

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 13, 1981

The twenty-seventh meeting of the Senate State Administration Committee was called to order by Senator Pete Story, Chairman, on the above date at 10:00 a.m.

ROLL CALL: All members of the committee were present except Senators Kolstad and Johnson.

CONSIDERATION OF SENATE BILL 402:

AN ACT TO CREATE AN ECONOMIC DEVELOPMENT DIVISION
WITHIN THE DEPARTMENT OF [COMMERCE] AND TO SET FORTH
THE PURPOSE AND DUTIES OF THE DIVISION, WHICH INCLUDE
THE PROMOTION OF GROWTH OF SMALL BUSINESSES AND EXIST-
ING INDUSTRIES AND ESTABLISHMENT OF NEW ECONOMIC
ENTERPRISES.

Senator Thomas Towe, sponsor of the bill, stated this addresses the appropriate question that will promote the great economic development in the state. The most effective thing we should do in the state is to have a truly effective agency in state government that would not be afraid to promote small business and existing businesses and to welcome them into the state. He proposed it would go to the new Department of Commerce. It would establish a division of economic development, and his reasons for this are: 1) It makes it more permanent. 2) It gives it more importance. 3) It would be helpful for budgetary factors. 4) Specific additions could be added to the existing law. He explained the bill section by section stressing their importance. He would be for advertising outside the state, not only in the state of Montana. This should be included in a bill, and this bill would do that. Senator Towe pointed out the importance of lines 22-24 on page 2 and said the most important thing is, "Do they want us, will they work with us or against us?" This will make it clear to potential businesses.

Senator Towe suggested an amendment on page 3 to be a subsection "(7) to promote such other functions as might be assigned by the governor."

PROPOSERS: Gary Buchanan stated this bill is compatible with the Department of Commerce concept. They would propose a division of economic development and would like to work together for some flexibility in this bill.

Senator Story put this bill in a subcommittee of one with Senator Towe until next Tuesday.

Proponent Jack Hill, Great Falls, Economic Growth Council, felt it is most important that the state would provide these assistances to those who are interested in economic development.

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OPPONENTS: None:

Questions from the committee: None.

The hearing was closed.

CONSIDERATION OF SENATE BILL 385:

AN ACT AMENDING THE LOBBYIST DISCLOSURE INITIATIVE NUMBER 85 TO DELETE THE PROVISION ALLOWING ENFORCEMENT BY PRIVATE INDIVIDUALS AND TO PROVIDE A 1-YEAR STATUTE OF LIMITATIONS FOR THE PROSECUTION OF CIVIL SUITS BROUGHT TO ENFORCE THE LOBBYIST DISCLOSURE LAW; AMENDING SECTION 18 OF THE INITIATIVE.

Senator Paul Boylan, district 38, read the title of the bill. Under civil penalties it should be only one year. Present requirement is to keep records for seven years, to conform with the statutes.

PROPOSERS: Roger Tippy, lobbyist lawyer, commented on the amendment, realizing that this should be supported.

Other proponents were R.D. Pratt, Forrest Boles, and Peter Jackson.

OPPONENTS: Mark Mackin, CLC, felt it weakens the lobbyist disclosure initiative. Alan Ostby also opposed.

Senator Boylan closed, after which the committee had questions.

Senator Story stated that if the bill passes, the question of whether or not we are thwarting the will of the people who voted 85% for this and asked for an answer from Mackin. He read from the pamphlet he had used in his hearing for Senate Bill 109. Mr. Mackin said it was to simplify for the reader because it is a very complicated law.

Senator Story stated that in some ways it make it a misdemeanor. Mr. Mackin stated that statute of limitations was more for record keeping procedures than criminal.

Senator Story then asked Mr. Tippy about a misdemeanor that may take longer than one year, and was answered that the time starts after an act has been established.

Senator Ryan to Mr. Mackin acknowledged that they are talking about a misdemeanor and asked what gain is there by placing this in justice court? He was answered that the quality of justice will be

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higher. Senator Ryan then asked if other misdemeanors would be placed in the justice court; the answer was negative.

The hearing was closed.

CONSIDERATION OF SENATE JOINT RESOLUTION 8:

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE USE OF GRANTS AND CONTRACTED SERVICES BY STATE GOVERNMENT.

