

Montana Department of Commerce  
Big Sky Economic Development Trust Fund  
(MCA 90-1-2)

**History:** - House Bill 249 was passed by the 59<sup>th</sup> Legislature and on July 1, 2005, \$20 million was transferred from the coal severance tax permanent fund to the Big Sky Economic Development Fund (Trust Fund). In addition a portion of the total coal severance taxes collected annually is deposited into the Trust Fund. **Interest earnings only, not principal**, from the Trust Fund are available for financial assistance to local governments and economic development organizations through application to the Department of Commerce.

**Purpose:** - As stated in HB249, the legislative purpose of the Trust Fund is to:

- Create good-paying jobs for Montana residents,
- Promote long-term, stable economic growth in Montana,
- Encourage local economic development organizations,
- Create partnerships between the state, local governments, and local economic development organizations that are interested in pursuing these same economic development goals,
- Retain or expand existing businesses, and
- Provide a better life for future generations through greater economic growth and prosperity in Montana.

**Types of Funding by Statute:**

- **Category I:** 75% of Trust Fund earnings shall be awarded to local governments in the form of grants and loans for economic development projects.
- **Category II:** 25% of Trust Fund earnings shall be awarded to Certified Regional Development Corporations and other eligible economic development organizations in the form of grants for economic development planning grants.

**Category I Criteria and Information:**

**Funding –** During the current biennium, a projected total of \$2.7 million in interest earnings from the Trust Fund will be available for program awards.

**Business Eligibility -**

- Primary sector business
- Create **at least 1 new job** in Montana;
- Pay new employees **at least the average wage of the County in which the employees are to be principally employed;**
- **Demonstrate that the business expansion is financially feasible.**

**Grant Award Ceiling and Thresholds**

- The maximum grant award is **\$5,000 for each new job.**

**Match Requirements**

- **\$1 for every \$1 awarded.**

**Eligible Costs**

- Land acquisition, demolition. Public infrastructure, workforce training, loans for fixed assets, interest rate reductions, relocation costs, rental assistance and lease buy-downs

**Applications for funding must include**

- Business plan, financial statements, and projections.

**Clawback**

- Contract specifying terms of the grant and repayment requirements should the company fail to maintain the jobs, wage levels or other contract requirements.

## Category I Projects Funded 2007 Biennium

Category I projects are awarded to local government entities and require the creation of net new full-time jobs that provide wages that meet or exceed the current average weekly wage of the county, excluding benefits. Jobs referenced below meet this threshold.

### Student Assistance Foundation

Jobs Created: 34

Leveraged Funds: \$20,312,776

BSTF Funds: \$170,000

A \$170,000 grant was awarded to the City of Helena in January 2007 for the expansion of the Student Assistance Foundation, a student loan servicing company, to create a total of 108 jobs, of which 34 qualify (pay  $\geq$  \$15.50 per hour) for Big Sky Economic Development Fund assistance. Funding will be used to assist with training company employees.

### CDI Business Solutions – Aerospace

Jobs Created: 40

Leveraged Funds: \$1,542,492

BSTF Funds: \$200,000

A \$200,000 grant was awarded to the City of Bozeman for the training 40 new employees, mostly drafters and engineers for work on the Sikorsky Aircraft Corporation contract at the new CDI Engineering Design Center in Bozeman. The jobs must pay at least \$13.90 per hour, excluding benefits.

### DIRECTV Customer Services, Inc.

Jobs Created: 92

Total Project Cost: \$20,515,000

BSTF Funds: \$460,000

A \$460,000 grant was awarded to Missoula County toward the purchase of a completely constructed building in the Missoula County Development Park. The County will then lease the building to DIRECTV. The program support will result in the creation of 92 net new jobs that pay over \$13.75 per hour, excluding benefits. The award will support the creation of over 950 total jobs at the DIRECTV project site over the next several years.

### Summit Aeronautics Group

Jobs Created: 40

Total Project Cost: \$22,000,000

BSTF Funds: \$200,000

A \$200,000 grant was awarded to the Helena Regional Airport Authority to support the expansion of Summit Aeronautics by reducing a lease rate increase that resulted from the relocation of a gas pipeline. The assistance awarded will assist in the creation of 40 net new jobs that pay at least \$15 per hour, excluding benefits.

