



Governor Brian Schweitzer
Montana on the Move

Economic Benefits Business Resources Division Programs

New Worker Training Grants (WTG)



- 2,351 trained workers

- \$99.7 million in wages

- \$4.1 million individual income taxes annually

December 2008

MONTANA
Department of Commerce
Anthony J. Preite, Director

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EXECUTIVE SUMMARY

The Primary Sector Business Workforce Training Grant (WTG) was passed during the 2005 legislative session. This new program provides state funds for workforce training.

Since the inception of the WTG program:

- \$8.2 million has been allocated to 20 companies resulting in \$227.0 million in projects
 - 2,351 WTG-eligible high paying jobs were created that earned \$99.7 million in wages and salaries and paid \$4.1 million in annual individual income taxes
 - 100% of the employees will receive health insurance benefits
-

To determine the benefit to Montana's economy of this program, the Department of Commerce used an economic model to analyze the impact of economic development activities.

The four impacts analyzed were:

- Employment – Number of jobs,
- Employment Compensation – Wages and salaries,
- Economic Output – Amount of goods and services produced, and
- Taxes – Individual income, corporate income, property and business equipment.

Some of the key findings of the report are:

- Ten of the 20 companies awarded WTG funds began operation in Montana in 2004 or later.
 - A total of 7,769 employees are supported by these projects who will earn \$222.6 million in wages and salaries thus paying \$9.2 million in individual income taxes.
 - For every Commerce dollar awarded, the companies provided \$20.41 in matching funds.
 - Nearly \$94.3 million is being spent on construction activities in the state, supporting 1,729 construction-related jobs. Wages and salaries paid is \$41.0 million while individual income taxes are \$1.7 million. In addition, seven new buildings were constructed, adding over \$54.0 million to the taxable base.
 - These companies spent more than \$83.2 million on equipment with \$22.8 million spent on Montana-made products and services.
 - Not only will the companies receive \$8.2 million in new worker training funds, these companies contributed another \$7.0 million to ensure their employees receive the latest training in their respective areas of expertise.
 - Nine of the 20 companies will be partnering with some of Montana's higher educational institutions to conduct the needed training and educational requirements of the net new jobs.
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INTRODUCTION

Promoting statewide economic prosperity is the Department of Commerce's main mission. Through a variety of programs, the Department of Commerce aims to improve, enhance, and diversify Montana's economic and business climate. To accomplish this mission, a new workforce training program was created by the 2005 Legislature.

In 2005, the Montana Legislature funded the *Primary Sector Business Workforce Training Grant Act*, referred to as New Worker Training Grants (WTG) to encourage the creation of good-paying jobs in primary sector businesses. Funds are awarded to companies to train employees in newly created jobs (see sidebar for more information on the WTG Act).

The New Worker Training Act

The 59th Montana Legislature passed House Bill 270 (HB 270), a new worker training act created to provide funding to meet the training needs of employees working in expanding primary sector industries in Montana. HB 270 was signed into law on April 28, 2005 with \$1.4 million of annual funding available for state fiscal years 2006 and 2007. The 60th Montana Legislature passed House Bill 2 (HB 2) which increased annual program funds to \$3.9 million for state fiscal years 2008 and 2009.

Between July 1, 2006 and October 31, 2008 the WTG program:

- \$8.2 million has been allocated to 20 companies resulting in \$227.0 million in projects
 - 2,351 WTG-eligible high paying jobs were created that earned \$99.7 million in wages and salaries and paid \$4.1 million in annual individual income taxes
 - 100% of the employees will receive health insurance benefits
-

This report sets out to quantify the impacts of these training funds on the economy of Montana by using an economic model called IMPLAN¹. The types of impacts produced by the model are:

- Employment – Number of jobs,
- Employment Compensation – Wages and salaries,
- Economic Output – Amount of goods and services produced², and
- Taxes – Individual income, corporate income, property and business equipment.

These impacts are direct³, indirect⁴, or induced⁵. The indirect and induced impacts are commonly referred to as the ripple or multiplier effect. Total impacts then are the summation of all impacts.

This report will initially describe the WTG program in more detail. The economic impacts of the WTG funding on Montana's economy will be described in the second section. All activities and impacts will be summarized in the last section of this report.

1. IMPLAN is an input-output model developed by the Minnesota IMPLAN company. See www.implan.com

2. Economic output is another name for Gross Domestic Product, which is a measurement of the production of goods and services in an economy.

3. The number of new employees plus the amount of money spent on construction, equipment, and training are the direct impacts.

4. Indirect effects represent business-to-business purchases, such as the use of colleges and universities for training the employees.

5. Induced impacts are generated when the direct and indirect employees spend their wages on goods and services in the state.

WORKFORCE TRAINING GRANT (WTG) PROGRAM

Trained workers are an important component of business success. In 2005, the Legislature took this to heart and began funding training for employees in newly created full-time jobs in an eligible business.

Up to October 31, 2008, twenty separate businesses have received training funds for 22⁶ projects. Nearly \$227.0 million in projects are underway in the state using WTG training funds with the companies providing \$216.4 million in matching funds. Over \$8.2 million has been awarded to train 2,351 employees in net new jobs. An additional 91 employees were hired in order for one business to begin operations, therefore, a total of 2,442 jobs were created by the WTG awardees.

Six of the 20 companies received funding from other Montana Department of Commerce programs. Four companies received monies from the Big Sky Trust Fund (BSTF), one company received funding from the Community Development Block Grant – Economic Development (CDBG-ED) program and one company received funding from both BSTF and CDBG-ED. Therefore, for every Commerce dollar awarded, the companies provided \$20.41 in matching funds.

Manufacturing, mining, information technology, health care, professional business services and transportation businesses, to name a few, have either moved into the Big Sky state or Montana-based businesses have expanded their workforces. Half of these businesses have been in operation in Montana only since 2004 or later. However, home grown companies have also received WTG funding. Watkins Shepard Trucking, Inc. was formed in 1974 with headquarters in Missoula and Helena.

Being a large company is not a requirement of WTG. Hobson Insurance in Judith Basin County only employed eight people before applying for training funds. There are businesses, though, that have tens of thousands employees world wide, such as TeleTech Holdings in Flathead County and General Electric in Yellowstone County.

Through the WTG program, up to \$5,000 per newly created job can be used for education or skills-based training (see next page for grant guidelines). All training programs must be approved by the Montana Department of Labor and Industry. Many of Montana's higher educational institutions have entered into agreements or created new programs to supply the needed education and training. For example, the St. Vincent Healthcare Foundation in Billings is partners with MSU – Billings, Miles Community College, Montana Tech and MSU – Billings College of Technology, to build a qualified workforce in the health care industry. Table 1 lists all the educational institution partners.

County	City	Institution
Cascade	Great Falls	MSU - Great Falls College of Technology
Custer	Miles City	Miles Community College
Flathead	Kalispell	Flathead Valley Community College
Gallatin	Bozeman	Montana State University
Lewis & Clark	Helena	UM - Helena College of Technology
Missoula	Missoula	University of Montana
Silver Bow	Butte	Montana Tech
Yellowstone	Billings	MSU - Billings College of Technology
Yellowstone	Billings	MSU Billings – main campus

⁶ Two companies received two awards each.

New Worker Training Grants Guidelines

Definition of New Jobs

New jobs do not include (a) jobs for recalled employees, (b) replacement employees, (c) jobs created by an employer as the result of an acquisition of a Montana company if those jobs previously existed in the state of Montana or (d) other jobs that previously existed within the employment of the employer in the state. These new jobs are then 'net new' jobs (MCA 39-11-103).

Match Requirements

To be eligible for a grant, an applicant shall provide a match of at least \$1.00 for every \$3.00 requested (MCA 39-11-202).

Eligible Training Costs

The grant award may only be used for direct costs associated with education or skills-based training for the newly created jobs. All necessary and incidental costs of providing workforce training and education directed to the new jobs are eligible for a grant. This includes all direct training costs, such as (MCA 39-11-103):

- program promotion;
- instructor wages, per diem, and travel;
- curriculum development and training materials;
- lease of training equipment and training space;
- miscellaneous direct training costs (such as employee training-related travel) and administrative costs;
- assessment and testing;
- in-house or on-the-job training; and
- subcontract services with eligible training providers.