Senator Thomas Keating, sponsor, stated this deals with grants from various agencies in the state and contracted services. He understands a House Bill 663, which is an industry to present plan and if that bill passed, we do not have to view contracted services overall. He is addressing the source of grants in the state. It establishes an interim committee to study some of the grants. Enclosures. He asked the committee to consider this request.

PROPOSERS: Alan Shumate, read his enclosed testimony; Clyde Smith; Don Allen, Petroleum Association; Peter Jackson; Pat Stuart, Montana Coal Council; Forrest Boles, Chamber of Commerce; R.L. Solomon, who had prepared the response for Senator Keating.

Senator Hafferman rose as a proponent to this bill and showed a booklet entitled, "Grantees and Their Project."

OPPOSERS: None.

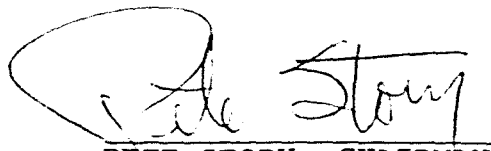
Questions and discussion came from the committee between themselves.

Senator Towe asked Tom Keating if he was aware of an interim study done two years ago. He had not been aware of this; and Senator Keating said it could have some bearing on this, but perhaps it was more limited.

Senator Story thought it would have to be amended to pass. It is a huge area needing more specifics than an interim committee can choose. He suggested putting more specific direction than the type of abuses that should be spotlighted so that the intentions of the bill are carried out.

Senator Hafferman was appointed to the subcommittee.

ADJOURNMENT: 11:40.



PETE STORY, CHAIRMAN

STATE ADMINISTRATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 2-13

[illegible]

Each day attach to minutes.

February 13, 1981

Testimony by Allan Shumate
Senate Joint Resolution # 8

Few issues have catapulted to the forefront of the world political and economic scene as quickly as energy. Within this complex field, no other aspect holds more interest, or has spawned more ideas than renewable energy. Wind, water, wood and waste, along with energy from the natural heat of the sun and earth, have virtually unlimited potential for reducing dependence on finite fuel reserves.

The strength of the program has been its ability to reach the individual. We're setting aside some of the revenue from harvesting coal and plowing that revenue back into Montana, making sure there will always be enough resources to sustain the state, its people and their way of life. As part of this agreement, grantees are required to submit quarterly progress reports as well as a final report evaluating the completed project.

Example:

Identify plausible sites for the projected industrial developments.
5-31-78 thru 6-15-78 \$625.00 Expended \$625.00

Design study for the proposed study of alternative energy strategies for Montana
12-27-79 thru 4-27-79 13,511.00 Expended \$9,000.00 Completed 4,511.00

Assist in preparation of RFP
3-01-78 \$625.00 Expended 625.00

Estimate the ultimate practical supply potential of all emerging energy technologies; for all areas of Montana east of the continental divide.
9-12-79 thru 11-29-79 \$1,200.00 Expended \$1,200.00.

I will now list the different Programs and Projects that these grants are being given to:

Biomass

Originally used to designate the amount of living matter in a given area, biomass is now used almost exclusively in reference to energy produced from organic waste.

Geothermal

Small - scale Hydropower

Solar

Wind

Education and Technical Assistance

Public Information

If renewables are to play a significant role in Montana's future - supplying 20 percent of our energy by the year 2000 - the program must expand its scope to include larger buildings and neighborhood and town-sized projects and perhaps to encourage the creation of the new businesses that will carry on this emerging industry.

Now I will discuss a few of the projects the programs are involved in.

Small - Scale Hydropower

Small - scale hydroelectric system	\$19,885
Low-head, low-impact hydroelectric system	\$25,000

Wind

Domestic sized wind-electric system	\$70,681
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Wood

Automatic high-efficiency wood furnace	\$6,968
Sub Total	\$122,534

Solar

Passive solar green house	\$1,240
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Biomass

Greenhouse using composting heat source	\$3,149
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Wood

Feasibility study for underground wood heated conference center	\$3,675
Earth sheltered conference center using passive solar	

Geothermal

Study and model for geothermal energy use in

subdivision \$15,000

Geothermally heated bank \$43,500

Solar

Montana Department of Highways

2701 Prospect

Helena, Montana 59601

Solar designs for a state maintenance building \$3,000

Montana Department of Highways

Active and passive solar applications to a state

maintenance building \$80,000

Wood

Hippert wood furnace for space heating \$510

Double wood stove heating system \$2,837

Small-Scale Hydro Power

Hydro system for home and farm use \$25,000

Solar

Solar hot water system \$2,800

I believe that Research is basic and thru the use of money from grants wisely used we will get the greatest benefit. Also I will name the Institutions because they are Professionals and can do an excellent job for us.