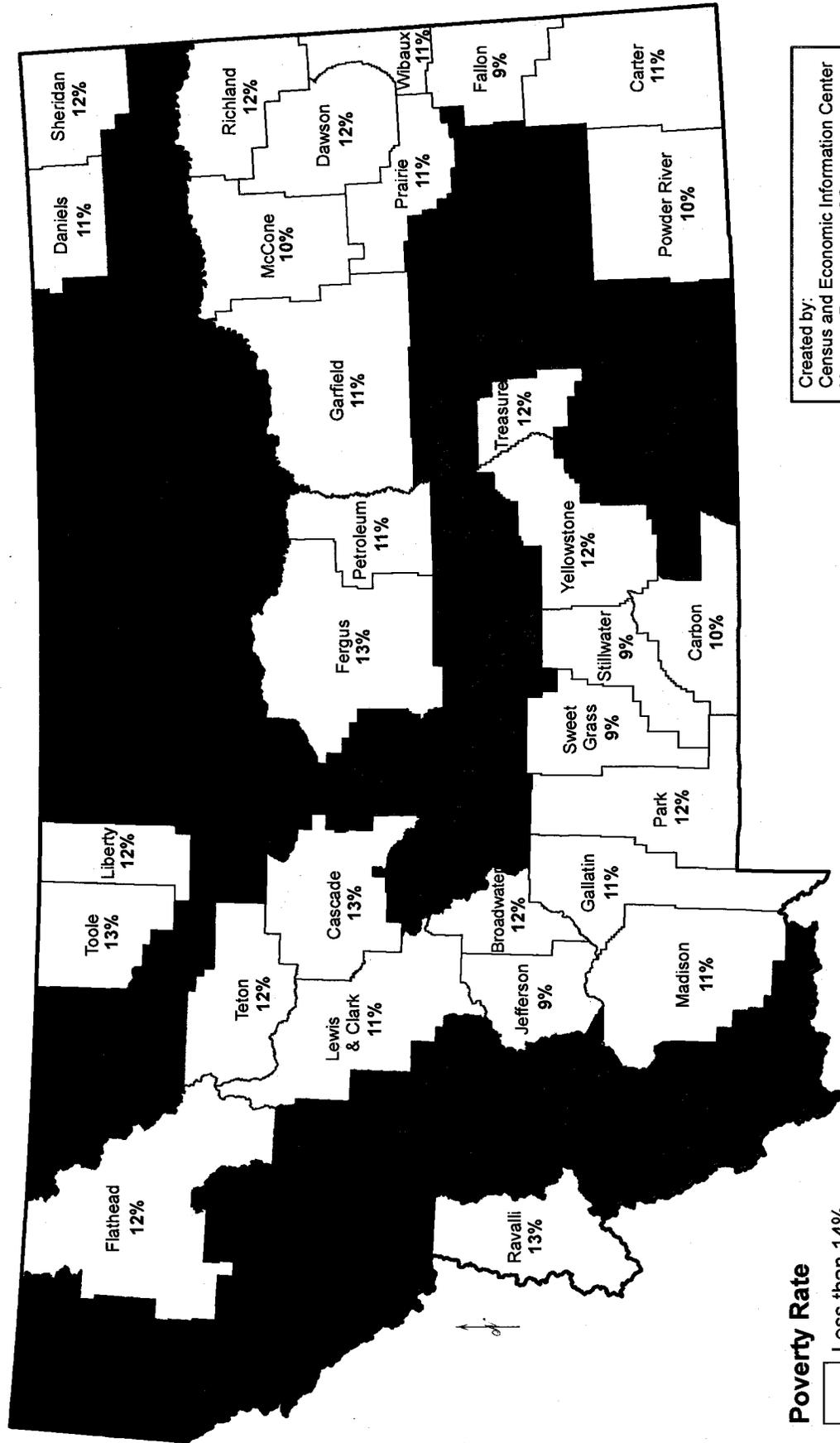
## Category II Projects Funded 2007 Biennium

Category II projects are made to Certified Regional Development Corporations (CRDCs) or other eligible economic development organizations.

A total of 22 Category II capacity building and planning grants were awarded to Certified Regional Development Corporations and other local economic development organizations. The total grants awarded were \$319,820 and the average grant size was \$14,540.

# Poverty in Montana - 2004

## County Poverty Rates



**Poverty Rate**  
 ☐ Less than 14%  
 ■ 14% or More

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