Membership of Grant Review Committee

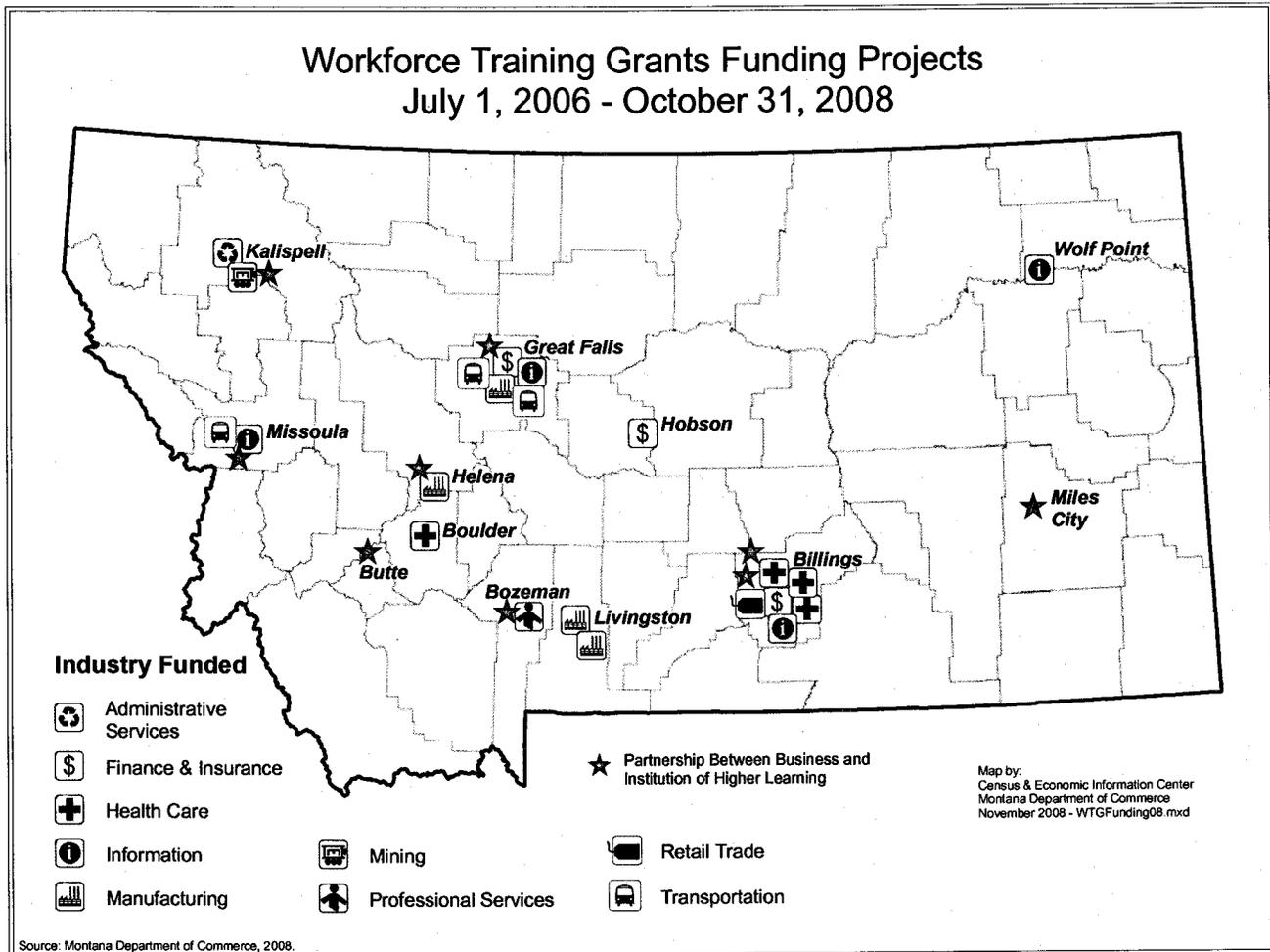
A Grant Review Committee decides which companies will be awarded WTG funds and how much. The seven-member committee is composed of:

1. Two representatives from the private sector representing economic development, appointed by the governor;
2. Two representatives from the commercial banking community, one appointed by the president of the senate and one appointed by the speaker of the house, one of who serves on a local workforce investment board;
3. One representative from a 2-year post secondary institution, appointed by the governor;
4. One representative from the Department of Commerce, appointed by the governor; and
5. One representative from the Department of Labor and Industry, appointed by the governor. (MCA 39-11-201).

For more information on the WTG program, see www.mtfinanceonline.com/WorkForceGrnts.asp

Map 1 shows the locations of all WTG business and their respective industries.

Map 1. Location and Industry Type of Workforce Training Grant Projects



Source: WTG

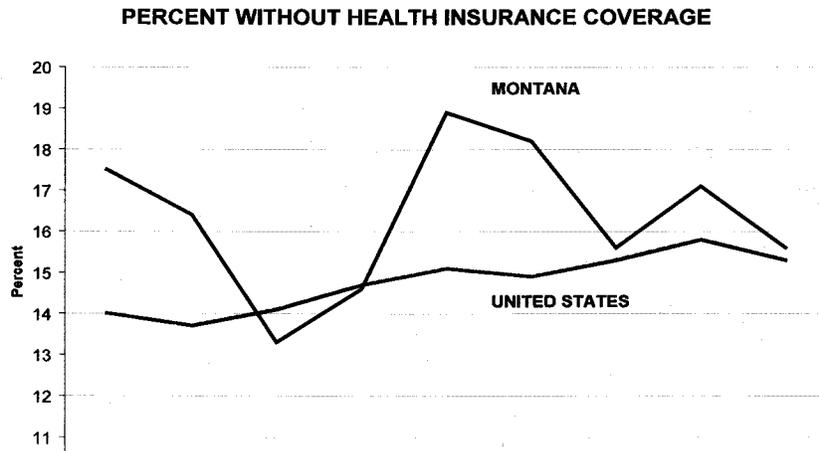
Montana workers are learning new skills and obtaining higher education certifications and degrees through the WTG program. Montanans are being trained as scientific lab technicians, nurses, mechanics, technical service representatives, truck drivers and claims analysts. All wages for these newly trained workers must be above the average for the county the business is located in or the state average. A table with 2007 average wage by county appears in the Appendix. On average, these newly trained workers will receive \$42,410 per year or \$20.39 per hour well above the state average of \$15.50 per hour.

Not only are Montana workers being trained for higher paying jobs, they are receiving benefits such as health insurance. In 2007, 15.6% of all Montanans were without health insurance, a total of 146,000 individuals⁷.

7 U.S. Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2008

Montana continues to have higher uninsured rates than the nation as Chart 1 illustrates.

Chart 1. Montana and United States Health Care Uninsured Rates



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements.
Montana and United States Health Care Uninsured Rates

All 2,351 WTG-trained workers will be covered by medical insurance. Conceivably, nearly 6,000⁸ individuals will now have health insurance, reducing the uninsured rate to 14.9%. With additional income and health insurance, these workers and their families can enjoy a higher quality of life. For example, in a report from Families USA, it is estimated that 2 working-age Montanans die each week due to a lack of health insurance⁹.

Workers are learning new skills including business-based computer systems such as billing, databases, graphics and basic office software programs like Word and Excel. So-called soft skills are also taught: effective communication, coaching, problem solving, team building and negotiation. Other skills include inspecting and maintaining complex machinery, trouble shooting satellite receivers, soldering, base transceiver station maintenance, scientific measuring, heavy equipment operation and lithography.

Training spans from a minimum of eleven days to two years. Many of the businesses have developed their own training curriculum, approved by the Montana Department of Labor and Industry. They include in-house training sites, trainers and on-line courses. Others, as mentioned previously, are partnering with Montana's higher education institutions, or attending specialized training such as Certified Insurance Service Representative courses. Lastly, to stay current in their specialty, some employees are required to take at least 40 hours of training every year.

By statute, the New Worker Training Grant program is required to:

- train Montana workers in new skills;
- create new jobs;
- provide new wages;
- generate new state tax revenue; and
- leverage new funds.

Based on the funds committed to date, the statutory \$5,000 per employee would train 1,646 workers. The **proposals funded to date project 2,442 new jobs will be created and 2,351 workers will be trained.**

⁸ Calculation was done by Census and Economic Information Center staff using average household size and the number of workers per household.

⁹ Families USA, "Dying for Coverage," <http://www.familiesusa.org/>

ECONOMIC BENEFITS

New worker training grants were used in conjunction with other spending by the awardees. This section details the spending on construction, equipment purchases, training, and hiring of new employees and what the impacts have been on Montana's economy in terms of employment, compensation and individual income taxes.

Construction

Eleven of the 20 businesses receiving WTG funding performed some type of construction activity. Seven companies constructed new buildings which added \$54.0 million to the respective county's tax base with potentially \$978,000 in property tax collections. Other companies renovated or added on to existing buildings. Some of the new buildings required infrastructure improvements, such as extension of water and sewer lines while three businesses purchased land to build their buildings. In total, over \$123.0 million of construction related activities were undertaken by the WTG awardees. However some of the activity was performed by crews from out of state or used materials not produced in the state. Of that total, \$94.3 million of construction activity was performed in the state between July 1, 2006 and October 31, 2008. The total impact of the construction is found in Table 2.

Employment	1,729
Compensation	\$41.0 million
Individual Income Taxes	\$1.7 million
Source: IMPLAN	

The types of jobs supported by these construction activities are, of course, various construction workers. In addition, architectural, engineering, real estate, and legal professionals saw increased employment. With the wages the construction workers earned, they bought food at a grocery store or ate out at a local restaurant; either bought a new car or had their old ones repaired; went skiing or played golf; and visited the doctor. As Table 3 shows, every industry had employment that supported these construction activities and employee spending.

Industry	*Direct	**Other	New Total
Agriculture	0	4	4
Mining	0	1	1
Utilities	0	2	2
Construction	1,153	4	1,157
Manufacturing	0	20	20
Wholesale Trade	0	14	14
Transportation	0	18	18
Retail Trade	0	125	125
Information	0	7	7
Finance & Insurance	0	18	18
Real Estate	12	15	27
Professional Services	74	82	156
Management of Companies	0	1	1
Administrative Services	0	34	34
Education	0	5	5

Health Care	0	47	47
Arts, Recreation, Entertainment	0	11	11
Accommodations & Food Services	0	41	41
Other Services	0	35	35
Public Administration	0	3	3
Total	1,239	490	1,729
May not add due to rounding			
Source: IMPLAN			
*Direct employees are the actual workers hired to complete the construction activities.			
** Other employees include indirect and induced employees. Indirect employees represent business-to-business purchases, such as sand, gravel and cement use by the construction company while the building is under construction. Induced employment results from direct employees spending their wages on purchases.			

Equipment

Along with construction, most of the companies purchased equipment, either for their business activities, staff, or training. Nearly \$83.2 million were spent by 16 of the 20 businesses. Dump trucks to office computers were purchased by these businesses. Montana's manufacturing base is relatively small therefore most of the equipment purchased by these companies was from out-of-state. Consequently, the impacts of these purchases are smaller than the construction which used mainly Montana workers and some Montana products and services such as construction stone and gravel, wood products and architectural and engineering services. In total, \$22.8 million were spent on products and services originating in the state.

In total, 395 Montana workers were supported by these equipment purchases. They earned over \$11.3 million in compensation and paid over an estimated \$470,000 in individual income taxes. Many of the businesses purchased office furniture, computer hardware and software, and office supplies from local vendors, keeping the money local.

When new equipment is purchased, companies must pay business equipment taxes. These 16 companies paid nearly \$1.9 million in new business equipment taxes.

Training

The New Worker Training program has under contract \$8,228,538 to 20 companies in Montana for training employees in newly created jobs. A potential 2,351 workers will be trained with this money. Realizing that training their employees is important to their business success, many of the companies provided additional funds. These 20 companies provided an additional \$7.0 million in training monies. In total, \$15.2 million is allocated for the training. Table 4 shows that the training monies support an additional 522 jobs.