Solar

Engineering Sciences Dept.

Montana College of Mineral Science and Technology

Solar heating systems evaluation \$16,800

Montana College of Mineral Science and Technology

Performance testing of solar collectors and working fluids

systems. \$14,812 / Sub total \$31,612

Biomass

Chemistry Dept. Montana State University

Biological, biochemical and chemical engineering techniques
for using biomass as energy source. \$19,480

Continuation of above \$37,732

Continuation of above \$28,601

\$85,813

Microbiology Dept. Montana State University

Survey of biological methane production from agricultural, domestic,
and industrial sources. \$23,410

Continuation of above \$33,433
\$56,843

Montana State University

Feasibility study for a Bozeman municipal solid waste recovery and
energy generation system. \$30,815

In Closing

The Legislature passed a good law regarding Energy Research. That is why I
urge you to vote unanimously to pass this Resolution because as you can see
there is a difference in some of the programs whether they are grants or
gifts.

Thank you for your time, Ladies and Gentlemen.

Day/Neuman	Project	5/21/77 thru 8/21/77	FY78	2140.00	X
James Nybo	Consider vial in the Delegate Agency Agreement under GSA Grant				
James Nybo	Identify plausible sites for the projected industrial developments	5-31-78 thru 6-15-78	FY78	625.00	X
David Kreidel	Information to be used for a renewable energy business directory	Completion 4-30-78	FY79	1148.40	X
		3-26-79 thru 6-30-79	FY79	3787.26	X
James Nybo	Design study for the proposed study of alternative energy strategies for Montana	12-27-79 thru 4-27-79	FY79	9,000.00	X
Tudor Engineering	Engineering services	10-23-78 thru 2-5-79	FY79	88350.00	X
Neil Appraisal Co.	Real Estate appraisal	12-30-77 thru 11-30-78	FY78	9000.00	X
			FY79	11000.00	X
James Lubek	Execute the design & layout of the Montana Solar Handbook	7-3-78 thru 1-3-79	FY79	4825.48	X
James Nybo	Assist in preparation of RFP	3-01-78	FY78	625.00	X
Carmen Watts	To assist the Montana Energy Div. in the monitoring & implementation of the Emergency Building Temperature Restrictions	10-15-79	13,165		X
David Cady	To assist the Montana Energy Div. in the monitoring & implementation of the Emergency Bldg. Temperature Restrictions	10-15-79	12,359		X
Kristine Ellis	Editing of environmental impact statements.	10-11-78 thru completion	11,987		X
James Nybo	Estimate the ultimate practical supply potential of all emerging energy technologies for all areas	9-12-79 thru 11-29-79	1,200		X

Contractors Name	Purpose of Contract	Contract Period	Amount of Contract	Amount Expended	Is Contract Completed?		Has Product Been Received?	
					Yes	No	Yes	No
James Skeel 0-TS-093	Work with & assist the Dept. in conducting investigation of the need for the Northern Tier Pipeline.	1-8-79 12-14-79	14,490	4,241	X		X	
James Lubek 0-JL-058	Execute the design and layout of the Montana Solar Handbook	7-3-78 1-3-79	6,000	1,200	X		X	
David McLaughlin 0-DM-199	Aid in the instruction of an estimated 5,000 public & private employees in an one hour educa- tional program currently designed	10-1-79 1-31-80	7,000	6,703	X		X	
James Nybo 0-JN-092	Design study for the proposed study of alternative energy strategies for Montana.	12-27-79	13,511	4,511	X		X	

NAME: Mark Markov DATE: 2-13

ADDRESS: 1316 Spring St.

PHONE: 442-1177

REPRESENTING WHOM? Citizen Legislative Coalition

APPEARING ON WHICH PROPOSAL: SB 385

DO YOU: SUPPORT? AMEND? OPPOSE? X

COMMENTS: SB 385 weakens the provisions
of the Lobbyist Disclosure Initiative

This provision - Citizen Action - has
not had a chance to function. There
is no demonstrable case against
it.

