



## Economic Affairs Interim Committee

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### 63rd Montana Legislature

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as of 8/25/2014

## Review of Advisory Councils, Required Reports for 2013-2014

A statutory requirement in 5-5-215, MCA, introduced by House Bill 142 from the 2011 session, is for each interim committee to review the following and determine if they are serving their purpose or no longer necessary:

- ▶ advisory councils attached to state agencies that the committee monitors; and
- ▶ reports to the legislature from state agencies that the committee monitors.

The Economic Affairs Interim Committee did not make this review a priority in its 2013-2014 Work Plan. As the September 2014 meeting is the last meeting of the interim at which the Economic Affairs Interim Committee can address this statutory responsibility, there is little opportunity for obtaining more information at an ensuing meeting. Therefore, the following review is cursory. Members of the Committee may want to consider in their own capacity as legislators whether to request legislation removing any of the advisory councils, changing the requirement in 5-5-215(1)(d) to review the statutorily established advisory councils and required reports, or asking for a committee study bill to determine the need for retaining certain councils.

Except for the Noxious Weed Summit Advisory Council, which is established by executive order and is listed for informational purposes, the following information addresses only Advisory Councils that use the name of advisory council and that are created by statute, as well as required reports. Only advisory councils and reports attached to agencies monitored by the Economic Affairs Interim Committee are included. Information is provided by agency. Additional background information is available separately for some of the Advisory Councils, including budgets and council members. Those councils are shaded.

<b>Department of Agriculture - 3 Statutory Advisory Councils, 1 report</b>	
<p>▶ <b>Noxious Weed Summit Advisory Council</b> (Not statutory but mentioned here because a statutory committee also deals with noxious weeds, through grants.)</p>	<ul style="list-style-type: none"> <li>▶ Established by governor's executive order to, among other things, advise the governor on weed management policies and promote integrated weed management practices among feds, state, tribes, counties, and the private sector.</li> <li>▶ Has 12 members, including representatives of the Montana Weed Control Association, the Dept. of Agriculture, Montana Association of Counties, the U.S. Fish and Wildlife Service, members of MSU Extension, a tribal representative, and some state agencies.</li> </ul>
<p>▶ <b>Noxious Weed Management Advisory Council</b></p>	<ul style="list-style-type: none"> <li>▶ Established in 80-7-805, MCA, in 1985. Purpose is to advise the department on noxious weed management funding, which is given in grants from a \$10.19 million trust. Annual grants total about \$2.43 million. <a href="#">SB 144</a> in the 2013 session affected disbursement of the trust and prohibited the department from receiving grants from the trust while also revising the formula for administrative costs. The committee heard about these issues at its <a href="#">October meeting</a>.</li> <li>▶ The 11 members, appointed by the Dept. of Agriculture Director, represent livestock and agriculture crop production, wildlife groups and recreationists, herbicide dealers/applicators, biological researchers/regulators, consumers, both a Western and an Eastern county, and the Montana Weed Control Association.</li> <li>▶ The last interim vote on Jan. 20, 2012, was to continue as is.</li> </ul>
<p>▶ <b>Noxious Weed Seed Free Forage Advisory Council</b></p>	<ul style="list-style-type: none"> <li>▶ Established in 80-7-904, MCA, in 1995 to advise the Department of Agriculture on setting fees for application processing and inspections plus other administrative tasks and adopting rules for contracts, standards, reciprocal agreements, and various fees.</li> <li>▶ Members, by statute, include: the director of the Dept. of Agriculture; 4 producers of forage under a certified forage noxious weed seed free program who represent different geographical areas; 1 member who processes forage into pellets, cubes, or similar products; 1 livestock or agriculture industry representative; 2 representatives of county weed districts involved in forage certification who are members of the Montana Weed Control Association and are from separate parts of the state; 1 member of an outfitter/guide association; 1 representative of research or regulation; 1 member of the Montana Weed Control Association; 1 member each from an eastern/western county; 1 ag member; and 2 exofficio members who direct MSU's ag experiment station and ag extension.</li> <li>▶ The committee in an August <a href="#">letter</a> asked for more information to be provided at its <a href="#">October meeting</a> on a proposed fee increase. The <a href="#">information</a> was provided and objections to a fee increase eased.</li> <li>▶ The last interim vote on Jan. 20, 2012, was to continue as is.</li> </ul>
<p>▶ <b>Organic Commodity Advisory Council</b></p>	<ul style="list-style-type: none"> <li>▶ Established in 80-11-601, MCA, in 1999 to advise the Dept. of Agriculture on organic certification, including development of rules, research and marketing programs, and assessments on organic producers, processors, and handlers.</li> <li>▶ The 8 members are to represent organic consumers (1), organic producers (3), organic livestock producer (1), organic handler (1), plus the director of the Dept. of Agriculture, and 1 public member.</li> <li>▶ The last interim vote on Jan. 20, 2012, was to continue as is.</li> </ul>

<ul style="list-style-type: none"> <li>▶ <b>Biennial Report on State Agency-County Weed District Noxious Weeds</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ State agencies controlling land in a county weed management district (8 agencies) are to report on actions taken against noxious weeds to the state weed coordinator in the Department of Agriculture, who is to post the information on an <a href="#">electronic system</a>, as required under 7-22-2151, MCA.</li> <li>▶ Last interim vote on Sept. 11, 2012, was to continue as is.</li> </ul>
<b>Department of Commerce - 2 Advisory Councils, 8 reports</b>	
<ul style="list-style-type: none"> <li>▶ <b>Tourism Advisory Council</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ Established in 2-15-1816, MCA, in 1987. Purpose is to oversee distribution of approximately \$4.4 million annually to regional nonprofit tourism corporations for tourism promotion and nonprofit convention and visitors' bureaus. Also advises Governor and Dept. of Commerce on tourism promotion and determines allowable administrative expenses for those getting accommodation tax proceeds. Also directs research on tourism in Montana.</li> <li>▶ Members must be appointed from the private sector travel industry with at least one member from a tribal government and one member from each tourism area. Must have at least 12 members.</li> <li>▶ 2014 membership: See handout..</li> <li>▶ Last meeting June 29-30, 2014, in Helena. See <a href="#">agenda</a>.</li> <li>▶ Next meeting Oct. 6-7, 2014, in Miles City.</li> </ul>
<ul style="list-style-type: none"> <li>▶ <b>Economic Development Advisory Council</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ Established in 2-15-1820, MCA, in 2003 to advise Dept. of Commerce on distribution of \$425,000 a year to certified regional development corporations. Also advises as to what constitutes allowable administrative expenses. Advises the governor and the Department on economic development and microbusiness financing.</li> <li>▶ Membership of up to 19 members includes 15 appointed by the governor, 2 by the Speaker of the House, and 2 by the Senate Committee on Committees.</li> <li>▶ 2014 membership: See handout.</li> <li>▶ Last meeting April 24, 2014. Minutes not available.</li> <li>▶ Last interim vote on Oct. 5, 2011, was to continue as is but review.</li> </ul>
<ul style="list-style-type: none"> <li>▶ <b>Board of Investments Report</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ The Board of Investments must report to the Legislature as provided in 17-6-230, MCA. There are separate statutes that require the Board of Investments to report on pension investments to the State Administration and Veterans' Affairs Committee.</li> <li>▶ The committee heard from the Board of Investments at its <a href="#">March 2014 meeting</a>.</li> </ul>
<ul style="list-style-type: none"> <li>▶ <b>Report on Federal Land Management Reviews Requested by Local Governments</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ The Dept. of Commerce may contract for reviews requested by local governments of federal land management actions. No reviews were requested in the last interim. The report is required under 90-1-182, MCA. The Dept. of Commerce's March presentation did not include this report.</li> <li>▶ Last interim vote on Sept. 11, 2012, was to continue as is.</li> <li>▶ The <a href="#">report</a> to the Economic Affairs Committee on Sept. 11, 2012, showed no requests.</li> </ul>

<p>▶ <b>Report on Distressed Wood Products Industry</b></p>	<ul style="list-style-type: none"> <li>▶ Required by 90-1-503, MCA, to provide a status report on the loan account.</li> <li>▶ Amendments to the Distressed Wood Products Industry Loan Program in 2013 legislation removed the ability of the Dept. of Commerce to use money in the account for projects other than for distressed wood products industries. The Department's website for the Wood Products Revolving Loan Fund says the purpose is to help businesses in the wood products industry retain or create jobs. Maximum funding is \$20,000 for each created or retained job. Loans may not exceed \$2 million. A recipient must wait 2 years after a successful application to reapply. The website noted the fund has available \$1,754,000 while the federal counterpart has \$1,019,000.</li> <li>▶ Last interim vote on Sept. 11, 2012, was to continue as is. A <a href="#">report</a> also was presented at that time.</li> </ul>
<p>▶ <b>Board of Housing Veterans' Home Loan Mortgage Program Report</b></p>	<ul style="list-style-type: none"> <li>▶ The Board of Housing under the Dept. of Commerce may purchase a mortgage loan from a participating financial institution for a first-time home buyer who is a veteran. (90-6-603, MCA) The loan may be for no more than 95% of the statewide allowable purchase price. (90-6-604, MCA)</li> <li>▶ A report on the operation and use of the program must be made to the Legislature or the appropriate interim committee. The Housing Division reported to the Committee as part of the Dept. of Commerce presentation in March but did not include veteran mortgage specifics.</li> <li>▶ The last <a href="#">report</a> was presented to the Committee Sept. 11, 2012.</li> </ul>
<p>▶ <b>Report on Montana Heritage Preservation and Development Commission</b></p>	<ul style="list-style-type: none"> <li>▶ Required by 22-3-1002, MCA, which says, in part: "The commission and the department shall negotiate a specific indirect administrative rate annually, with biennial review by a designated, appropriate legislative interim committee". Separately, under 22-3-1003, the commission is to report to the governor and the Legislature concerning financial activity in the prior biennium.</li> <li>▶ The Environmental Quality Council has been studying the management of state-owned properties at Virginia City, Nevada City, and Reeder's Alley managed by the Montana Heritage Preservation and Development Commission. A <a href="#">committee bill</a> proposes to replace a goal of being "self-supporting" with the goal of being "economically stable", plus some clean-up changes.</li> <li>▶ Last interim vote on Sept. 11, 2012, was to continue as is.</li> <li>▶ The Committee heard the 2011-2012 <a href="#">report</a> Sept. 11, 2012.</li> </ul>
<p>▶ <b>Board of Research and Commercialization Technology Report</b></p>	<ul style="list-style-type: none"> <li>▶ The 6-member board consists of 2 gubernatorial appointees of which one must be a member of a Montana tribal government, and 1 appointee from each of the following: the Senate president, the Senate minority leader, the Speaker of the House, and the House Minority leader. The board provides grants and loans for research and commercialization projects at Montana education centers.</li> <li>▶ The executive director is to report on investments made to the Legislature and to the Governor. (90-3-1006, MCA) The 2011-2012 Economic Affairs Committee received a <a href="#">report</a> Sept. 11, 2012.</li> </ul>

<p>▶ <b>Quality Schools Facility Grant Program Report</b></p>	<ul style="list-style-type: none"> <li>▶ A school facility and technology account, funded in part by school trust money, is to be used to help public school districts improve their facilities, including deferred maintenance, as well as technology capabilities.</li> <li>▶ The Dept. of Commerce is to report to each regular session of the Legislature on the status of school facility projects for which grants were approved by a previous Legislature but have not been completed. (90-6-810, MCA)</li> <li>▶ The Dept. of Commerce also is to report to the governor and the Legislature on matching planning grants and emergency grants made to school districts in the biennium. (90-6-810, MCA) Grant criteria and conditions are provided in 90-6-811 and 90-6-812, MCA.</li> <li>▶ The Dept. of Commerce <a href="#">presentation</a> to the Committee in March 2014 included a description of the Quality Schools Facility Grants.</li> <li>▶ The 2011-2012 Economic Affairs Committee received a <a href="#">2012 update</a></li> </ul>
<p>▶ <b>State Tribal Economic Development Commission Report</b></p>	<ul style="list-style-type: none"> <li>▶ Established in 90-1-131, MCA, with 11 members appointed by the governor. These include: the state director of Indian affairs and one member each from the Dept. of Commerce and the Governor's Office of Economic Development as well as one member each from the seven federally recognized tribes in Montana and the Little Shell band of Chippewa Indians.</li> <li>▶ Administers the Montana Indian Language Preservation Pilot Program provided for in 20-9-537, MCA. The program has a Sept. 15, 2014, deadline to submit to the Montana Historical Society at least two copies of tangible goods produced under this section.</li> <li>▶ Tasked with: recruiting businesses to locate on or invest in enterprises on Indian reservations, assisting in and applying for grants, evaluating the portion of federal funds distributed by state agencies on reservations, and assessing the economic development needs of the reservations, among other tasks in 90-1-132, MCA.</li> <li>▶ Required to report a biennial summary of its activities to the Governor, Legislative Council, the Legislative Auditor, and each of the presiding officers of the tribal governments in Montana. (90-1-132, MCA) The Dept. of Commerce <a href="#">March presentation</a> included a review of the Indian Country Economic Development Program (ICED) on pp. 31-33.</li> <li>▶ The Committee received a <a href="#">report</a> at its Sept. 11, 2012, meeting.</li> </ul>
<p><b>Department of Labor and Industry - No statutory advisory councils, 4 reports</b></p>	
<p>▶ <b>Apprenticeship and Training Program Biennial Report</b></p>	<ul style="list-style-type: none"> <li>▶ Required under 39-6-101, MCA, in conjunction with 5-11-210, MCA.</li> <li>▶ The last <a href="#">report</a> was for FY 2011 and FY 2012.</li> </ul>
<p>▶ <b>Report on Unemployment Benefits for Victims of Domestic Violence, Sexual Assault, or Stalking</b></p>	<ul style="list-style-type: none"> <li>▶ The report is required under 39-51-2111, MCA. The last <a href="#">report</a> was presented Sept. 11, 2012, to the Economic Affairs Committee.</li> </ul>

<p>▶ <b>Report on the Montana Prescription Drug Registry.</b></p>	<p>▶ The report is required under 37-7-1514, MCA. The Children, Families, Health, and Human Services Interim Committee has been doing a study on prescription drugs and may have heard the report at that time. The Board of Pharmacy provided a <a href="#">presentation</a> at the Economic Affairs Committee meeting in July 2014.</p> <p>▶ The 2012 report was not available at the September 2012 meeting but the Committee was informed of its pending delivery by yearend.</p>
<p>▶ <b>Report on Licensing Boards</b></p>	<p>▶ Required under 37-1-106, MCA, to be submitted to the Office of Budget and Program Planning (Governor's Report). It is not required to be reported to the Economic Affairs Committee but the topic is under the Committee's responsibilities. The latest <a href="#">report</a> on the website is that from FY 2010 / FY 2011.</p>
<p><b>Department of Livestock</b></p>	
<p>▶ <b>Report from Livestock Loss Board</b></p>	<p>▶ Required under 2-15-3113, MCA, the Livestock Loss Board is to report annually to the Governor, the Legislature, and others regarding its loss reduction program provided for in 2-15-3111, MCA, its loss reimbursement program provided for in 2-15-1312, MCA, and other information assigned under 2-15-3113, MCA. The 2012 <a href="#">report</a> was provided to the Economic Affairs Committee Sept. 11, 2012.</p>
<p><b>State Auditor's Office - 2 Statutory Advisory Councils, 2 reports</b></p>	
<p>▶ <b>Advisory Council on Continuing Education for Insurance Licensees</b></p>	<p>▶ Established under 33-17-1204, MCA</p> <p>▶ Reviews and recommends to the Insurance Commissioner which continuing education (CE) courses, etc., fit the criteria for improving product knowledge, management, ethics, or marketing capability of licensees.</p> <p>▶ Consults with Insurance Commissioner on rules/standards for CE.</p> <p>▶ Reviewed in 2012. Vote was to retain.</p>
<p>▶ <b>Advisory Council on Risk Management Activities</b></p>	<p>▶ Established under 33-23-520, MCA.</p> <p>▶ Purpose is to form a council if medical malpractice insurance becomes reasonably unavailable. Part of an overall plan for using a joint underwriting association in case of a med-mal insurance crisis. Has not been used to date because no crisis has emerged.</p> <p>▶ Reviewed in 2012. Initially voted to remove statute. Left as is after September 2012 public comment about its need in case of crisis.</p>
<p>▶ <b>Report on a Review of Montana State Fund's Audit, Rate Review</b></p>	<p>▶ The Legislative Auditor is to report the results of Montana State Fund's financial and compliance audit for operations related to claims and its rate review conducted by an independent actuary to the Insurance Commissioner, who in turn is to review the information and report any concerns or recommendations to the Economic Affairs Committee, the Governor, and the Legislature. (39-71-2361, MCA) The Committee received a <a href="#">report</a> and heard a <a href="#">presentation</a> on the previous year's analysis in <a href="#">October 2013</a>. The most recent analysis is scheduled for the September 2014 Economic Affairs Committee meeting.</p>

<p>▶ <b>Termination plan for the Montana Comprehensive Health Association</b> (one-time)</p>	<p>▶ This insurance program for those who had been refused health insurance because of preexisting conditions or an inability to afford premiums is operated as a nonprofit entity by a board of directors consisting of representatives of insurers, health maintenance organizations, 2 at-large members appointed by the Commissioner of Insurance, and 2 at-large members appointed by the commissioner because they are participating members of the MCHA. The Affordable Care Act's requirement that insurers no longer deny coverage to someone with a preexisting condition was expected to put MCHA out of business.</p> <p>▶ The Commissioner of Insurance was to present a termination plan developed in the past 16 months to the Economic Affairs Committee. The <a href="#">report</a> and an acceptance <a href="#">letter</a> were provided at the May 2014 meeting.</p>
<p><b>Montana State Fund - 1 report</b></p>	
<p>▶ <b>Annual Financial Report</b></p>	<p>▶ Under 39-71-2363, MCA, Montana State Fund is to submit its annual financial budget to the Governor and to the Legislature, indicating the business done in the previous year and a statement of liabilities. The Committee received a report in October.</p>
<p><b>Division of Banking and Financial Institutions - 1 report</b></p>	
<p>▶ <b>BIDCO report</b></p>	<p>▶ Under 32-11-306, MCA, the Division of Banking and Financial Institutions is to report to the Legislature on the number and the dollar amount of financing assistance made under the Business and Industrial Development Corporation (BIDCO) Act, enacted in 2007. There has been no application to establish a BIDCO in the years since enactment. The most recent <a href="#">report</a> is from June 16, 2014.</p>

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