Employment	522
Compensation	\$6.3 million
Individual Income Taxes	\$260,000
Source: IMPLAN	

As mentioned previously, several of the companies are working with colleges and universities in the state to provide training. Many of the companies like PrintingforLess.com, Watkins Shepard and BioScience Laboratories have created their own training curriculum and have their own trainers. Companies like General Electric have internationally renowned training facilities.

Administrative and Professional Services

While the WTG program does not provide administrative funds, other Commerce programs do. To portray the complete picture of all the expenditures by the department and companies, the administrative and other professional services expenditures are included in the WTG analysis.

Programs such as the BSTF and the CDBG-ED allocate part of the funds awarded for administrative purposes such as monitoring the companies' hiring and training plans. Slightly more than \$1.7 million in funds were distributed to local governments and local economic development organizations. These funds supported 32 jobs with total wages of \$770,000 and individual income taxes of \$32,000.

New Employees

The 2,351 WTG-eligible new jobs created by the 20 companies plus the additional 91 workers support 1,987 workers. As businesses hire more employees, additional expenses are incurred. For instance, more electricity is used; more janitorial services are needed; additional legal, financial and computer services are required; even government activities increase. Table 5 depicts the number of direct employees plus the number of indirect and induced (called Other) employees supported by the creation of new jobs. As can be seen in Table 5, all the industries in the state realized some employment impact from WTG funding.

Industry	Direct	Other	Total
Agriculture	0	10	10
Mining	58	5	63
Utilities	0	11	11
Construction	0	50	50
Manufacturing	261	47	308
Wholesale Trade	0	55	55
Transportation	235	115	350
Retail Trade	102	149	251
Information	1,159	230	1389
Finance & Insurance	300	87	387
Real Estate	5	75	80
Professional Services	10	360	370
Management of Companies	0	9	9
Administrative Services	80	172	252
Education	0	19	19
Health Care	232	143	375
Arts, Recreation, Entertainment	0	50	50
Accommodations & Food Services	0	189	189
Other Services	0	185	185
Public Administration	0	26	26
Total	2,442	1,987	4,431

Source: IMPLAN
May not add due to rounding.

These 4,431 employees were paid over \$149.0 million in wages and salaries adding \$6.2 million in individual income taxes to the state's coffers.

New Employee Spending

To capture the induced effect of the spending by the new employees, their wages were analyzed separately¹⁰. Disposable income for the 2,442 employees equaled \$68.5 million. This induced spending supported 660 jobs. These workers earned \$14.2 million in wages and salaries and paid \$580,000 in individual income taxes.

As can be seen in Table 6, the largest number of employees is in the Health Care Services industry. Now that these employees have health insurance, most of their medical bills are paid by the insurance provider instead of the employee. This gives these employees more disposable income to buy other products and services, such as furniture, cars, home and garden supplies, and even to go to a restaurant.

Industry	Direct	Other	Total
Agriculture	2	7	9
Mining	0	1	1
Utilities	3	1	4
Construction	0	4	4
Manufacturing	6	4	10
Wholesale Trade	13	5	18
Transportation	8	9	17
Retail Trade	108	21	129
Information	4	5	9
Finance & Insurance	20	13	33
Real Estate	13	10	23
Professional Services	10	16	25
Management of Companies	0	1	1
Administrative Services	2	17	19
Education	10	2	12
Health Care	120	16	136
Arts, Recreation, Entertainment	19	7	26
Accommodations & Food Services	89	18	107
Other Services	56	14	70
Public Administration	5	2	7
Total	488	173	660

Source: IMPLAN May not add due to rounding.

¹⁰ On average, workers pay 30% of their income in taxes. The amount leftover is called disposable income.

SUMMARY

Table 7 depicts all the activity and impacts for the WTG program from July 1, 2006 to October 31, 2008. The \$8,228,538 million spent on training 2,351 workers leveraged \$216.7 million in project spending.

Once the construction, training and purchase expenditures are completed, \$6.8 million in income taxes will be deposited annually in the State's coffers. Table 7 summarizes all the activities and impacts created by the spending of \$227 million in project activities.

Activity	Total Amount	In Montana	Employees	Wages	Output	Income Taxes
Construction	\$123,000,000	\$94,300,000	1,729	\$41,000,000	\$137,500,000	\$1,700,000
Equipment	\$83,200,000	\$22,800,000	395	\$11,300,000	\$31,400,000	\$470,000
Training	\$15,200,000	\$14,100,000	522	\$6,300,000	\$19,900,000	\$260,000
Administrative	\$1,720,000	\$1,500,000	32	\$770,000	\$2,200,000	\$32,000
New Employees	2,442	2,442	4,431	\$149,000,000	\$686,300,000	\$6,200,000
Wages	\$99,700,000	\$99,700,000	660	\$14,200,000	\$85,000,000	\$580,000
Total	NA	NA	7,769	222,570,000	962,300,000	9,242,000

Source: IMPLAN

Dollar figures are rounded to the nearest \$10,000

Analysis Methodology

For purposes of this report, all grant monies were expended in the first year along with all the various activities funds. Income tax receipts for construction activities only occur in the first year. The tax receipts for the operational phase of the businesses occur in the first year and all succeeding years.

Not only will the employees pay individual income taxes, the companies will pay various taxes. An estimated \$940,000 will be paid in corporate income taxes. Local entities will receive \$3.7 million in a combination of property taxes, business equipment taxes, and leases.

Table 8 shows that by combining these amounts, the \$10.5 million in awards and loss of interest¹¹ generates \$2.5 million in one time income tax collections and \$11.4 million in ongoing and continuous state and local tax revenues, thereby paying for the allocations in a year.

Commerce Funds Awarded	
Category	Amount
Workforce Training Grant	\$8,228,538
Big Sky Trust Fund	\$1,600,000
Community Development Block Grant - Economic Development	\$700,000
Interest Differential	(\$73,400)
Total	\$10,455,138
Project expenditures	
One Time Activities	Income Taxes
Construction	\$1,700,000
Equipment	\$470,000
Training	\$260,000
Admin/Professional	\$32,000
Total	\$2,462,000
Operations	
Income Taxes	\$6,780,000
Corporate Taxes	\$940,000
Local Taxes	\$3,700,000
Total	\$11,420,000
Total	\$13,120,000

¹¹ The cost to the State is the difference between what would have been earned if funds stayed invested and what is being earned from the repayment of the loans.

Appendix

AVERAGE WAGE PER COUNTY.....16

**MONTANA DEPARTMENT OF COMMERCE
BUSINESS RESOURCES DIVISION
BIG SKY ECONOMIC DEVELOPMENT TRUST FUND
WORKFORCE TRAINING GRANT PROGRAM
WORKFORCE INVESTMENT ACT GRANT PROGRAM**

WEEKLY WAGE SHEET: EFFECTIVE SEPTEMBER 1, 2008

**Montana Average Wage by County
2007 Annual Average: All Industries**

County	Annual Wage	Weekly Wage	Hourly Wage
BEAVERHEAD COUNTY	\$ 28,340	\$ 545	\$ 13.63
BIG HORN COUNTY	\$ 32,136	\$ 618	\$ 15.45
BLAINE COUNTY	\$ 30,160	\$ 580	\$ 14.50
BROADWATER COUNTY	\$ 28,652	\$ 551	\$ 13.78
CARBON COUNTY	\$ 24,648	\$ 474	\$ 11.85
CARTER COUNTY	\$ 20,540	\$ 395	\$ 9.88
CASCADE COUNTY	\$ 30,992	\$ 596	\$ 14.90
CHOUTEAU COUNTY	\$ 23,140	\$ 445	\$ 11.13
CUSTER COUNTY	\$ 27,404	\$ 527	\$ 13.18
DANIELS COUNTY	\$ 27,092	\$ 521	\$ 13.03
DAWSON COUNTY	\$ 28,080	\$ 540	\$ 13.50
DEER LODGE COUNTY	\$ 24,700	\$ 475	\$ 11.88
FALLON COUNTY	\$ 39,780	\$ 765	\$ 19.13
FERGUS COUNTY	\$ 27,872	\$ 536	\$ 13.40
FLATHEAD COUNTY	\$ 31,356	\$ 603	\$ 15.08
GALLATIN COUNTY	\$ 32,500	\$ 625	\$ 15.63
GARFIELD COUNTY	\$ 18,408	\$ 354	\$ 8.85
GLACIER COUNTY	\$ 30,056	\$ 578	\$ 14.45
GOLDEN VALLEY COUNTY	\$ 23,920	\$ 460	\$ 11.50
GRANITE COUNTY	\$ 23,400	\$ 450	\$ 11.25
HILL COUNTY	\$ 27,924	\$ 537	\$ 13.43
JEFFERSON COUNTY	\$ 29,952	\$ 576	\$ 14.40
JUDITH BASIN COUNTY	\$ 22,360	\$ 430	\$ 10.75
LAKE COUNTY	\$ 28,028	\$ 539	\$ 13.48
LEWIS AND CLARK COUNTY	\$ 35,360	\$ 680	\$ 17.00
LIBERTY COUNTY	\$ 28,392	\$ 546	\$ 13.65
LINCOLN COUNTY	\$ 28,184	\$ 542	\$ 13.55
MADISON COUNTY	\$ 25,688	\$ 494	\$ 12.35
MCCONE COUNTY	\$ 27,508	\$ 529	\$ 13.23
MEAGHER COUNTY	\$ 22,152	\$ 426	\$ 10.65
MINERAL COUNTY	\$ 23,452	\$ 451	\$ 11.28
MISSOULA COUNTY	\$ 32,240	\$ 620	\$ 15.50
MUSSELSHELL COUNTY	\$ 24,752	\$ 476	\$ 11.90
PARK COUNTY	\$ 26,416	\$ 508	\$ 12.70
PETROLEUM COUNTY	\$ 17,992	\$ 346	\$ 8.65
PHILLIPS COUNTY	\$ 25,740	\$ 495	\$ 12.38
PONDERA COUNTY	\$ 27,404	\$ 527	\$ 13.18
POWDER RIVER COUNTY	\$ 21,528	\$ 414	\$ 10.35
POWELL COUNTY	\$ 30,316	\$ 583	\$ 14.58
PRAIRIE COUNTY	\$ 25,688	\$ 494	\$ 12.35
RAVALLI COUNTY	\$ 28,236	\$ 543	\$ 13.58
RICHLAND COUNTY	\$ 34,268	\$ 659	\$ 16.48
ROOSEVELT COUNTY	\$ 27,144	\$ 522	\$ 13.05
ROSEBUD COUNTY	\$ 39,156	\$ 753	\$ 18.83
SANDERS COUNTY	\$ 24,492	\$ 471	\$ 11.78
SHERIDAN COUNTY	\$ 23,556	\$ 453	\$ 11.33
SILVER BOW COUNTY	\$ 33,436	\$ 643	\$ 16.08
STILLWATER COUNTY	\$ 41,392	\$ 796	\$ 19.90
SWEET GRASS COUNTY	\$ 42,744	\$ 822	\$ 20.55
TETON COUNTY	\$ 26,572	\$ 511	\$ 12.78
TOOLE COUNTY	\$ 30,212	\$ 581	\$ 14.53
TREASURE COUNTY	\$ 21,892	\$ 421	\$ 10.53
VALLEY COUNTY	\$ 26,156	\$ 503	\$ 12.58
WHEATLAND COUNTY	\$ 21,996	\$ 423	\$ 10.58
WIBAUX COUNTY	\$ 24,492	\$ 471	\$ 11.78
YELLOWSTONE COUNTY	\$ 35,724	\$ 687	\$ 17.18
STATE AVERAGE	\$ 32,240	\$ 620	\$ 15.50
WIA (110% of STATE AVG)	\$ 35,464	\$ 682	\$ 17.05

MONTANA TRADE SHOW ASSISTANCE PROGRAM

HISTORY

In 2005, the Montana Legislature authorized funding for a Trade Show Assistance Program through the Made in Montana Program. The funding provides **financial awards to assist Montana companies in exploring new domestic and international wholesale markets** by encouraging first-time exhibition at trade shows outside of the state or participation in the US Commercial Service International Gold Key program (meeting directly with international buyers through US Embassy assistance abroad).

IDENTIFIED NEED

Business-to-business trade shows are one of the best and most cost effective ways to reach existing and potential customers in a particular field. However, they are **expensive and cash-intensive** to attend and the investment can take months to years to recoup. Banks do not provide loans for this type of business expense. The Department of Agriculture offers a similar program but non-agriculture companies are not eligible to participate.

PURPOSE

- **Assist companies in exploring new marketplaces** so they can expand market share, introduce new products, and/or access new distribution channels
- **Provide funds for targeted marketing** pieces and exhibiting expenses & materials
- **Provide training and expertise** for companies attending industry trade shows.

The program is not only for companies new to trade show exhibition, but has proven useful for established companies who were looking to exhibit at a show that they have never been to before. It is not intended for a company to use for a trade show at which it has previously or currently exhibits. Travel expenses are not eligible for reimbursement.

ABOUT THE AWARDS

The program is based on **50% reimbursement of eligible expenses** incurred during participation in an approved wholesale show. Funds are not disbursed until actual receipts are submitted after the event. A company may receive one award per fiscal year. The total individual award is limited to 50% of the actual eligible expenditures not to exceed a base amount **\$2,000 per company**.

What Montana Business Owners Have to Say...

"The Trade Show Assistance... is a great factor to our success in our view. It also helped us to decide to try wholesaling altogether. Without it we may not have taken the big step... taken on the big costs." Ardosia Stonecraft

"... the accounts we returned with were extremely beneficial to the company. As a young company, cash flow & resources are always a struggle. Tradeshow are an expensive & time consuming endeavor. Everything helps!" Celery Inc.

"Not only does the money help offset the cost, it is also reassuring to know there is a program available in support of Montana businesses." TowHaul Corp.

"Although the cost [for exhibiting] was high, we feel the face-to-face contacts are critical... It really makes a difference in contracts received." "As a fairly young company any assistance we receive is helpful in getting our name out and our foot in the door." Spika Welding & Manufacturing

-more comments on back-

Businesses Assisted

9-Mile Creek Traders - Hamilton
A & S Diversified - Poplar
Ameritech Laser Engravers - Missoula
Aquila Vision, Inc. - Missoula
Ardosia Stonecraft - Hamilton
BioScience Laboratories, Inc. - Bozeman
Botanie Soap - Missoula
Block Mountain Stone, Inc. - Plains
Celery, Inc. - Bozeman
Doctor Down - Polson
Ecology Project International - Missoula
Educational Services - Missoula
Eighth Wonder - Ulm
Enell, Inc. - Havre
Engine Lab - Missoula
Felco Industries - Missoula
Fire Mountain Forge - Livingston
Foundant Technologies - Bozeman
Gluten Free Mama Kitchen - Polson
Hammer Nutrition - Whitefish
INKspout Watershed Network - Hamilton
IST Design - Bozeman
Kim Loftus Tile - Jefferson City
Konya Designs - Missoula
LB Originals - Bozeman
Link Communications - Billings
Monica van der Mar Jewelry - Missoula
Montana Alpine Haus - Billings
Montana Hydraulics - Helena
Montana Molecular - Bozeman
MorTan Inc. - Missoula
Mountain Arts Pottery - Bozeman
Mountain Patchwork - Superior
MRL Equipment Co. - Billings
Neeley Designs - Butte
Nomad Technologies - Kalispell
OP/TECH (Neotech) - Belgrade
Packer Creek - Lakeside
PFM Manufacturing - Townsend
Pik ka Handbags - Great Falls
Pyron Technologies - Missoula
Rawlings Manufacturing - Missoula
Rocky Mountain Cookware - Harlowton
Spanwell Services - Forsyth
Spika Welding & Manufacturing - Moccasin
The Farmer's Wife - Missoula
The Laughing Boy - Missoula
Towhall Corporation - Belgrade
West Paw Design - Bozeman
Windstone Medical Packaging - Billings
Zoot Enterprises - Bozeman

What Montana Business Owners Have to Say... (cont.)

"Without it [assistance] we wouldn't have had a professional looking booth and may not have attracted the attention of key industry partners or potential customers." Montana Molecular LLC

"This... allowed me to bring my business up to a higher level. It's so nice to support your Made in Montana products & artists. Some people at the show from other states, who heard about our grants, commented on our progressive state!" Monica van der Mar Jewelry

"We feel good on the sales and we have made some excellent contacts. We would not have been able to do this show without the ... program." Ameritech Laser Engraving

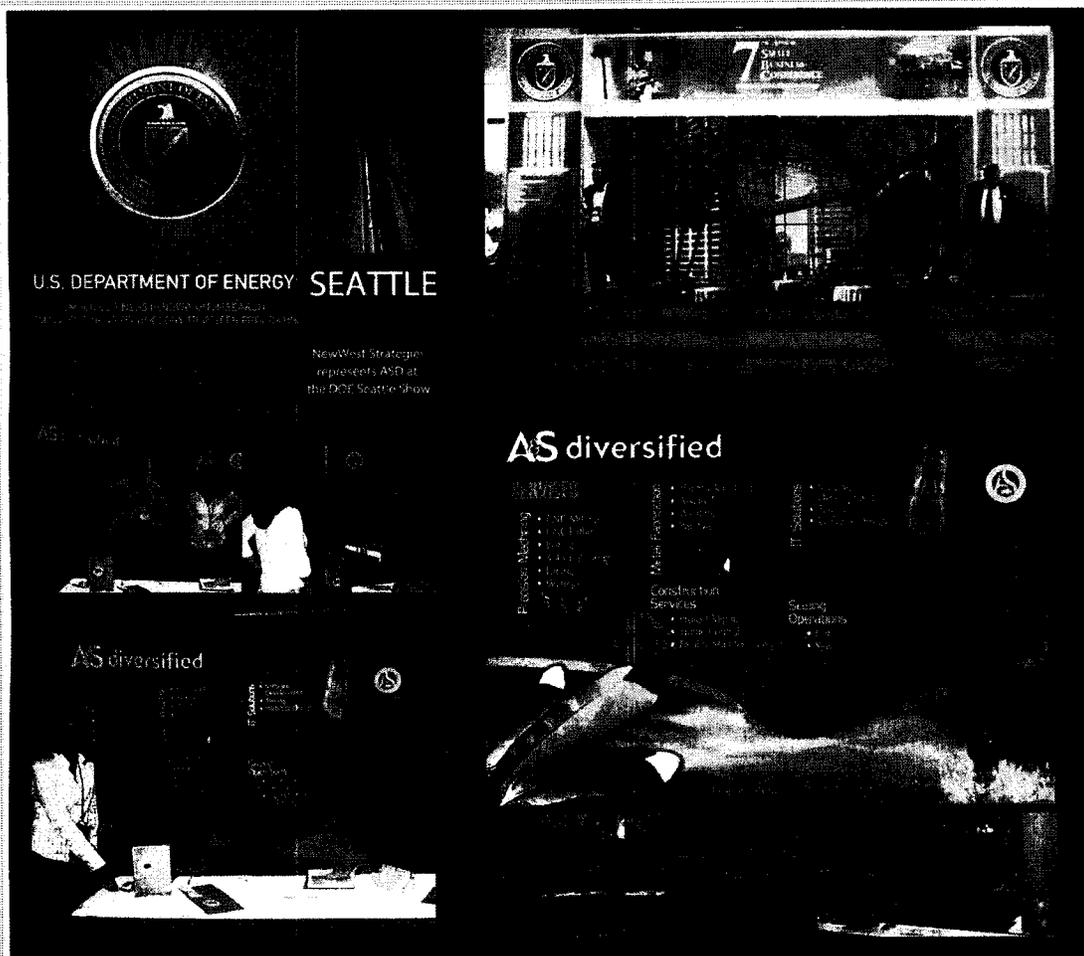
"... every penny counts. I am so thankful for programs like this." Gluten Free Mama Kitchen

"I closed and delivered product to 19 [new] businesses across the U.S. I am looking forward to years of repeat purchases. This grant made all the difference." Neeley Designs

"The assistance makes it easier to make the decision to go to the show. These shows are a large investment ... lucky for us, attending proved beneficial." Aerie Backcountry Medicine

"This is a wonderful program for small Montana businesses and definitely made a difference in our approach to Germany. ... it's hard for small companies to spend the money necessary to enter a new market when it may be years before they see any return." MorTan Inc.