Additionally, one year may not be
enough time for bills to come to
light. Needing 2-3 years
for Ibs in State. Why not keep it.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION



TED SCHWINDEN, GOVERNOR

32 SOUTHEWING

STATE OF MONTANA

HELENA, MONTANA 59620

January 29, 1981

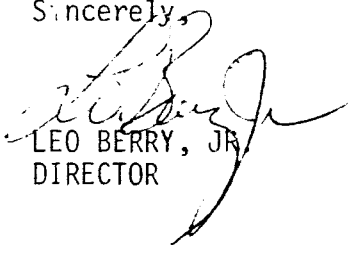
Senator Thomas Keating
State capitol
Helena, MT 59601

Dear Senator Keating:

Enclosed is the information you requested in your January 23, 1981 letter. The source of money for both the RRD fund and the alternative energy program is coal tax money.

If I can be of further assistance, please advise.

Sincerely,


LEO BERRY, JR.
DIRECTOR

LB/bw
Enclosures

F Y 1981

GRANTS AWARDED IN FALL 1980
FROM THE
RENEWABLE ENERGY GRANTS PROGRAM

Definite Grants	\$ 480,040.00
Tentative Grants	1,819,948.00
Earmarked for Requests for Proposals (RFP's)	381,000.00
	<hr/>
TOTAL	\$2,679,988.00

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

January, 1981

Renewable Energy Program

**report to the
montana legislature
january 1981**

**Leo Berry, Jr.
Director, DNRC**

**William S. Gosnell
Administrator
Energy Division**

**John W. Orndorff, Chief
Renewable Energy ~~Division~~ Bureau**

**ENERGY DIVISION
DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION**

Department of Health and Environmental Sciences

STATE OF MONTANA HELENA, MONTANA 59601 59620

January 30, 1981



ROBERT L. SOLOMON
ADMINISTRATIVE OFFICER
HEARINGS EXAMINER

(406) 449-3444 (406) 449-3444

STATE OF MONTANA

DEPARTMENT OF HEALTH &
ENVIRONMENTAL SCIENCES

COGSWELL BUILDING
HELENA, MONTANA 59601

Knight, M.D., F.C.C.P.
Director

Senator Thomas Keating
Montana State Senate
Capitol Building
Helena, MT 59620

Dear Senator Keating:

As we discussed in our recent telephone conversations, I have prepared some materials as a result of your request to Dr. John Drynan. The grants and contracts awarded by the Department are subject to various federal regulations, the Administrative Rules of Montana (ARM), and departmental policies and procedures. I have attached examples of these for your review.

During fiscal year 1980, this agency granted or contracted the amount of \$5,568,002.88, as identified by expenditure code in the Statewide Book-keeping and Accounting System (SBAS). A summary of the transactions is attached (exh. A.). The expenditure codes in the 6000 series are as follows: 6100 - from state source, 6200 - from federal sources, and 6300 - from other sources. The total number of vendors is somewhat in error, because of multiple counts of the same agency due to minor identification differences - such as Missoula County Health Department and Missoula City-County Health Department being read as two vendors, when in reality they are one and the same. The same problem is evident in other categories, particularly contracted and professional services (2102).

Our agency has instituted a number of internal procedures, (exh. B.). An example of federal regulations is also attached for your review (exh. C.). Reimbursements to counties for certain services are detailed in specific areas of the ARM, such as reimbursements to the Junked Vehicle program, and the Subdivision Program. The spread sheet (exh. D.) indicates grants to counties in 5 environmental areas for the period FY 80.

Exhibit E shows similar information for our health services program. All of the federal programs involved have detailed contracting and grant procedures defined, both during our application process, and after funds are awarded to us. Several programs have conditions to them that prohibit pass-through or granting of the funds until federal grants management people have reviewed and approved the individual contract between the state and the county or individual. Others approve a form or standardized contract.

Senator Thomas Keating
Page 2
January 30, 1981

There is considerably more information that I have assembled for your possible review. If your schedule permits, I would be happy to review it with you before the hearing on SJR8. I hope that the materials attached are of help, and that this provides the type of information you requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Solomon". The signature is fluid and cursive, with the first name "Robert" and last name "Solomon" being the most legible parts.

Robert L. Solomon,
Contracts Officer

njh

Attachments:

