

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **SENATOR GARY AKLESTAD, CHAIRMAN**, on Tuesday, February 28, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. Loren Jenkins (R)
Sen. Ethel M. Harding (R)
Sen. Arnie A. Mohl (R)
Sen. Charles "Chuck" Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry J. Tveit (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Judy H. Jacobson (D)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Taryn Purdy, Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 142, HB 354
Executive Action: HB 104 - BE CONCURRED IN

HEARING ON HOUSE BILL 142

Opening Statement by Sponsor:

REPRESENTATIVE ROGER SOMERVILLE, District 78, Kalispell, sponsor, said HB 142 is intended to add the word "incident" to the current Disaster and Emergency Services law. The bill would allow speedier response to local incidents, which could minimize

further escalation so that incidents do not become disasters or emergencies.

REPRESENTATIVE SOMERVILLE presented written testimony in support of HB 142 from **James L. Kraft, Director of Yellowstone County Emergency and General Services.** EXHIBIT 1

REPRESENTATIVE SOMERVILLE presented and explained an amendment to HB 142. EXHIBIT 2

Proponents' Testimony:

Dan Lieberg, Administrative Officer for the Disaster and Emergency Services (DES), Department of Military Affairs, said the bill would allow the state to move more rapidly in assisting with an assessment of a local emergency at the request of local government. It gives the Governor authority to predelegate and preauthorize the Department of Military Affairs, Disaster and Emergency Services Division, to respond to committing up to \$10,000 per incident or \$100,000 per biennium of the Governor's existing \$2 million authority. He said the results of a quick response are the reduction of lives lost, reduction of property or environmental damage and savings of dollars to the taxpayers.

Gil Gilbertson, past Administrator for DES, testifying in support of HB 142, said it gives DES the ability to respond in a speedier, more cost efficient manner.

Chuck O'Reilly, Sheriff of Lewis and Clark County, and a member of the Board of Directors of the Montana Sheriff's and Peace Officers Association, indicated that the Association supports the bill. He said he could testify personally to the need of HB 142 as in one incident, he was trying to obtain another SWAT team and additional radios, but was not able to get them because there was nothing in the law that authorized the state to respond to help. HB 142 would accomplish that.

James Lofftus, President of Montana Fire District Association, rose in support of the bill for the reasons that were mentioned.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR SWYSGOOD questioned what would happen if the dollar amount was reached.

Mr. Lieberg said based on past experiences, they have not incurred that many types of incidents during any one period and have been able to respond to most incidents with existing resources. However, with the expanding population and environmental needs, they see a need to more quickly respond to

incidents. If it looks like they will require more resources in the future, they would have to come before the Legislature.

SENATOR SWYSGOOD said the money would come out of the \$2 million that is appropriated to the Governor for emergency situations, and he questioned why there is a cap on what he can expend.

Dan Lieberg said the mechanism for declaring a disaster or emergency is more involved than being able to call and send someone out. They have to do a damage assessment and the county has to levy 2 mills to show commitment to the incident. With the \$10,000 authority, they can do that.

When concern was voiced by **SENATOR SWYSGOOD** as to how SB 83 related to this statutory appropriation, **Taryn Purdy, LFA**, said it did not impact this bill.

In questioning from **SENATOR KEATING** if this was part of the Governor's \$2 million contingency fund and if the contingency fund was a statutory appropriation, **Taryn Purdy** said the \$2 million is a specific statutory appropriation for a specific purpose in declaring a disaster. She said she would have to check on the contingency fund.

SENATOR KEATING questioned if this set up a different statutory appropriation since it was for \$100,000.

Taryn Purdy said it does, but any that they spend reduces the \$2 million available to the Governor from the other account.

SENATOR JENKINS questioned lines 6, 7 and 8 on page 2 of the bill concerning "imminent threat of an emergency".

REPRESENTATIVE SOMERVILLE said it goes back to the hazardous materials bill; if something is not done right away, it can develop into a major emergency, or it is a small enough incident that would not be declared an emergency. In questioning from **SENATOR JENKINS** as to how many incidents there are in a year, he said last year there were 273 incidents and of that, 200 were hazardous materials.

When questioned by **SENATOR JENKINS** as to the average cost for clean-up, **Mr. Lieberg** said they do not have figures for the average cost. They coordinate people to give advice or send a technical expert to help with it, and that includes transportation costs, per diem and any other expenses that might occur. Relative to the discussion on an imminent threat, if a tanker truck is overturned but is not leaking, that would be an imminent threat to the populous. Giving advice on how to keep it from leaking or getting the truck upright is what they want to do.

SENATOR JENKINS asked if this bill related to the actual cleanup cost and not just the personnel to do it.

Mr. Lieberg said it was the response cost. The counties would be in charge of the incident, but an advisor would be sent to that county to advise them on how to do it safely.

In questioning from **SENATOR JENKINS** if the money was going to the counties to help pay for cleanup or if it was going to the advisors, **Mr. Lieberg** said it was for the advisors. He said if a tanker truck has a hazardous spill, the tanker is responsible for cleanup costs. In answer to **SENATOR JENKINS'** question concerning the county's 2 mills, **Mr. Lieberg** said the only time the 2 mills would be affected is if the local jurisdiction elects to levy 2 mills to respond to an incident. If they do expend the 2 mills and it looks like it will go over that, they can request assistance from the Governor's Disaster Fund.

Closing by Sponsor:

REPRESENTATIVE SOMERVILLE closed on HB 142, stating that the bill will help DES respond quickly to the local county governments and assist in handling any type of emergency or disaster. He explained that if an incident was declared a disaster and there was the assistance of federal funds, some of the money could be recovered and would reduce the amount spent out of the \$10,000 limit.

HEARING ON HOUSE BILL 354

Opening Statement by Sponsor:

REPRESENTATIVE NORM MILLS, House District 19, Billings, sponsor, presented exhibits in support of HB 354. **EXHIBITS 3, 4 and 5** He explained the studies were prepared by an outside group and didn't cost the state of Montana any money.

Proponents' Testimony:

Duane Kurokawa, Chairman, State Microbusiness Advisory Council, said the council is made up of 13 members across the state representing various backgrounds and diverse geological locations. They were instrumental in helping the department create the administrative rules, review quarterly reports and work closely with the MBDC network. They recently received two grants which will be providing technical assistance to the 12 regions and also cover the seven reservations in Montana.

Dolph Harris, Microbusiness Advisory Council member from Sidney, testified in support of HB 354. He presented a video detailing some of the success stories as a result of loans from the Microbusiness Council.

(AT THIS POINT IN THE COMMITTEE MEETING, THE VIDEO "MICROBUSINESS PRESENTS" WAS SHOWN TO THE COMMITTEE)

{Tape: 1; Side: 2; Approx. Counter: ; Comments: .}

David Bond, representing Region 1 as a Microbusiness Advisory Council member from Kalispell, said as a recipient of one of the Microbusiness loans in western Montana, it has enabled him to stay in Montana, raise a family, and pay more taxes with the success of his business. This year they expect to gross over \$300,000 in the first six months. The technical assistance received was invaluable. He concluded that the loan he started with of \$10,000 isn't enough, and he asked the committee's support in raising it to \$35,000.

Terry Richter, Kalispell, said she was a recipient of a \$5,000 Microbusiness loan. She stated she was a single parent of two children and on public assistance when she applied for the loan, adding that there are a lot of difficulties trying to run a business while on public assistance. She said she would have been out of business several times just from the AFDC system because of their disallowances, such as not allowing the principal portion of a loan payment to be a legitimate business expense. Also, money spent to buy a computer, printer, and so forth is not a legitimate business expense to public assistance. Because of support from the loan officer in Kalispell, she is still in business, mostly off public assistance and is now paying taxes to the state.

Kelly Flaherty, Montana Women's Capital Fund, rose in support of HB 354. Through the Microbusiness Finance Program, they are able to provide credit and technical assistance to individuals for self employment and business ownership. Since 1973, they have loaned over \$317,000 in a three county area and were instrumental in the creation of over 50 jobs in that area. She concluded that by increasing the cap on loans to \$35,000, they would be able to realize their goal of self sufficiency and the program would enable more Montanans the opportunity to participate in the economy.

Linda Reed, representing the Governor's office, said the Microbusiness program will help in the creation of jobs. It is marketed at the smallest businesses in Montana which are the most difficult to finance through traditional banking sources. The legislation proposed will provide additional funding to the Microbusiness Development Corporation by increasing the individual loan amount from \$25,000 to \$35,000.

Jim Tutweiler, Montana Chamber of Commerce, testifying in support of HB 354, said there is a need to provide incentive capital for small businesses in Montana.

Bob Bachini, Microbusiness Advisory Council, indicated that he was one of the legislators on the advisory council and he is in full support of the bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR CHRISTIAENS questioned the administrative changes the bill would allow.

Lynn Robson, Department of Commerce, said it would change two names on the seat of the Advisory Council from the local revolving loan fund to Microbusiness, extend the term from two years to four years, and raise the loan limit from \$20,000 to \$35,000.

In questioning from **SENATOR JACOBSON** if the original fund was coal trust money, **Ms. Robson** said it is from the permanent coal trust fund and was appropriated in 1991 to the department to lend. It went directly from the coal trust fund to the communities and is protected three ways.

Mr. Jon Noel, Director, Department of Commerce, said it is a direct appropriation out of the trust given to the community.

When questioned by **SENATOR KEATING** if \$2.5 million was appropriated out of the permanent trust in the first bill, **Mr. Noel** said it was \$3.25 million.

SENATOR KEATING asked **Mr. Noel** if there would not be any more capital to loan after the \$3.25 million.

Mr. Noel said the money is loaned from the Department of Commerce to the 12 Microbusiness Development Corporations; not all of it is loaned out from them. Originally there were 6 MBDC's. There was an assumed level of loans and interest required to support those MBDC's. Because of geographic coverage, it was increased to 12 MBDC's, but the funds were not doubled. Therefore, they cannot give enough interest back to them to operate.

When questioned by **SENATOR KEATING** if the interest on the loans offset the administration costs of the program through the whole system, **Mr. Noel** said it does in the Department of Commerce. It is also providing some loan loss reserve they are building up that department. While it does not provide total support for the 12 MBDC's, they are trying to get them to be self-sufficient.

SENATOR KEATING said the money taken is lost interest to the state general fund from the trust interest income estimated at approximately \$400,000. He questioned if the return on the investment was a plus to the state in dollars.

Mr. Noel said based on an independent survey that is true. However, unknown at this time is the actual loan failures that will be experienced over a longer period of time. If they do not

have a dramatic increase in actual loan failures, the answer would be yes. If there was a 40 or 50 percent loan failure rate, the answer would change.

SENATOR KEATING voiced concern on the risk by doubling the loan size.

Mr. Noel said although the answer would be speculative, he has observed that the loan failures tend to be in the smaller loans and added that the \$20,000 figure hampers the program.

SENATOR JENKINS asked if the interest rate was fairly high.

Mr. Noel said a criticism of the program by **REPRESENTATIVE JOHNSON** is that it charges above market rate interest, which he contends makes it more difficult for a business to succeed. The reason for the above market rate is to eliminate any concern that the program is competing with banks. It is a riskier loan, but the failure rate is quite low.

In questioning from **SENATOR JENKINS** regarding self-sufficiency, **Mr. Noel** said they believe the appropriation out of coal tax trust will put enough corpus into each MBDC that the interest they earn will make them self sufficient from an administrative standpoint and allow them to build up loan loss reserves.

SENATOR JENKINS questioned the administrative costs compared to a bank.

Mr. Noel said as a percentage of the loan portfolio, the administrative costs are far higher than a bank just because the loan portfolio is that small.

In questioning from **SENATOR MOHL** on administrative costs, **Mr. Noel** said they include technical support. They have been subsidized by U S West because there was not a large enough loan portfolio to generate the interest to cover it which is what this bill is trying to solve.

SENATOR SWYSGOOD voiced concern with the level of interest that is charged which he feels is prohibitive and questioned why they need another \$3.25 million when all of the original \$3.25 million hasn't been used.

Mr. Noel said the Department of Commerce has lent the entire \$3.25 million. The MBDC's have not loaned all of that. Some that started earlier have loaned all of it, but some of them were not certified until a year ago and have not made a lot of loans.

SENATOR SWYSGOOD asked if the extra money being asked for would be made available to the regions that have already loaned all their money, or would it go to other areas.

Mr. Noel said all of it would be given to the existing 12 MBDC's as they need it.

SENATOR WATERMAN questioned Mr. Harris about the interest rate.

Dolph Harris said this was the best rate he could find.

SENATOR BECK asked Mr. Noel if the interest rate would be commensurate to the risk of the loan.

Mr. Noel said given the inherent risk nature of the program, it would be a fairly low interest rate. If they lowered the rate, they would put a strain on individual MBDC's because their ability to cover their administrative costs and build up a loan reserve would be limited.

SENATOR JENKINS asked who receives the administrative costs.

Mr. Noel said there were two levels of administrative costs. The interest payments made by the individual MBDC's to Department of Commerce pay for Lynn Robson and one half time assistant who also puts in time in other parts of the economic development division. It also gives them funds to build up loan loss reserve in the event they would have to assist one of the MBDC's. The costs not covered at least in some Microbusiness Development corporations, are the people that can handle the paperwork, evaluate the proposals and manage the loan portfolio because there is not enough interest income to cover those expenses, plus build up a loan reserve.

SENATOR JENKINS voiced concern that 10 percent of \$3.25 million, or \$325 thousand a year was high for administrative costs.

Mr. Noel said if the interest charged is 10 percent, part of that is paying an interest fee back to the Department of Commerce, part will cover a loan loss reserve, and part will pay administrative costs.

SENATOR JENKINS questioned how many employees were being added with these programs.

Mr. Noel said looking at the total number of jobs created or retained through the loan programs, it is ten times the number of people employed by the individual MBDC's.

SENATOR JERGESON said the people running the local MBDC's are not administrators, they analyze the loans. The loans are not just an entitlement to a person; the employees have to analyze and make recommendations to a local loan committee.

Mr. Noel said it is the cost of operating a loan business that is analyzing proposals and determining the correct level of loan loss reserve; administrative costs is a misnomer.

SENATOR SWYSGOOD asked how many of the 12 regional units were created out of existing economic development agencies that were established in those areas.

Mr. Noel said he can think of only two economic development organizations that are administering the Microbusiness Development Program. Those that have been in existence and fairly well organized are the ones that have been active in the program since the beginning.

SENATOR MOHL referred to **Exhibit 5**, page 2 and asked about the loans that had been written off valued at \$81,610, the 18 loans that were delinquent, valued at \$22,000 and 4 loans in default, valued at \$43,128.

Mr. Noel said the \$81,610 is now actually \$57,541. At the time the study was done, a loan was technically written off that was later collected. The delinquency rate changes day to day. He explained that "default" is when it is past being delinquent; they are in default, but they have not written it off yet.

In questioning from **SENATOR AKLESTAD** if the Department of Commerce established the interest rate of 3.25 percent, **Mr. Noel** said the interest rate of 1.3 percent is set by the local business development corporation.

SENATOR AKLESTAD questioned what interest rate the Department of Commerce makes on the initial loan.

Mr. Noel said it was 3.25 percent.

SENATOR AKLESTAD asked if the locals then add from one percent to three percent, depending on the volatility of the loan.

Mr. Noel said the local organization has the liberty to charge from one to three percent above the prevailing bank rate.

SENATOR AKLESTAD asked if the dollars were still in the system on the original loan that was made in the 1991 session.

Mr. Noel said yes, except for the \$50,000 that has been written off. That was not a loan but an appropriation to Department of Commerce and a loan to the MBDC.

SENATOR AKLESTAD questioned whether the \$3.25 million minus the \$57,000 is still in the system and if they are now asking for another \$3.25 million to add to the total capital to operate.

Mr. Noel said that was correct.

SENATOR AKLESTAD asked if the regions need a loan portfolio before they are lent the money.

Mr. Noel said they leave the money in the coal tax trust until it is needed to make a loan to an MBDC. The MBDC's come to them with a proposal, and they give them the money they ask for or the maximum allowable to any MBDC. The money had to be disbursed prior to the end of June 1993. Some of the MBDC's were just starting to operate; some had money left and some did not.

SENATOR AKLESTAD voiced concern if the money not lent out was earning interest.

Mr. Noel said it is mostly in CD's, adding the money is invested.

SENATOR AKLESTAD noted that CD's don't earn much money.

Mr. Noel said that was correct. He indicated that is why the advisory council and Lynn Robson work with the MBDC's in attempting to get the money out in loans and earning a higher rate of interest.

SENATOR BECK commented that the money was invested in short term investments so funds were available for other loans.

{Tape: 2; Side: 1; Approx. Counter: ; Comments: .}

SENATOR HARDING questioned the time and who was involved in the loans that are written off.

Mr. Noel said while it is up to the local Microbusiness Development Corporation, generally they are local organizations making loans to local people.

Closing by Sponsor:

REPRESENTATIVE MILLS closed on HB 354. He said the local MBDC's are basically 501 C-3 corporations. They are non profit and are just trying to get their costs back. He explained these are small loans that most banks don't want to bother with. Local areas do provide technical assistance which they sometimes pay for, and that comes out of local administrative costs. The return on investment to the state of Montana is there in a revolving fund to continue benefitting people in the future and broaden the tax base.

EXECUTIVE ACTION ON HOUSE BILL 104

Motion: SENATOR TOEWS MOVED HB 104 BE CONCURRED IN.

Discussion: SENATOR SWYSGOOD asked what section was being repealed.

SENATOR JACOBSON said it was the sunset.

Vote: The motion CARRIED with SENATORS SWYSGOOD and AKLESTAD opposed.

ADJOURNMENT

Adjournment: 9:50 a.m.



SENATOR GARY AKLESTAD, Chairman



LYNN STALEY, Secretary

GA/ljs

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE 2/28/95

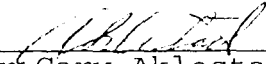
| NAME | PRESENT | ABSENT | EXCUSED |
|------------------------------|---------|--------|---------|
| SWYSGOOD, CHUCK | ✓ | | |
| BURNETT, JIM | ✓ | | |
| MOHL, ARNIE | ✓ | | |
| JERGESON, GREG | ✓ | | |
| FRANKLIN, EVE | ✓ | | |
| TVEIT, LARRY | ✓ | | |
| JENKINS, LOREN | ✓ | | |
| JACOBSON, JUDY | ✓ | | |
| LYNCH, J.D. | ✓ | | |
| HARDING, ETHEL | ✓ | | |
| TOEWS, DARYL | ✓ | | |
| CHRISTIAENS, B.F. "CHRIS" | ✓ | | |
| WATERMAN, MIGNON | ✓ | | |
| KEATING, TOM - VICE CHAIRMAN | ✓ | | |
| BECK, TOM | ✓ | | |
| AKLESTAD, GARY - CHAIRMAN | ✓ | | |
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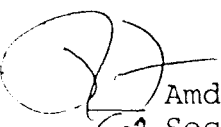
SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 28, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 104 (third reading copy -- blue), respectfully report that HB 104 be concurred in.

Signed: 
Senator Gary Aklestad, Chair


Amd. Coord.
Sec. of Senate


Senator Carrying Bill

461236SC.SRF

* *County of Yellowstone* *

12



EMERGENCY & GENERAL SERVICES

Box 35004
Billings, MT 59107

(406) 256-2775
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SENATE FINANCE AND CLAIMS

EXHIBIT NO.

DATE

BILL NO.

DATE: January 19, 1995

TO: Representative Roger Somerville

FROM: James L. Kraft, Director

SUBJ: HB 142, Creating a Disaster & Emergency Fund for Incidents

2/28/95

HB 142

I have reviewed HB 142 and am a strong PROPONENT of such legislation. There have been many times in my 20 years of experience with the Disaster & Emergency Services (DES) program where I could have used more State DES help. If the State DES had a fund to draw upon to assist us, help would be quicker and the results less disastrous. In my Yellowstone County budget, I have similar authorization to expend funds without approval of the Commissioners. This has been very helpful during the first 12 hours of the emergency.

In an emergency, the legislature should not tie the hands of its responders and responsible agencies by not authorizing them expenditure authority. The very citizens we're serving would think that was ludicrous.

I understand this HB 142 is having its first reading on January 20, 1995. I cannot attend the hearing, but want to go on record as a PROPONENT.

Thank you.

JLK/pf

cc: Jim Greene, Administrator, State DES

Amendments to House Bill No. 142
Third Reading Copy

For the Committee on Senate Finance and Claims

Prepared by Clayton Schenck
February 8, 1995

1. Page 2, lines 4 and 5.

Following: "phenomena."

Strike: the remainder of line 4 through THUS on line 5.

2. Page 6, line 27.

Following: "order"

Insert: "upon request of the local governing body or its authorized agent"

3. Page 6, lines 29 and 30.

Following: "."

Strike: the remainder of line 29 through line 30 in its entirety.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3

DATE 2/28/95

BILL NO. HB 354

HB 354
MICROBUSINESS FINANCE BILL

Remarks of **Representative Norm Mills**, Chief Bill Sponsor
February, 1995

1. Served on the Microbusiness Finance Program Legislative Panel for the past two years.

2. The consensus of the Legislative Panel, the Microbusiness Advisory Council, the MBDC Association, the Department of Commerce and the Governor is that the program has proven itself to the extent that

1) the second investment of \$3.25 million from the in-state portion of the Coal Tax Trust Fund is appropriate and necessary, making the funds available for four years will avoid a false and forced borrowing situation by MBDCs but will assure an equal opportunity state-wide to reach sustainable loan fund levels (harder to raise match in smaller communities), that;

2) extending the borrower loan limit from \$20,000 to \$35,000 is timely and will fill a gap in the business finance market, that;

3) changing the Microbusiness Advisory Council terms from 2 years to 4 years (staggered terms) is necessary due to the critical oversight and complexity of the program, and;

4) changing 2 of the existing council seats to MBDC designation from "community lender" is appropriate.

3. The Microbusiness program was enacted in 1991 by the Montana Legislature through an initial investment of \$3.25 million from the in-state portion of the Coal Tax Trust Fund. The concept and data for the program was provided by 5 of the now existing MBDCs following three years of demonstration microbusins lending.

The initial request was to fund 6 MBDCs with the \$3.25 million providing \$500,000 in each community loan fund which is the amount estimated necessary to cover the cost of credit. The Legislature asked the program to provide service state-wide through 12 regions with the same amount of investment for a start-up period.

MBDC Development Loans were begun July, 1992 and completed July, 1993. All regional MBDCs were lending by March, 1994.

PROPONENTS

Duane Kurokawa, Chair State Microbusiness Advisory Council
Dolph Harris, Member State Microbusiness Advisory Council
Videotape
David Bond, Borrower and State Microbusiness Advisory
Council Member
Terry Richter, Borrower
Steve Mehring-Great Falls, MBDC Loan Review Board
Jim Davison-Butte, MBDC Board of Directors
Dick King-MBDC Executive Director and State Microbusiness
Advisory Council Member

PRESENT FOR QUESTION RESPONSE:

Linda Reed, Senior Economic Advisor to the Governor
Jon Noel, Director of the Department of Commerce
Lynn Robson, Microbusiness Finance Officer
Billy Krenzler, Billings MBDC
Kelly Flaherty, Helena MBDC
Doug Cutting, Helena MBDC
Terry Kendrick, Missoula MBDC
Charles Hill, Bozeman MBDC
Linda McNeill, Great Falls MBDC
Melissa Drogge, Havre MBDC and MBDC Association Chair

Jim Boyer, Microbusiness Evaluator
Larry Nordell, Microbusiness Evaluator

EXHIBIT 3
DATE 2-28-95
HB 354

**Montana Microbusiness Finance Program
1995 Legislation Notes:**

HB 354

I. Legislation Summary

1. Request second investment of \$3.25 million from the in-state portion of the Coal Tax Trust Fund.

The 1991 bill initially proposed to fund 6 MBDCs with \$3.25 million from the Coal Tax Trust Fund. The Legislature requested state-wide coverage through 12 regions using the same amount of funds (\$3.25 million) as start-up. If the start-up stage succeeded funds to bring the funds to the originally proposed \$500,000 investment would be considered. The MBDCs can cover the cost of credit with \$500,000 Loan Funds.

Thirteen regions would have access to a second \$250,000 Development Loan. The funds would be available for community borrowing for four years.

Interest lost to the Coal Tax Trust Fund is projected to be \$50,000 in FY96 and \$103,000 for the biennium.

There are three protection systems in the program to cover business write-offs a) community match of 1:6, b) MBDC loan loss reserve ave. 3% and c) the Department reserve of \$20,000 with a goal of \$50,000. To-date \$60,000 has been written off out of \$1,855,584 lent.

2. Change the borrower loan limit from \$20,000 to \$35,000.
3. Designate 2 seats on the Advisory Council to MBDC from "community lender".
4. Change Advisory Council terms from 2 years to 4 years (staggered terms).

II. DOC Administration Budget

NO ADDITIONAL ADMINISTRATION EXPENSE AT DOC REQUIRED.
Revenue 3.25% interest on Development Loans \$112,855 annually.

| | |
|-----------|-------------------|
| 1.5 FTE | \$50,420 annually |
| Operating | 21,435 annually |
| Council | 11,000 annually |
| Total | \$82,855 |

Reserve for
Losses \$30,000

Grand Total \$112,855.00

III. Results of Investment

1. Lending \$6.50 million instead of \$3.25 million will reduce the cost of funds from 3.25% to 1.75% allowing the MBDC "spread" to be above 10% considering the current interest earned on loans by MBDCs is between 12.3%-14.3%.

2. Doubling local loan funds would allow 30 loans per year at the average of \$10,000 per loan generating \$30,000 annually with the 10% "spread". Added passive interest income at 4.5% of \$10,800 and fees of \$4,800 an annual operating budget for the MBDC would be generated from income alone of \$45,600. These assumptions are conservative using MBDC projections. Average budget needs currently for MBDCs is \$30,000.

EXHIBIT 3
DATE 2-28-95
HB 354

HB 354
MICROBUSINESS FINANCE BILL

1995 Legislation; Senate Finance and Claims Committee
Hearing **Tuesday, February 28, 8:00 a.m. Room 108.**
Requestor Representative Norm Mills

- :03 Representative Mills-Introduction
 - a) 4 parts of the Bill and supporting reasons
 - b) history of the Legislation
 - c) introduction of proponents (including non presenting resources for questions)

- :03 Duane Kurokawa-Wolf Point (Banker), State Microbusiness Advisory Council Chair
 - a) composition of the council
 - b) overview of work of the council
 - formation of program
 - continued evaluation/development
 - most important issues
 - loan loss reserve
 - 3rd Party Evaluation
 - SBA, JTPA Grant

- :02 Dolph Harris-Sidney (Businessman), State Microbusiness Advisory Council
 - a) need for additional investment
 - b) success of the program
 - c) videotape

- :06 Videotape

- :02 David Bond-Kalispell (Borrower) College Graduate Kept in the State, Video Business, State Microbusiness Advisory Council Member)
 - a) MBDC Loan effect
 - b) business

- :02 Terry Richter-Kalsipell (Borrower) AFDC Recipient, Bookkeeping Business
 - a) MBDC Loan effect
 - b) business
 - c) AFDC Issues

- :02 Kelly Flaherty-Helena MBDC, Executive Director
 - a) Business Support
 - b) Need for investment
 - b) LRB method

:20 minutes total

Representative Mills will close after questions from the committee.

Present for Committee Question Response:

Linda Reed, Senior Economic Advisor to the Governor

Jon Noel, Director of the Department of Commerce

Lynn Robson, Microbusiness Finance Officer

Kelly Flaherty, Helena MBDC, Executive Director

Doug Cutting, Helena MBDC, Chief Credit Officer

Jim Boyer, Microbusiness Evaluator

Larry Nordell, Microbusiness Evaluator

Montana Microbusiness Loan Application Information

EXHIBIT 3
DATE 2-28-95
HB 354

*Need additional financing to expand your business?
Wanting to start a business?*

Montana "micro" business companies with 10 or fewer employees and annual gross revenues under \$500,000 can receive loans of up to \$20,000 from regional Microbusiness Development Corporations that have been certified and funded by the Montana Department of Commerce (see list on reverse).

This loan program is designed to fund economically sound business projects which, because of their small size, are unable to obtain regular commercial financing. Companies must provide a detailed, written business plan and may be required to participate in business training classes. In addition to financing, borrowers receive technical assistance and consulting to help assure their success.

Interest rates are set 1 to 3% above regular bank loan rates to cover technical assistance and servicing costs, and to screen out borrowers capable of obtaining regular commercial loans.

Some key loan criteria are listed below. Requests for applications and more detailed information should be directed to your nearest Microbusiness Development Corporation (contact information on the reverse).

| | | | |
|------------------------|--------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------|
| <u>Interest Rate</u> | 1-3% above regular commercial | <u>Personal Guarantees</u> | Yes |
| <u>Use of Proceeds</u> | Working capital, equipment, real property | <u>Credit Criteria</u> | Project and borrower based |
| <u>Term</u> | Working capital 3-5 years Equipment 5-7 years Real Estate | <u>Average Application Time</u> | monthly; varies |
| <u>Collateral</u> | Negotiable | <u>Qualifications</u> | Fewer than 10 full-time employees |
| <u>Equity</u> | Reviewed on a case-by-case basis | | less than \$500,000 in gross annual revenues |
| <u>Misc.</u> | Fixed rates financing | | limit of \$20,000 total outstanding to any one business/individual |

December 31, 1994

To-Date Activity

Montana Microbusiness Finance Program

| | |
|------------------------------------------------------|--------------------------------------------------------|
| Funded Regions (including one statewide MBDC) | 12 |
| Microbusiness Loans Made | 205 |
| Dollars Loaned | \$2,069,323 |
| Microbusiness Loans Repaid (total dollars loaned) | 41 ^{20%} / # \$381,670 ^{18%} / \$ |
| Average Loan Size | \$10,094 |
| Loans in Default | 7 |
| Dollar Value | \$32,342 |
| Defaulted Loans Written Off | 10 ^{.012} / # |
| Dollar Value | \$57,541 ^{.028} / \$ |
| Jobs Created* | 222 FTEs |
| Jobs Retained* | 166.3 FTEs } ⁵⁸⁸ 30 hrs / # |
| Dollars Loaned per Job Created/Retained* | \$5,329 |

FTEs: Full-Time Equivalent positions

*Note: The information on jobs created and retained contain data from loans that were packaged with MBDC and other loan funds.

MBDC QUARTER ACTIVITY SUMMARY
October 1, 1994 - December 31, 1994

Billings MBDC - Region IX

Loans funded this quarter 2
Dollar Value of Loans \$10,090
Job Creation 0 FTE Job Retention 5 FTEs
Public Assistance Reduction: N/A
Geography of Loans: Yellowstone county - 1 loan
Carbon county - 1 loan
Demography of Loans: loans to males 50%
loans to females 50%
loans to caucasians 100%

LOANS FULLY REPAID 7
DOLLAR AMOUNT \$75,269.26
LOANS IN DEFAULT 0
DOLLAR AMOUNT \$0
DEFAULTED LOANS WRITTEN OFF 0
TOTAL LOANS OUTSTANDING 10
DOLLAR AMOUNT \$69,302.97
TOTAL FUNDS ALLOCATED \$174,743.26

Bozeman MBDC - Region VI

Loans funded this quarter 0
Dollar Value of Loans \$0
Job Creation 0 FTEs Job Retention 0 FTEs
Public Assistance Reduction: None
Geography of Loans:
Demography of Loans:
LOANS FULLY REPAID 1
DOLLAR AMOUNT \$15,345.00
LOANS IN DEFAULT 1
DOLLAR AMOUNT \$11,000
DEFAULTED LOANS WRITTEN OFF 0
DOLLAR AMOUNT \$0
TOTAL LOANS OUTSTANDING 20
DOLLAR AMOUNT \$191,642.20
TOTAL FUNDS ALLOCATED

EXHIBIT 4
DATE 2-28-95
HB 354

MBDC Quarter Summary
October 1, 1994- December 31, 1994
Page 2

Butte MBDC - Region III

Loans guaranteed this quarter 1
Dollar Value of Loans \$18,000
Amount Guaranteed \$16,200
Job Creation 1 FTE Job Retention 0 FTE
Geography of Loans: Silver Bow county -1 loan
Demography of Loans: loans to males 50%
loans to females 50%
loans to caucasions 100%

LOANS FULLY REPAID 2
DOLLAR AMOUNT \$40,000
AMOUNT GUARANTEED \$36,000

LOANS IN DEFAULT 0
DOLLAR VALUE \$0
AMOUNT GUARANTEED \$0

DEFAULTED LOANS WRITTEN OFF 1
DOLLAR AMOUNT \$2,867.02
GUARANTEED AMOUNT \$3,185.58

TOTAL LOANS OUTSTANDING 6
DOLLAR AMOUNT \$78,497.67
GUARANTEED AMOUNT \$70,647.90

TOTAL FUNDS ALLOCATED \$96,497.67
GUARANTEED AMOUNT \$86,847.90

Glendive MBDC - Regions XI & XII

Loans funded this quarter 1
Dollar Value of Loans \$656.00
Job Creation 1 FTEs Job Retention 1 FTEs
Public Assistance Reduction: None
Geography of Loans: Custer county - 1 loan
Demography of Loans: loans to females 50%
loans to males 50%
loans to Caucasions 100%

LOANS FULLY REPAID 1
DOLLAR AMOUNT \$9,342.32

LOANS IN DEFAULT 0
DOLLAR AMOUNT \$0

DEFAULTED LOANS WRITTEN OFF 0
DOLLAR AMOUNT \$0

TOTAL LOANS OUTSTANDING 5
DOLLAR AMOUNT \$26,895.97

LOAN FUNDS ALLOCATED \$49,230.00

Great Falls MBDC - Region IV

Loans funded this quarter 1
Dollar Value of Loans \$20,000
Job Creation 0 FTEs Job Retention 0 FTEs
Public Assistance Reduction: None
Geography of Loans: Cascade county - 1 loan
Demography of Loans: loans to males 50%
loans to females 50%
loans to Caucasians 100%
LOANS FULLY REPAID 0
DOLLAR AMOUNT \$0
LOANS IN DEFAULT 1
DOLLAR AMOUNT \$5,910.56
DEFAULTED LOANS WRITTEN OFF 0
DOLLAR AMOUNT \$0
TOTAL LOANS OUTSTANDING 8
DOLLAR AMOUNT \$95,530.12
LOAN FUNDS ALLOCATED \$ 98,800.00

Havre MBDC - Region VII

Loans funded this quarter 3
Dollar Value of Loans \$56,920
Job Creation 4 FTE Job Retention 3 FTE
Public Assistance Reduction: N/A
Geography of Loans: loans in Hill county - 1
loans in Blaine county -1
loans in Liberty county-1
Demography of Loans:
loans to males 66%
loans to females 34%
loans to Caucasians 100%
LOANS FULLY REPAID 3
DOLLAR AMOUNT \$29,044
LOANS IN DEFAULT 0
DOLLAR AMOUNT \$0
DEFAULTED LOANS WRITTEN OFF 0
DOLLAR AMOUNT \$0
TOTAL LOANS OUTSTANDING 23
DOLLAR VALUE \$303,671.00
LOAN FUNDS ALLOCATED \$379,629

EXHIBIT 4

DATE 2-28-95

HB 354

MBDC Quarter Summary

October 1, 1994- December 31, 1994

Page 4

Helena MBDC - Region V

Loans funded this quarter 4
Dollar Value of Loans \$19,122.76
Job Creation 3.50 FTEs Job Retention 3 FTEs
Public Assistance Reduction: N/A
Geography of Loans: Lewis & Clark county - 4 loans
Demography of Loans: loans to females 100%
loans to Caucasians 88%
LOANS FULLY REPAID 1
DOLLAR AMOUNT \$1,147.00
LOANS IN DEFAULT 2
DOLLAR AMOUNT \$11,984.75
DEFAULTED LOANS WRITTEN OFF 2
DOLLAR AMOUNT \$4,881.69
TOTAL LOANS OUTSTANDING 42
DOLLAR AMOUNT \$237,084.00
LOAN FUNDS ALLOCATED \$317,112.33

Kalispell MBDC - Region I

Loans funded this quarter 2
Dollar Value of Loans \$29,750
Job Creation 3.5 FTE Job Retention 2 FTE
Public Assistance Reduction: None
Geography of Loans: Flathead county -2 loan
Demography of Loans: loans to males - 66%
loans to females - 34%
loans to caucasians - 100%
LOANS FULLY REPAID 6
DOLLAR AMOUNT \$46,487.00
LOANS IN DEFAULT 0
DOLLAR AMOUNT \$0
LOANS IN DEFAULT WRITTEN OFF 2
DOLLAR AMOUNT \$19,854
TOTAL LOANS OUTSTANDING 9
DOLLAR AMOUNT \$85,130
TOTAL FUNDS ALLOCATED \$189,973

Lewistown MBDC - Region VIII

Loans funded this quarter 2
Dollar Value of Loans \$35,000
Job Creation 3 FTE Job Retention FTE
Public Assistance Reduction: N/A
Geography of Loans: Fergus county - 2 loans
Demography of Loans: loans to females 50%
loans to males 50%
loans to Caucasians 100%
LOANS FULLY REPAID 0
DOLLAR AMOUNT \$0
LOANS IN DEFAULT 0
DOLLAR AMOUNT \$0
LOANS IN DEFAULT WRITTEN OFF 0
DOLLAR AMOUNT \$0
TOTAL LOANS OUTSTANDING 8
DOLLAR AMOUNT \$93,495.11

*Malta-Wolf Point MBDC - Region X

Loans funded this quarter 1
Dollar Value of Loans \$10,000.00
Job Creation 1 FTE Job Retention 1 FTE
Public Assistance Reduction: N/A
Geography of Loans: Roosevelt county - 1 loan
Demography of Loans: loans to females 100%
loans to Caucasians 100%
LOANS FULLY REPAID 0
DOLLAR AMOUNT \$0
LOANS IN DEFAULT 2
DOLLAR AMOUNT \$1814.90
LOANS IN DEFAULT WRITTEN OFF 0
DOLLAR AMOUNT \$0
TOTAL LOANS OUTSTANDING 6
DOLLAR AMOUNT \$60,410.60
TOTAL FUNDS ALLOCATED \$62,050

EXHIBIT 4
DATE 2-28-95
HB 354

MBDC Quarter Summary
October 1, 1994- December 31, 1994
Page 6

Missoula MBDC - Region II

Loans funded this quarter 2

Dollar Value of Loans \$16,000

(note: the following data is aggregate, not reporting quarter only)

TOTAL JOB CREATION 31.25 FTES JOB RETENTION 15.65 FTES

(note: the job creation/retention data includes loans packaged with MBDC and other funds)

Public Assistance Reduction: \$601 per month AFDC reduction

Geography of Loans: Mineral county - 1 loan

Missoula county - 18 loans

Ravalli county - 1 loan

Demography of Loans: loans to males 35% loans to females 65%

loans to Caucasians 83% loans to Native Americans 17%

LOANS FULLY REPAYED 7

DOLLAR AMOUNT \$66,538

LOANS IN DEFAULT 1

DOLLAR AMOUNT \$1,632

DEFAULTED LOANS WRITTEN-OFF 5

DOLLAR AMOUNT \$29,938

TOTAL LOANS OUTSTANDING 20

DOLLAR AMOUNT \$85,142

TOTAL FUNDS ALLOCATED \$243,389

*Statewide MBDC

TOTAL LOANS OUTSTANDING 0

DOLLAR VALUE \$0

* Indicates that MBDC is not finished developing its infrastructure and is not able to make loans.

December 31, 1994

Microbusiness Loans
By Standard Industrial Classification Code

0111-0971: Agriculture, Forestry, Fishing

| | | |
|------|-----------------------------------------|----------------|
| 0182 | Food crops grown under cover | \$20,000 |
| 0212 | Beef cattle production, except feedlots | \$20,000 |
| 0271 | Fur-bearing animals and Rabbits | \$5,300 |
| 0782 | Lawn and Garden Services | \$5,736 |
| 0921 | Fish hatcheries | <u>\$9,343</u> |
| | TOTAL | \$60,379 |

1011-1499: Mining

TOTAL \$0

1521-1799: Construction

| | | |
|------|---------------------------------|----------------|
| 1531 | Operative Builders | \$20,000 |
| 1721 | Painting and paper hanging | \$27,078 |
| 1752 | Floor laying/Floor work n.e.c. | \$2,130 |
| 1741 | Masonry and other stonework | \$25,000 |
| 1794 | Excavation work | \$53,660 |
| 1799 | Special trade contractor n.e.c. | <u>\$8,400</u> |
| | TOTAL | \$136,268 |

2011-3999: Manufacturing

| | | |
|-----------|-------------------------------------------------|----------|
| 20XX | Food and kindred products | \$15,650 |
| 2048 | Prepared feeds n.e.c. | \$20,000 |
| 2051 | Bread, cake, and related products | \$14,633 |
| 209X | Misc. food and kindred products | \$20,000 |
| 23XX | Apparel and other textile products | \$2,387 |
| 2329 | Men's & boys' clothing n.e.c. | \$34,384 |
| 2339 | Women's and misses' outerwear n.e.c. | \$45,095 |
| 2385 | Waterproof Outerwear | \$5,326 |
| 238X | Misc. apparel and accessories | \$3,177 |
| 2389 | Apparel and accessories n.e.c. | \$38,000 |
| 2392 | House furnishings n.e.c. | \$3,000 |
| 2394 | Canvas and related products | \$6,000 |
| 2399 | Fabricated textile products, n.e.c. | \$5,031 |
| 2411 | Logging | \$19,900 |
| 2421 | Sawmills and planing mills, general | \$13,500 |
| 25XX | Furniture and fixtures | \$20,000 |
| 2511 | Wood household furniture | \$27,050 |
| 2512/2541 | Upholstered furniture/wood partitions, fixtures | \$5,500 |
| 2599 | Furniture and fixtures n.e.c. | \$9,795 |
| 271X | Newspapers | \$30,657 |
| 2731 | Book publishing | \$20,000 |
| 3111 | Leather tanning and finishing | \$39,975 |
| 336X | Nonferrous Foundries (castings) | \$10,000 |
| 3429 | Hardware n.e.c. | \$20,150 |
| 382X | Measuring and Controlling Devices | \$20,681 |
| 3942 | Dolls and stuffed toys | \$1,140 |
| 3949 | Sporting and athletic goods n.e.c. | \$55,000 |