"As a small business, the assistance is extremely valuable in exploring opportunities outside our normal sales channels." This assistance was exactly the "push" we needed to venture into the exciting natural products market." West Paw Design



"[Our] booth conveyed ability and confidence as we generated more interest than other companies whose booths were not as informative. With the high cost of trade shows it was wonderful to have financial help."
A&S Diversified

MONTANA MARKETING TECHNICAL ASSISTANCE PARTNERSHIP ~ M²TAP

HISTORY

In 2005, the Montana Legislature authorized funding for a pilot technical (*business-to-business*) marketing* assistance program to help Montana companies in the following areas:

- **Market identification** (finding the most profitable markets)
- **Market penetration**
- **Strategic product pricing**

* In this case "market" and "marketing" are used in the general sense and not as another term for advertising and promotion.

IDENTIFIED NEED

Prior to this, the state offered a number of programs to assist in finance, engineering/technical production, bookkeeping, etc., all which are crucial to success, but **no programs focused on helping companies get their products to the actual "best" market once they were produced.** As well, it was found that very few companies have staff with this specialized expertise.

The program was developed by the Montana Department of Commerce with the cooperation of the University of Montana, the Montana Economic Developers Association (MEDA), and the Montana Manufacturing Extension Center (MMEC).

PURPOSE

- **Generate new monies** in Montana by helping companies expand their markets
- **Create and retain Montana jobs**
- **Train company staff** in technical marketing

PROGRAM GOALS

- Provide technical marketing information and coaching to selected businesses by:
 - Assigning the company a **marketing coach** to help assess markets for entry or expansion
 - **Training the owner or assigned staff** in conducting market analysis and market planning
- Provide **technical marketing workshops** through local Small Business Development Centers (SBD) and other organizations for businesses personnel interested in learning how to help them expand their market

RESULTS

To date, **20 companies** have received technical marketing assistance through the program. Over **500 Montanans** have received technical marketing assistance through the (*Business-to-Business*) Marketing workshop.

It is still the only program offering technical marketing assistance to individual companies and through workshops.

Overall Successful Actions

- Helped companies identify distribution networks for products rather than relying on sales a company at a time. This reduces reliance on a single buyer and increases production and overall sales.
- Helped identify most profitable markets for new products and taught market penetration techniques for retail stores. Products are now being carried nationwide.
- Helped marketing managers' research best markets for new products and helped companies develop competitive pricing strategies. High-margin products are now in market.
- Taught sales & marketing staff how to qualify best leads at trade events and convert those leads into sales.

Businesses Assisted To Date

- Aaladdin's LLC - Cascade
- Air Design - Scobey
- BBMI - Anaconda
- Cream of the West - Harlowton
- CW Engineered Product - Butte/Libby
- Doctor Down - Polson
- Fort Peck Paleontology - Fort Peck
- Hi-Country Snack Foods - Lincoln
- Little River Smokehouse - Harlem
- Mountain Arts Pottery - Bozeman
- Mountain Lake Fisheries - Columbia Falls
- Native Seedster - Billings
- Nomad Technologies - Kalispell
- Prairie Kraft Specialties - Great Falls
- Source Giant Springs - Great Falls
- Spika Welding & Manufacturing - Moccasin
- Spanwell Services - Forsyth
- Sustainable Systems, LLC - Culbertson
- Timberline Tools - Whitefish
- WhoopUp Creek - Glendive

Research & Commercialization Program Goal		Agency/Program #: 6501-50-G1
		Division: Business Resources
		Program: Research & Commercialization
Agency Name:	Department of Commerce	
Agency Contact:	Andy Poole	841-2707
LFC Contact:	Representative Sesso, Representative Taylor	
LFD Liaison:	Kris Wilkinson	444-2722
OBPP Liaison:	Mark Bruno	444-4588

Program or Project Description:

The Board of Research and Commercialization Technology provides a predictable and stable source of funding for research and commercialization projects; expands and strengthens research efforts for the state's basic industries to increase their economic impact on the state's economy; and expands research efforts to diversify and strengthen the state's economic security through the creation of technology-based operations and longterm quality jobs.

Fund Name:	Appropriation, Expenditure and Source				Approp & Expenditure numbers are as of August 29, 2008
	2008		2009		
	Approp.	Expended	Approp.	Expended	
General Fund	3,650,000	3,650,000	3,650,000	3,650,000	
State Special	4,479,050	4,138,958	4,451,857	443,037	
Federal Funds					
Total:	\$8,129,050	\$7,788,958	\$8,101,857	\$4,093,037	

Goal(s):

Provide a predictable and stable funding source for research and commercialization projects and to expand and strengthen research efforts for the state's basic industries to increase their economic impact on the state economy

Performance Measures :

Total matching funds leveraged by MBRCT funds to equal at least 25% of total project costs.

MBRCT grant awards made to production agriculture projects to total at least 20% of grant funds awarded by the Board.

MBRCT grant awards made to clean coal/renewable energy projects to total at least 30% of the funds awarded by the Board starting with the 2008 funding cycle.

2009 Biennium Significant Milestones:

	Completion Dates	
	Target	Actual
1 Release request for proposals in December for a submittal date in March.	3/1/2008	3/4/2008
2 Make project funding decisions by the end of June.	6/30/2008	6/27/2008
3		
4		
5		

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Performance Report:

1. Total matching funds leveraged by MBRCT funds to equal at least 25% of total project costs.

Total matching funds leveraged by MBRCT funds equal \$38,912,460. Total funds awarded equal \$33,417,873. Matching funds equal 116% of awarded funds.

2. MBRCT grant awards made to production agriculture projects to total at least 20% of grant funds awarded by the Board.

Total production agriculture projects funding equal \$8,394,926. Total funds awarded equal \$33,417,873. Production agriculture project: funding equal 25% of awarded funds.

3. MBRCT grant awards made to clean coal/renewable energy projects to total at least 30% of the funds awarded by the Board starting with the 2008 funding cycle.

Starting with the 2008 funding cycle, total clean coal /renewable energy projects funding equal \$1,044,334. Total funds awarded starting with the 2008 funding cycle equal \$3,374,726. Clean coal/renewable energy projects equal 31% of awarded funds.

LFD Narrative:

LFD ASSESSMENT: On Track

DATA RELEVANCE: Yes

APPROPRIATION STATUS: Appropriation and expenditure data were provided.

COMMENTS/ISSUES: The program appears to be on track to achieve it's performance measurements for the 2009 biennium

OPTIONS: Upgrade or downgrade the rating - options for workgroup in relation to the rating are No further review or Progress Report Requested

Decision Package 5101 BRD Montana Board of Research and Commercialization Technology

The program is also tracking its commercialization successes. These are projects that have resulted in sales of products by Montana companies. The following are some examples:

- **Research and Development of a Hydraulic Fluid from Montana Grown Oil Seed Crops**-This project is under the direction of Paul Miller, President and CEO of Sustainable Systems, Missoula, an agricultural processor that currently produces high-value culinary oils and is positioned to capitalize on the emerging biodiesel industry. A recent result of the MBRCT project is sales of a sustainable wood stain product, *EcoSeal*, with applications including fencing, decking/railing, outdoor siding, and indoor flooring
- **Improving Productivity and Value of Wheat for Montana**-Information obtained from this work, conducted under the direction of Dr. Mike Giroux, MSU Bozeman, was used to develop a new wheat variety, named "Vida" in honor of the beautiful town in the midst of spring wheat country in eastern Montana. "Vida" has demonstrated excellent yield potential in dry land production areas.
- **Biomimetic Floating Islands that Maximize Plant and Microbial Synergistic Relationships to Revitalize Degraded Fisheries, Wildlife Habitats, and Human Water Resources**—Frank Stewart and a research team at Floating Island International, Livingston/Bozeman/Billings, are establishing a solid body of evidence showing that a biomimetic, self-sustaining floating island will remediate degraded fisheries, wildlife habitats, and human water resources. The data generated by the research project has been an important factor in recent sales of the islands.
- **Biological Treatment of Animal Wastes by Endophytic Fungi and "Mycofumigation"** - Research conducted by Dr. Gary Strobel, MSU Bozeman, has resulted in the development of *Earthpure*, a composite of endophytic microbes. *Earthpure*, which is manufactured at the Laverlam facility in Butte, is being used by Phillips Environmental Products of Bozeman to decontaminate human waste in its line of portable toilets.
- **Lasers Stabilized to Spectral Holes in Rare Earth Doped Crystals**—Dr. Rufus Cone and his team at Montana State University have developed ultra-stable lasers with purity and stability of 13-digit accuracy. Crystals grown by Scientific Materials, Bozeman, were used to make the most accurate measurements ever recorded of light absorption frequencies in any crystal of any kind by any laboratory. S2 Corporation, Bozeman, a spin-off from Scientific Materials, has been contracted by Northrop Grumman as the sole-source provider of a turn-key stable laser system.
- **Research Support for the Manufacturing and Marketing of the Drip Flow Biofilm Reactor**—Dr. Darla Goeres, at the Center for Biofilm Engineering at MSU Bozeman, in drip flow biofilm growth reactor into a commercial product. The reactor is useful for studying medically important biofilms.

- **Deployment of a Real-Time Coal Content/Ore Grade Sensor**—Under the direction of Rand Swanson, Resonon, Inc., an electro-optic sensor company located in Bozeman, has developed a spectrometer vision device for mining applications.
- **Development of an Oxygen-Consuming Biological Barrier to Prevent Oxidation of Pyritic Mine Tailings**—As the result of a project under the direction of Dr. Al Cunningham at the Center for Biofilm Engineering at Montana State University and in collaboration with MSE Technology Applications, Inc. in Butte and Golden Sunlight Mine near Whitehall, the Center for Innovation, Inc. in Butte and Bozeman, has commercialized the project's biofilm barrier technology.
- **Advanced Material for Metal Processing, Recovery and Remediation**—The project is a collaboration between Purity Systems Inc. in Missoula and the Department of Chemistry at the University of Montana under the direction of Professor Edward Rosenberg. The effort has resulted in the development of resins that allow more environmentally benign methods for metal processing and recovery.
- **Research, Education and Technology Transfer in the Plant Sciences**—Dr. Luther Talbert and his research team at Montana State University have developed a new solid-stemmed wheat, which has been released and is named *Choteau*. The wheat has excellent yield potential and sawfly resistance and addresses a serious problem facing Montana farmers.
- **Specialty Mushroom Farming in Montana**—Research for improving production methods for specialty mushroom farming in Montana, under the direction of Dr. Cathy Cripps, Montana State University, has enabled Garden City Fungi, Missoula, to increase its productivity and profitability.
- **A Programmable Frequency Chirped External Cavity Diode Laser Based on KTP Waveguides**—The successful development of a waveguide based external cavity diode laser by Kevin Repasky and his research team at Montana State University has led to a commercial product, waveguide lasers, for AdvR, a Bozeman based photonic company.
- **A Real-Time Coal Content/Ore Grade Sensor**—This project is responsible for developing the design and manufacture of imaging spectrometers, which is the core technology of Resonon, Inc. Resonon, an electro-optic sensor company located in Bozeman, is marketing a spectrometer system and has hired additional sales staff to promote its products.
- **CDC Biofilm Reactor**—Dr. Martin Hamilton, Center for Biofilm Engineering, Montana State University, has provided research support to manufacture and market a Suspended Coupon Biofilm Reactor, a laboratory apparatus for conducting tests of anti-biofilm agents. BioSurface Technology Corporation in Belgrade has licensed the CDC Biofilm Reactor from the Center for Disease Control, and is selling it.
- **Discovering Important Genes and Deploying New Feed Barley Varieties**—Dr. Thomas Blake, Department of Plant Sciences at Montana State University, and his

research team have developed and released two new feed barleys (*Haxby* and *MT960228*) and a hay barley (*Hays*). The new varieties are expected to account for significant increases in Montana's \$115 million barley industry.

- **Indian Rice Grass: A Value Added Perennial Crop for Montana Growers—** Indian Rice Grass is a new perennial grain crop for Montana identified by Dr. David Sands and a team of researchers at Montana State University. The project has resulted in the use of Indian Rice Grass seed as a source of gluten free flour. The flour, trade-named *Montina*, is being sold by the Amazing Grains Cooperative in Ronan.
- **Autonomous Carbon Dioxide Sensor—**Dr. Michael DeGrandpre, University of Montana, and Sunburst Sensors, Missoula, have used grant funds to make modifications to the SAMI (Submersible Autonomous Moore Instrument for CO₂), resulting in a user-friendly instrument for quantifying sources and sinks of atmospheric carbon dioxide. Sunburst Sensors sells the instruments worldwide.
- **Value-Added and High-Value Crop Development in Eastern Montana—** According to Dr. Jerald Bergman, Superintendent at MSU Eastern Agricultural Research Center, the support of two grants had a positive influence on Anheuser-Busch's decision to locate a \$6.8 million malt barley handling and storage facility in Sidney.

DEPARTMENT OF COMMERCE

Business Resources Division 2011 Biennium

Legislative Fiscal Division Budget Analysis, Page A 264- 274

PROGRAM CONTACTS

The department, division, program director and chief financial officer for the department, division, program and their contact information are:

Title	Name	Phone Number	E-mail address
Dep. Director/Div. Admin	Andy Poole	841-2707	apoole@mt.gov
Assistant Administrator	Gary Morehouse	841-2732	gmorehouse@mt.gov

WHAT THE DIVISION DOES

The employees in the Business Resources Division work every day to improve the Montana economy through business creation, expansion, and retention efforts. In pursuing this objective, we work closely with the private sector, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs.

Mission:

The mission of the Business Resources Division is to deliver information, technical assistance, and financial resources to communities and businesses in Montana resulting in the development and prosperity of our state.

Statutory Authority

Business Resources Division responsibilities are mandated primarily in;

- 7-6-1501, MCA: Resort tax – definitions (Commerce designates resort areas and communities)
- 15-35-108, MCA: (*temporary*) Disposal of Severance Taxes (Statutory Economic Development)
- 17-5-820, MCA: Authorization of Bonds (Aerospace Bonding)
- 17-6-4, MCA: Microbusiness Development Act
- 30-17, MCA: Electronic Directory of Montana Products
- 39-11, MCA: Primary Sector Business Workforce Training Act
- 90-1-102, MCA: Functions of the Department of Commerce – Economic Development
- 90-1-103, MCA: Functions of the Department of Commerce – Community Development
- 90-1-109, MCA: State Census and Economic Information Center
- 90-1-116, MCA: State matching funds program for economic development (Certified Regional Development Corporations (CRDC's))
- 90-1-130 to 90-1-135, MCA: Native American Economic Development Act of 1999 (State Tribal Economic Development Commission)
- 90-1-141 through 147, MCA: Economic Development Financial Assistance Act
- 90-1-151, MCA: Main Street Program
- 90-1, Part 2, MCA: Big Sky Economic Development Program
- 90-3, MCA: Research and Commercialization
- 90-8, MCA: Montana Capital Company Act
- 90-9-401, MCA: Agriculture marketing enhancement-Japan/Pacific Rim marketing
- 90-10, MCA: Montana Equity Capital Investment Act

HOW SERVICES ARE PROVIDED:

REGIONAL DEVELOPMENT BUREAU:

Montana Finance Information Center: The Montana Finance Center provides summary information for the most significant financing resources available from state, federal, and local institutions. The Montana Finance Information Center website is organized as much as possible by source and point of application. Preference for organizational purposes is given to the actual level that provides funding to businesses and local governments. The web address for the Finance Information Center is <http://www.mtfinanceonline.com/>.

The Finance Information Center has responded directly to numerous email requests for information and has developed dozens of specific finance option summaries for business proposals, including business recruitment activities conducted by the Governor's Office. As additional credible sources of finance and technical assistance are discovered, they are included within the resources of the website.

- Continue to update and keep current the finance and technical assistance information on the website.
- Continue to research information that would be useful to include in the website.

PERFORMANCE	Actual FY 2008	Projected FY 2009	Plan FY 2010	Plan FY 2011
Finance Information Center Average Visits per month	1,623	1,700	1,700	1,700
Finance Information Center Average Views per month	4985	5,000	5,000	5,000

Regional Development Officers: There are five Regional Development Officer's (RDO) assigned to a regional area as a representative of the Montana Department of Commerce. The RDOs live in their regions and are a resource to businesses, local development corporations and communities in the area. The program serves as an access point to all relevant Commerce Department resources, and all other relevant business and community development resources. The primary purpose of the program is to provide technical assistance to businesses for the purpose of obtaining financing from Department programs for start-ups, expansions, business locations from out of state, and retention.

- Ensure that all areas of Montana have reasonably equal access to funding and technical assistance resources, especially the Community Development Block Grant (CDBG) Fund, the Big Sky Economic Development Trust Fund, Workforce Training programs, WIRED, Indian Country Economic Development, etc.
- Develop close and effective working relationships with businesses and the resources that benefit them in their efforts to grow and create new employment in Montana.
- Improve the capacity of local development efforts through technical assistance and fund raising. This includes close involvement with the Certified Regional Development Corporations program.
- Work closely with other State and Federal agencies to assist business development projects.

The focus defined in the guidelines of most Regional Development Bureau technical assistance and finance programs is to assist value-adding businesses, such as manufacturers. Regional Development Officers facilitate, coordinate, and expedite business projects that apply to Department programs for financing by working with the businesses and Certified Regional Development Corporations and lead local development corporations in the regions they serve.

PERFORMANCE	Actual FY 2008	Projected FY 2009	Plan FY 2010	Plan FY 2011
Projected Jobs Created and Retained by businesses receiving assistance from Regional Development Bureau programs with RDO involvement	1,586	1,400	1,250	1,250
Total financing of all projects from Regional Development Bureau programs involving assistance from Regional Development Officers	\$19.24 million	\$18 million	\$16 million	\$16 million
Total leveraged funds for all projects involving assistance from Regional Development Officers	\$180.8 million	\$125 million	\$115 million	\$115 million

Community Development Block Grant (CDBG) Economic Development Program:

DP 5106 BRD Federal Grants Adjustment HB 2: This decision package adjusts normal ongoing federal appropriations for grants received by the Business Resources Division to match available federal funds for the 2011 biennium.

The Montana Department of Commerce receives approximately \$2.1 million each year from the federal Department of Housing and Urban Development for economic development activities. These funds are administered by the Business Resources Division and distributed to communities, primarily for loans to businesses to stimulate economic development activities that create or retain jobs. More than half of the awarded funds must benefit individuals from low and moderate-income families. The program assists businesses by providing flexible interest rates and loan terms to complement conventional bank financing and other federal and state finance programs. The program also provides funding for infrastructure in support of businesses and grants for job training. Loan repayments are normally retained locally to re-lend to other businesses in the community.

The program accepts applications for funding on a continuous open cycle. Projects are selected for funding with consideration of overall feasibility, long-range economic impact, and number of jobs that would be made available to low and moderate income persons in the community.

- Increasing viable economic development projects that promote investment of private capital, by assisting businesses and communities in achieving economic prosperity using program resources to leverage other private and public resources, up to 12 dollars in match for every 1 dollar of CDBG-ED funding;
- Creating permanent year-round jobs principally for low and moderate income Montanans through loans and grants for business retentions and expansions, up to 150 jobs a year;
- Allowing local communities to identify their own needs and develop their own initiatives by providing funding for planning and technical assistance activities, up to 6 planning grants a year;
- Assisting new and expanding businesses with employee training needs, up to 3 assisted businesses a year.

PERFORMANCE	Actual FY 2006	Actual FY 2007	Actual FY 2008 *	Plan FY 2009	Plan FY 2010	Plan FY 2011
CDBG - Jobs Created and Retained by businesses receiving assistance from Community Development Block Grant Program (CDBG)	1,029	132.5	203	200	200	200
CDBG - # of Planning Grants provided by the Community Development Block Grant Program (CDBG)	10	4	6	6	6	6
CDBG funds provided to local governments for private sector loans	\$2,522,000	\$1,972,700	\$2,147,926	\$2,100,000	\$2,100,000	\$2,100,000
CDBG - Total Project Investment by companies receiving CDBG funding	\$ 76,816,839	\$ 27,694,225	\$12,603,521	\$25,000,000	\$25,000,000	\$25,000,000
CDBG Leverage of other funds	30:1	14:1	6:1	11:01	12:01	12:01

Indian Country Economic Development Funds:

DP 5191 BRD Tribal Economic Development – OTO: The administration requests a one-time-only general fund appropriation of approximately \$798,000 each year of the biennium to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of Tribal economic development activities and projects. Each tribal government is eligible to apply.

Funding for the Indian Country Economic Development (ICED) program has been made available to the Montana Department of Commerce since October 2005. The Montana Legislature has appropriated \$800,000 in state funding for support of tribal business development projects, workforce training projects, entrepreneurial trainings, feasibility studies, and other types of economic development projects. Each tribe can apply for up to \$70,000 in grant funding to further economic development efforts on tribal reservations.

- Allow all Montana tribes access to annual funding for business development;
- Fund activities that will lead to the creation or retention of up to 100 jobs from tribal businesses a year;
- Fund activities that may train up to 150 employees a year;
- Provide at least 1 dollar from outside funding for every 2 dollar of ICED grants.

PERFORMANCE	Actual FY 2006	Actual FY 2007	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
ICED - Total funding provided to Indian Nations from ICED program	\$ 500,000	\$ 798,548	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
ICED - Jobs created, retained, or trained	523	17	152	100	100	100
ICED - Amount of Matching Funds	\$ 2,741,909	\$ 3,328,956	\$ 3,171,610	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Leverage of ICED funds	5:1	4:1	4:1	2:1	2:1	2:1

State-Tribal Economic Development Commission: The Native American Economic Development Act was passed in 1999 and created the State-Tribal Economic Development Commission. The Commission is administratively attached to the Montana Department of Commerce. The Commission meets every other month to pursue the expansion of economic development opportunities for the eight Indian Nations in Montana in partnership with the tribal governments.

The commission is comprised of one member from each of the seven federally recognized tribes in Montana and one member from the state-recognized Little Shell band of Chippewa Indians. The Commission also is comprised of the Coordinator of Indian Affairs, an employee of the Montana Department of Commerce and, an employee of the Governor's Office of Economic Development.

The commission is referred to in MCA sections 90-1-130 through 90-1-135 and is generally tasked with the following

- recruiting business enterprises to locate or invest in enterprises on reservations;
- identifying the availability of federal, state, and private sector funds for tribal governments, Indian business enterprises, and communities located on Indian reservations in Montana;
- applying for or assisting tribal governments in applying for grants listed in the Catalog of Federal Domestic Assistance for which either the commission or the tribe are considered eligible and would supply tangible economic benefits to any or all Indian reservations in Montana;
- notifying tribal governments, the governor, the state Coordinator of Indian Affairs, the Montana Department of Commerce, Agriculture and Transportation agency directors of specific funding for which tribes may be eligible;
- evaluating the apportionment of current spending of federal funds by state agencies in the areas of economic development, housing, community infrastructure, business finance, tourism promotion, transportation and agriculture;
- conducting a comprehensive assessment of the economic development needs and priorities of each Indian reservation in the state;
- working cooperatively with tribal government officials, the state Coordinator of Indian Affairs, and appropriate state officials to help foster state-tribal cooperative agreements (Title 18, Chapter 11, part 1) that enhance the economic development on Indian reservations;

- help the Montana Department of Commerce fully implement and comply with the economic development provisions tasked to the Montana Department of Commerce at MCA 90-1-105.

Fiscal Year 2009 Activities

- **\$560,000 (\$70,000 ea)** to fund priority tribal economic development projects with the governing body of each Indian reservation in Montana and with the governing body of the Little Shell Tribe of Chippewa Indians. Currently, 3 of the 8 eligible tribes have applied with a proposed 87 full-time and 2 part-time jobs created, trained or retained through the projects. Applications became available July 11, 2008 and are due by March 31, 2009 (**Appendix A**).
- **\$126,000** to fund the **Indian Equity Fund (Appendix B)**. The commission recommended more than double the slots (from 8 in FY 2008 to 17 in FY 2009) and recommended increasing the overall funding to \$126,000. Application period was from October 1, 2008 to December 1, 2008 and 48 applications are currently at the local review level.
- **\$24,000** to fund **Indianpreneurship[®] Training** to continue training tribal members in the basics of business ownership.
- **State Tribal Resource Directory** which will give a brief synopsis of state finance and technical assistance programs for which tribes are eligible (in development).
- **STEDC Proposal/Funding Matrix/Review Process** instrument measures all proposals against the commission's statutory requirements. Continued development of this matrix will include a standard application and review process for funding or recommendation of funding of Indian Country Economic Development (ICED), Statewide Indian Country Economic Development (SWICED) and State-Tribal Economic Development Commission (STEDC) projects.
- **Goals and Objectives/Statute Matrix** instrument development will clearly delineate all past and current Commission activities and recommendations in statute context.
- **"Native Made in Montana"** labeling/marketing program collaboration with the Montana Marketing Program.
- **Neighborhood Stabilization Program** collaboration with the Community Development Bock Grant Program as it applies to tribes.
- **2009 Reservation Economic and Demographic Fliers** update to include a list of business and tax incentives offered to businesses by tribes in collaboration with the Department of Revenue, DOL Research and Analysis Bureau, Census and Economic Information Center, and the tribes.
- **Governor's American Indian Nations (GAIN) Council** collaboration to strategically address the Governor's economic development vision for Indian country.

PERFORMANCE	Actual FY 2006	Actual FY 2007	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
ICED - Total funding provided to Indian Nations from ICED program	\$ 500,000	\$ 798,548	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
ICED - Jobs created, retained, or trained	523	17	152	100	100	100
ICED - Amount of Matching Funds	\$ 2,741,909	\$ 3,328,956	\$ 3,171,610	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Leverage of ICED funds	5:1	4:1	4:1	2:1	2:1	2:1

New Worker Training Grant Program:

DP 5190 BRD New Worker Training –OTO: The New Worker Training provides funding for companies in Montana to apply for workforce training grants from the Department of Commerce. A seven-member Grant Review Committee, consisting of both public and private members, makes the grant award decisions and adopts the administrative rules to implement the workforce training grant program. The request is approximately \$1.876 million each fiscal year.

The **Primary Sector Workforce Training Grant (WTG)** program is a state-funded program that was moved from the Governor's Office to the Department of Commerce during the 59th Legislature and is an essential component of Governor Schweitzer's economic development plans for Montana. There is currently almost \$4 million available annually for this program. This program is targeted to businesses that are creating net new jobs that pay at least the lower of the current county average wage or the state current average wage.

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
Jobs projected to be created by companies receiving workforce training funds from the New Worker Training Program (WTG)	1120	470	770	770
Funding provided to Montana businesses for hiring and training new workers under the New Worker Training Program (WTG)	\$5,223,538	\$2,350,000	\$ 3,850,000	\$ 3,850,000
Funds leveraged from other sources for projects funded by the New Worker Training Program (WTG)	\$98,676,041	\$23,500,000	\$38,500,000	\$38,500,000
Projected new tax revenue to the State general fund annually as a result of the New Worker Training Program (WTG) projects funded	\$ 3,106,040	\$ 1,400,000	\$ 2,200,000	\$ 2,200,000

Big Sky Economic Development Trust Fund:

On July 1, 2005, \$20 million in initial funding was transferred from the coal severance tax permanent fund to the Big Sky Economic Development Fund (BSTF). In addition a portion of the total coal severance taxes collected annually is deposited into the BSTF. Earnings (interest only, not principal) from the BSTF is available for financial assistance to local governments and economic development organizations through application to the Department of Commerce.

The BSTF program is statutorily designed to provide financial assistance in the following two categories:

Category I: 75% of BSTF earnings shall be awarded to local governments in the form of grants and loans for economic development projects.

Category II: 25% of BSTF earnings shall be awarded to Certified Regional Development Corporations and other eligible economic development organizations in the form of grants for economic development planning.

The legislative purpose of the Big Sky Economic Development 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,
- Provide a better life for future generations through greater economic growth and prosperity in Montana, and
- Encourage workforce development, including workforce training and job creation, in High-Poverty Counties by providing targeted assistance.

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
BSTF - \$ awarded to support economic development projects	\$ 1,422,500	\$ 1,400,000	\$ 1,520,000	\$ 1,660,000
BSTF - \$ awarded to support economic development planning projects	\$ 433,211	\$ 465,000	\$ 500,000	\$ 550,000
BSTF - New Jobs Created by companies receiving financial assistance from the BSTF	239	225	245	265
BSTF - Funds leveraged from other sources for projects funded by the BSTF	\$105,806,398	\$50,000,000	\$60,000,000	\$65,000,000

Certified Regional Development Corporations:

- Encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity building.
- Work towards including the counties in Montana that are not currently part of a CRDC.
- Receive and evaluate CRDC annual reports for compliance with contracts.
- Implement the Treasure Communities Program.
- Survey CRDC's to receive input on the implementation of the Treasure Community program.
- Work with CRDC's to enhance and build their capacity to serve their constituent counties, communities, and citizens in the areas of technical assistance, finance, regional planning, and grant administration.
- Evaluate and make recommendations for improvement in the CRDC program.
- Collaborate with the Governor's appointed Economic Development Advisory Council by proposing meeting agenda items, participating in research and analysis where needed and requested, and implementing suggestions made by the Council with the approval of Department of Commerce executive management.

PERFORMANCE	Actual CY 2007	Plan CY 2008	Plan CY 2009	Plan CY 2010	Plan CY 2011
Number of CRDCs certified	12	12	12	12	12
Number of Counties served by a CRDC	54	54	56	56	56
Gross Loan Receivable	\$81,932,336	\$84 million	\$85 million	\$86 million	\$87 million
Project Dollars Leveraged	\$99,980,207	\$100 million	\$102 million	\$104 million	\$106 million
Job created or retained	5,073	5,100	5,200	5,300	5,400
Businesses Assisted	4,452	4,500	4,600	4,700	4,800
Projects Assisted	1,314	1,325	1,330	1,335	1,340

Montana Microbusiness Finance Program:

DP 5105 BRD Administrative Costs Adjustments HB 2: The request includes \$2 million state special revenue each year to record loans to certified Microbusiness development corporations on the state accounting system.

