that are experiencing the inability to pay a mortgage and that it is best to contact lenders to see what programs they have in place.

Department of Commerce Office of Tourism and Business Development

- 10:54:50 Jennifer Pelej, Division Administrator, Montana Office of Tourism and Business Development, Department of Commerce

Committee Questions of Ms. Pelej

- 11:02:05 Rep. Stewart Peregoy asked if Ms. Pelej could make her presentation into a report that would be made available to the committee.
- 11:03:36 Rep. Ricci asked if there is a way to track the number of businesses that are not able to reopen once the pandemic is over.
- 11:04:17 Ms. Murdo said she will try to contact the Chambers of Commerce for that information.

Updates from other Agencies

11:05:39 Ms. Murdo said that information on COVID-19 has been posted on the Legislative Branch's website (leg.mt.gov). Ms. Murdo gave an overview of what other agencies are doing during the COVID-19 pandemic. [\(Exhibit 1\)](#)

Committee Questions

11:12:37 Rep. Ricci asked whether, with clinics and hospitals only taking emergency patients, there will be an effect on claimants with Montana State Fund that are seeking medical attention because of work-related injuries.

11:14:32 Rep. Ricci asked Rep. Harvey, as a State Fund liaison, if the clinics or hospitals accepting only emergency patients have any effect on those claimants receiving compensation and treatment from previous work-related injuries.

11:14:52 Rep. Harvey said that he would look into that and get back to Rep. Ricci.

Public Comment

11:15:27 Webb Brown, Montana Society of Association Executives, thanked the Economic Affairs Committee for providing this information and encouraged other interim committees to provide public comment in a similar way.

REVIEW OF EMERGENCY RULES AND REGULAR RULES

Overview of what an emergency administrative rule is

11:19:05 Jameson Walker, Staff Attorney, gave a presentation on what an emergency rule is.

Update on Emergency Rules

11:24:16 Mr. Walker

March and April Rule Reviews

11:28:07 Mr. Walker [\(Exhibit 2\)](#)

Department of Labor and Industry's response on prosthetics proposed rule

11:28:23 Mr. Walker discussed the response from the Department of Labor and Industry related to Workers' Compensation and prosthetics. He said that this information has been posted to the Economic Affairs webpage.

Committee Questions

11:29:05 Rep. Stewart Peregoy asked Ms. Murdo if she had an answer to Rep. Ricci's question on State Fund.

11:29:35 Ms. Murdo discussed emergency treatment through State Fund vs nonemergency treatment via telemedicine and public comment on the impacts of COVID-19 that have been posted to the EAIC's webpage.

Public Comment

None.

Public Comment on items not on the agenda but under the purview of EAIC

11:32:01 Trevor Graff provided James Brown's public comment.

REVIEW AND DISCUSSION OF FUTURE MEETINGS

11:32:58 Ms. Murdo discussed retaining the June 30 meeting date or having an earlier meeting to discuss Sen. Ellsworth's request for a letter to the Small Business Association.

11:33:44 Rep. Noland said he supports the suggestion from Sen. Ellsworth on drafting the letter to SBA.

11:34:35 Sen. Ellsworth said that this letter pertains to the PPP program and there is a deadline to file for those programs.

11:35:56 Rep. Ricci recommended having another conference call meeting on April 30 to discuss the proposed letter.

Direction to Staff

11:40:48 Rep. Stewart Peregoy directed Ms. Murdo to draft a letter as suggested by Sen. Ellsworth to the Small Business Administration, circulate it to the committee members for approval, and upon approval, send it to Mr. Donnelly.

ADJOURNMENT

11:44:12 Rep. Stewart Peregoy adjourned the meeting at 11:44 a.m.