EXHIBIT 4
 DATE 2-28-95
 # HB 354

Microbusiness Loans by SIC Code
 To-date December 31, 1994; Page 2

| | | |
|------|-----------------------------------|-----------------|
| 3993 | Signs and advertising specialties | \$40,333 |
| 3999 | Manufacturing industries n.e.c. | <u>\$25,661</u> |
| | TOTAL | \$572,025 |

4011-4971: Transportation, Public Utilities

| | | |
|------|-----------------------------------|-----------------|
| 411X | Local and suburban transportation | \$26,801 |
| 4142 | Bus charter service, except local | \$18,000 |
| 4789 | Transportation services n.e.c. | \$40,000 |
| 4952 | Sewerage systems | <u>\$15,664</u> |
| | TOTAL | \$100,465 |

5012-5199: Wholesale Trade

| | | |
|------|------------------------------------|-----------------|
| 5013 | Motor vehicle supplies & new parts | \$9,000 |
| 5093 | Scrap and waste materials | \$15,345 |
| 5131 | Piece goods and notions | \$12,950 |
| 5169 | Chemicals & allied products n.e.c. | \$16,000 |
| 5191 | Farm Supplies | \$15,000 |
| 5199 | Nondurable goods n.e.c. | <u>\$15,000</u> |
| | TOTAL | \$83,295 |

5211-5999: Retail Trade

| | | |
|-----------|------------------------------------------|------------------|
| 5211 | Lumber and other building materials | \$20,000 |
| 5331 | Variety stores | \$20,000 |
| 5399 | Misc. general merchandise stores | \$20,000 |
| 5399/5932 | Gen. merchandise/Used merchandise stores | \$10,000 |
| 5411 | Grocery stores | \$5,700 |
| 5451 | Dairy products stores | \$20,000 |
| 5461 | Retail Bakeries | \$6,239 |
| 5714 | Drapery and upholstery stores | \$12,000 |
| 58XX | Eating and drinking places | \$8,377 |
| 5812 | Eating places | \$91,500 |
| 59XX | Misc. retail | \$29,871 |
| 5912 | Drug Stores and Proprietary Stores | \$29,000 |
| 5932 | Used merchandise stores | \$45,000 |
| 5941 | Sporting goods and bicycle shops | \$76,000 |
| 5942 | Book stores | \$15,000 |
| 5944 | Jewelry stores | \$3,306 |
| 5945 | Hobby, toy, & game shops | \$17,400 |
| 5947 | Gift, novelty, and souvenir shops | \$26,990 |
| 5949 | Sewing, needlework, & piece goods | \$2,594 |
| 5961 | Catalog and mail order houses | \$15,670 |
| 5963 | Direct selling establishments | \$1,147 |
| 5999 | Misc. retail stores n.e.c. | <u>\$102,770</u> |
| | TOTAL | \$578,564 |

6011-6799: Finance, Insurance, Real Estate

| | | |
|------|---------------------------------------|----------------|
| 6411 | Insurance agents, brokers, & services | <u>\$5,184</u> |
| | TOTAL | \$5,184 |

Microbusiness Loans by SIC Code
To-date December 31, 1994; Page 3

7011-8999: Services

| | | |
|------|----------------------------------------|-----------------|
| 703X | Camps and recreational vehicle parks | \$20,000 |
| 7215 | Coin-operated laundries and cleaning | \$8,065 |
| 7217 | Carpet & upholstery cleaning | \$6,390 |
| 7231 | Beauty shops | \$38,466 |
| 724X | Barber shops | \$545 |
| 729X | Misc. personal services | \$4,755 |
| 73XX | Business services | \$47,964 |
| 7336 | Commercial art & graphic design | \$5,000 |
| 7338 | Secretarial & court reporting | \$13,165 |
| 7389 | Business services n.e.c. | \$15,586 |
| 7532 | Auto body repair and paint shops | \$28,000 |
| 7549 | Automotive services n.e.c. | \$49,690 |
| 7631 | Watch, clock, and jewelry repair | \$2,646 |
| 769X | Misc. repair shops | \$4,250 |
| 7699 | Repair services n.e.c. | \$6,500 |
| 7841 | Video tape rental | \$56,034 |
| 79XX | Amusement and recreation services | \$35,914 |
| 7991 | Physical fitness facilities | \$6,588 |
| 7999 | Amusement and Recreational n.e.c. | \$34,936 |
| 8041 | Offices and clinics of chiropractors | \$15,650 |
| 8049 | Offices of health practitioners n.e.c. | \$12,000 |
| 8072 | Dental laboratories | \$6,000 |
| 8082 | Home health care services | \$10,400 |
| 8093 | Specialty outpatient clinics n.e.c. | \$7,431 |
| 8099 | Health and allied services | \$32,490 |
| 8299 | Schools & educational services n.e.c. | \$40,546 |
| 835X | Child day care services | \$35,763 |
| 8361 | Residential Care | \$20,000 |
| 8412 | Museums and art galleries | \$5,000 |
| 8711 | Engineering services | \$19,500 |
| 8721 | Accounting, auditing, & bookkeeping | \$5,000 |
| 8734 | Testing laboratories | <u>\$20,000</u> |
| | TOTAL | \$614,274 |

9111-9999: Public Administration, Non-Classifiable

TOTAL \$0

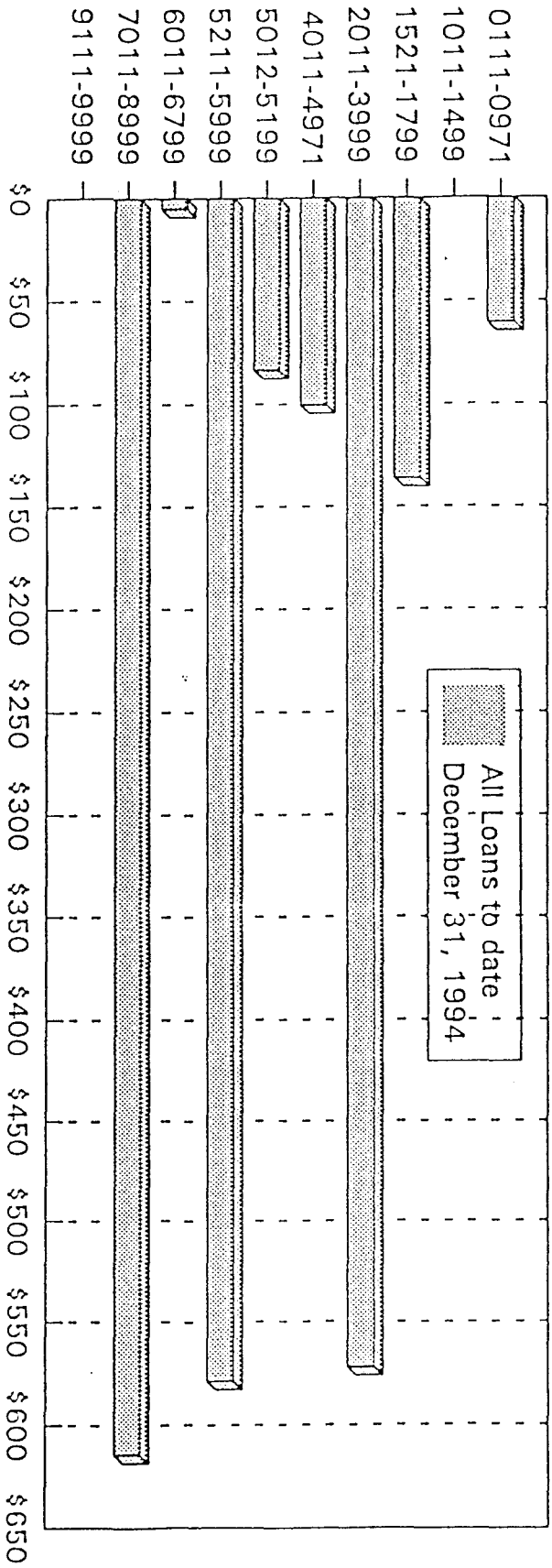
Notes:

n.e.c. - not elsewhere classified

EXHIBIT 4
 DATE 2-28-95
HB 354

MICROBUSINESS LOANS

BY STANDARD INDUSTRIAL CLASSIFICATION

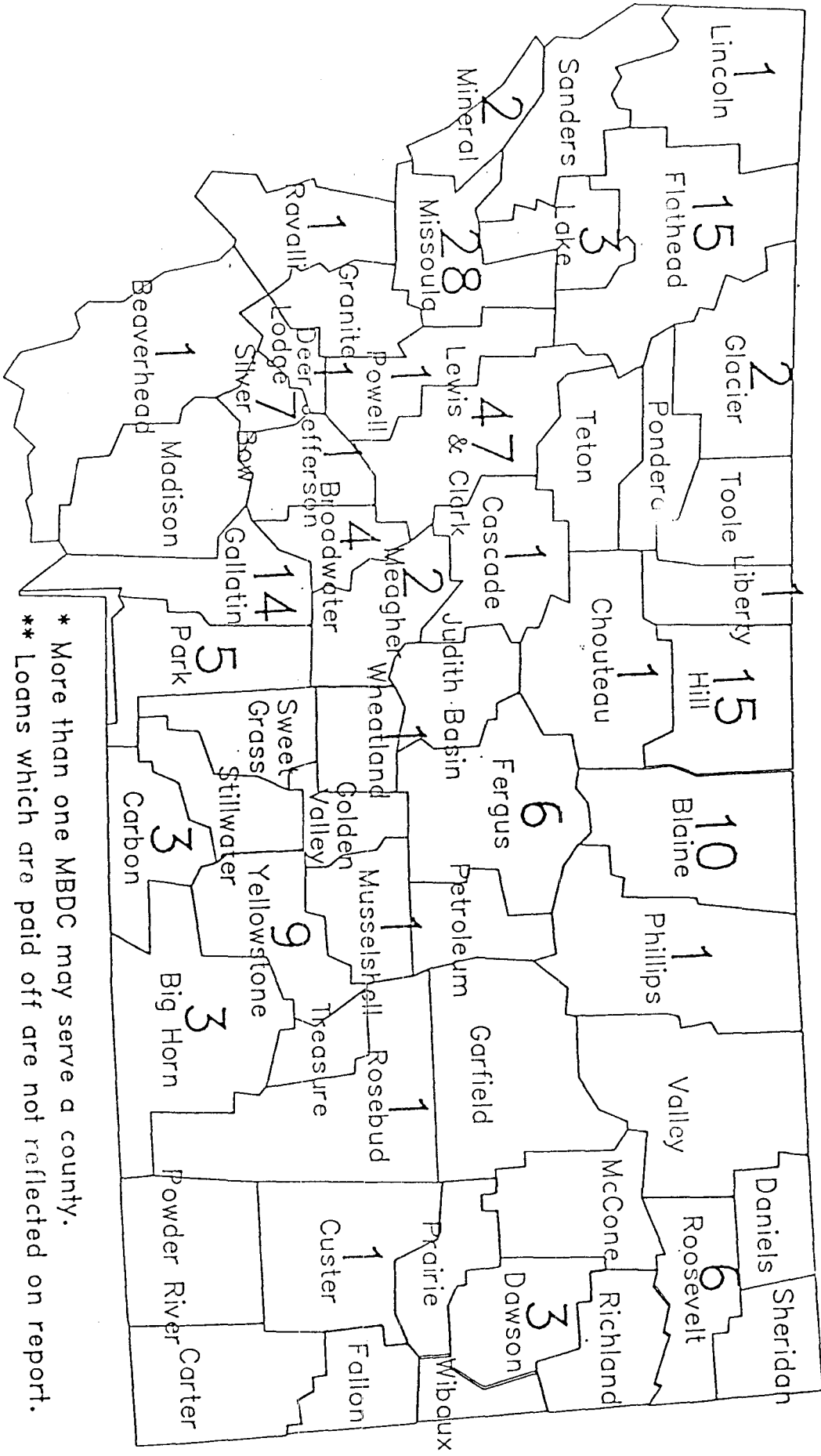


TOTAL OF LOANS
Thousands

| | |
|---------------------------------------------|---------------------------------------------------|
| 0111-0971: Agriculture, Forestry, Fishing | 5012-5199: Wholesale Trade |
| \$60,379.00 | \$83,295.00 |
| 1011-1499: Mining | 5211-5999: Retail Trade |
| \$0.00 | \$578,564.00 |
| 1521-1799: Construction | 6011-6799: Finance, Insurance, Real Estate |
| \$136,268.00 | \$5,184.00 |
| 2011-3999: Manufacturing | 7011-8999: Services |
| \$572,025.00 | \$614,274.00 |
| 4011-4971: Transportation, Public Utilities | 9111-9999: Public Administration, Nonclassifiable |
| \$100,465.00 | \$0.00 |

MICROBUSINESS FINANCE PROGRAM

Geographic Distribution of Loans - To Date 12-31-94



* More than one MBDC may serve a county.
 ** Loans which are paid off are not reflected on report.

MONTANA MICROBUSINESS FINANCE PROGRAM THIRD PARTY EVALUATION

Executive Summary

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 2/28/95

BILL NO. HP 354



for the
US WEST Foundation
Montana Legislature
Montana Department of Commerce

The original of this document is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

(booklet)

Prepared by:

James R. Boyer
Boyer Consulting Services

Larry Nordell
Nordell Economic Analysis

DATE February 28, 1995

SENATE COMMITTEE ON Finance and Claims

BILLS BEING HEARD TODAY: HB 142 Rep. Somerville

HB 354 Rep. Mills

< ■ > PLEASE PRINT < ■ >

Check One

| Name | Representing | Bill No. | Support | Oppose |
|------------------|---------------------------------------|----------|-------------------------------------|--------------------------|
| Kelly FLAHERTY | MT. Women's Capital Fund | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Duane Kurokawa | Micro Advisory Council | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Dolph Hawes | - - - | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Dan Lubera | MT Disast. Emerg. | HB 142 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Q L Gilbertson | | HB 142 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Norm Mills | House | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Terry Richter | Kalispell | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| DAVID BOND | Kalispell/WF | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| JAMES A. LAFFLOS | MT FIRE DIST ASSN | HB 142 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Chuck O'Rally | Int. Sheriff's Assoc Officers Assn | HB 142 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Bob Backlund | Micro Adv Council | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Kate Cholewa | MT Women's Lobby | HB 354 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ROGER A. HOGAN | OFFICER + ENLISTED ASSOCIATION | HB 142 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Linda Reed | Gov's office | HB 354 | <input type="checkbox"/> | <input type="checkbox"/> |

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