Montana's Microbusiness Development Corporations (MBDCs) provide financing and technical assistance to help a business get started or to expand. The Department of Commerce loans money to the MBDCs who in turn loan out the money at a slightly higher interest rate. The MBDCs make loans up to \$100,000 for working capital, equipment, or other fixed assets for qualified micro-businesses. A qualified micro-business must be a Montana-based business that has ten or fewer employees and less than \$1,000,000 in annual revenues. To qualify for a loan the business needs to meet local lending criteria. Since the intent of the program is to finance business projects that would not otherwise be able to obtain financing from sources such as their local bank, the interest rates charged on the loans are slightly higher than bank rates.

- Increase awareness of the availability of micro-loan funds through marketing efforts at the local and state level.
- Cultivate effective working relationships between MBDC staff and other resources, to assist Montana businesses in obtaining financing.
- Ensure that the state funds are actively revolving through more effective local loan fund administration and reallocation of un-loaned funds.
- Improve the capacity of the MBDCs to provide loans and technical assistance:
- Improve the capacity of the MBDCs to underwrite and service their microloan portfolios.
- Improve the capacity of the MBDCs to provide training and technical assistance to their customers.
- Encourage the development and growth of Montana micro-businesses by supporting the provision of financing services.

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
MBDC - Dollar Amount of New Loans provided by MBDCs.	\$ 827, 700	\$ 1,000,000	\$ 1,150,000	\$1,300,000
MBDC - Jobs Created and Retained by businesses receiving financial assistance from MBDCs.	47	67	87	110

CENSUS AND ECONOMIC INFORMATION CENTER (CEIC):

CEIC provides access, education, and analysis of demographic and economic data as well as other federal and state statistical information.

CEIC assists Montana businesses and communities, schools and government agencies to access and use this information for decision making. CEIC's special library collection contains historical and current census documents in print and electronic format. CEIC's comprehensive web site, <http://ceic.mt.gov/>, allows clients to research and collect data in an easily accessible, accurate, and timely manner.

Since 1978, CEIC has been the State of Montana's lead agency in the U.S. Census Bureau's federal-state cooperative State Data Center (SDC) and Business/Industry Data Center (BIDC) programs, and is a member of the U.S. Bureau of Economic Analysis (BEA) User Group. As such, CEIC has been the official repository of

Montana Census data for thirty years. CEIC's responsibilities to the SDC/BIDC program, under the Memorandum of Agreement between the U.S. Census Bureau and the State of Montana, include the coordination of a twenty-eight member statewide affiliate network.

- **Provide client research services**
 - Locating and providing data and information related to Montana's population, economics, businesses and other characteristics of the state;
 - Assisting clients in understanding data and data resources including analysis of data and data trends, workshops and training in accessing and using data from a variety of state and federal resources;
 - Interpreting and explaining significance of and relationship between the various economic statistics;
 - Preparing economic studies using economic tools, theories and modeling software to assist decision makers; and
 - Providing technical assistance and training in using CEIC data.

- **Increase data and information awareness and accessibility via Internet, E-mail, and personal contact**
 - Providing continuous access to the full range of Montana demographic and economic data via CEIC's web site <http://ceic.mt.gov/>;
 - Providing in-depth analytical *Data Highlights* of new or revised Montana data as statistics are released by federal agencies;
 - Allowing clients to retrieve pre-formatted tables of data and to retrieve the raw data for their analytical needs;
 - Allowing clients to search geographically, examine the spatial relationship among the data, and graphically visualize the tabular information;
 - Allowing clients to access spatial data analytical tools and applications to integrate data from various sources; and
 - Designing and implementing an interactive data and mapping application within the CEIC's current website.

- **Provide geographic information system (GIS) capabilities**
 - Assisting clients to identify, acquire, and use data in a GIS;
 - Providing a clearinghouse of data from the U.S. Census Bureau and other agencies;
 - Providing technical assistance and workshops to develop GIS applications related to demographic and socioeconomic needs; and
 - Creating demographic, economic and administrative maps for clients and Commerce staff who do not have GIS capabilities.

- **Provide specific training in availability and use of economic, demographic and spatial data.**
 - Developing a more informed and stronger state network of State Data Center Affiliates;
 - Developing a state employee labor force with better skills to access and utilize demographic and economic data in their everyday work; and
 - Developing a more knowledgeable public with improved skills to find, manage and utilize new data products and resources available to them from state and federal agencies.

PERFORMANCE	Actual FY 2008	Projected FY 2009	Plan FY 2010	Plan FY 2011
CEIC - Number of persons attending various census training events conducted by CEIC staff	857	900	1,000	1,200
CEIC - Customer data requests processed	1,046	1,200	1,300	1,400

Census 2010 Activities – OTO proposal for funding

NP 6106 BRD 2010 Decennial Census- OTO: The budget includes general fund of \$51,085 in FY 2010 and \$39,397 in FY 2011 for the Census and Economic Information Center to continue its long standing commitment and partnership with the U.S. Census Bureau and take full responsibility for promoting the decennial census in Montana and coordinate with the Census Bureau, the 56 counties, and the 126 incorporated cities/towns and numerous organizations and educational institutions throughout the state in an effort to ensure an accurate population count for the state.

CEIC has a long history of cooperation with the U.S. Census Bureau and has assisted in the last three decennial censuses and other censuses conducted throughout the decades. CEIC staff organizes and participate in informational and technical training sessions conducted by the Census Bureau in Montana. Staff have been instrumental in urging local and tribal governments to participate in Census geography programs leading up the 2010 Census by blanketing the state with informational flyers, sending multiple email reminders, making follow-up phone calls, speaking at conferences, and facilitating contact between local and tribal governments when issues have arisen. CEIC staff will continue to offer technical assistance to these governments and act as a liaison for all decennial census programs to ensure that the 2010 Census in Montana is a complete and accurate census.

• **Participation in the U.S. Census Bureau's 2010 Census Programs**

- Local Update to Census Addressing (LUCA) – develops the Bureau's Master Address File;
- Boundary and Annexation Survey (BAS) – determines the inventory of legally defined entities and correct names, legal descriptions and boundaries of counties, places and American Indian Reservations;
- School District Review Program - allows the state to review school district boundaries and report updates and corrections to the Bureau. CEIC staff work in conjunction with the Office of Public Instruction (OPI);
- Voting District/Block Boundary Suggestion Project (VTD/BBSP) – submit block boundary suggestions for inclusion in the 2010 Census block tabulations and submit mapped boundaries of county voting precincts during Phase 2 of the Redistricting Data Program. CEIC staff work in conjunction with the Montana Legislative Service Division;
- Participant Statistical Areas Program (PSAP) – allows input from local governments to establish critical census geography such as block groups, census tracts, census county divisions, and census designated places (CDPs);
- Tribal Statistical Areas Program (TSAP) – allows input from tribal governments to establish tribal census tracts, tribal block groups, CDPs, and tribal subdivisions; and
- Boundary Validation Program – allows local officials a final opportunity to review the boundary of their jurisdiction before the 2010 Census data tabulation.

• **2010 Census Planning Activities**

- Developing promotional and “grass roots” campaign strategies;
- Creating, coordinating, and working closely with a state-wide Complete Count Committee;
- Working with the Bureau to establish and maintain a planning database for hard to enumerate areas in the state;
- Establishing contacts and coordinating with 56 counties, 129 Incorporated cities/towns, eight tribal governments, and local Complete Count Committees to ensure high response rates and reduce minority undercount;
- Establishing contacts and supporting community leaders, churches, civic organizations, educational institutions, state agencies, the Governor's Office, the media, non-profit organizations and CEIC's state-wide network of data users and supporters in promotion of the Census;
- Partnering with Bureau geography staff to lay the framework for all 2010 Census tabulations;

- Conducting workshops throughout the state as well as provide presentations/speeches to a variety of conferences and organizations;
- Working closely with the media utilizing print, TV, radio, internet, and any other outlets to ensure significant coverage to reach Montana citizens; and
- Coordinating with the U.S. Census Bureau and reporting to the Governor on the development of all census activities in the state.

TRADE AND INTERNATIONAL RELATIONS BUREAU:

The Bureau provides information and technical and marketing assistance to help Montanans pursue business opportunities, both domestically and worldwide.

- Export trade and marketing specialists provide consultation and training for companies to successfully compete in new markets.
- Montana made products are promoted via an Online Products Directory as well as a “Made in Montana” marketing initiative to identify and promote Montana products through the use of identifying labels.
- Access to wholesale trade shows is provided through an assistance program.
- Overseas trade offices are maintained in Taipei, Taiwan and Kumamoto, Japan to promote agriculture, tourism, value-added products, and higher education opportunities to markets in East Asia.
- The Bureau serves as the protocol and international liaison for the Governor’s Office and the Department of Commerce.

Export Technical Assistance: Technical export assistance is provided to Montana companies by the Bureau’s International Trade Officer. The Trade Officer provides Montana companies with information and training to address issues such as export regulation and compliance, methods of shipment, methods of payment, market research, response to trade leads, and follow-up communication with overseas clients. This export assistance provides valuable expertise for Montana companies to pursue new export markets. Failure to be in compliance with US export regulations and export/import protocols can cause cargo delays and loss of revenues, as well as subjecting companies and employees to possible fines and imprisonment.

- To provide technical assistance, research and training for Montana companies seeking to enter, or expand, export markets.
- To conduct export workshops in Montana communities for training company employees in export compliance, documentation, etc.
- To compile annual reports on Montana’s export commodities, values, and destinations.
- To maintain current information on export and import regulations.
- To maintain an export information website www.exportmontana.com

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
Trade/Export counseling sessions	896	800	800	800

Montana Marketing Technical Assistance Partnership (M²TAP):

NP 6104 BRD Made in Montana Program HB 2: The executive requests \$100,000 of general fund each year to provide further support technical (business-to-business) marketing information and coaching to selected Montana businesses.

The M²TAP is offered through a joint venture of the University of Montana, Montana Department of Commerce, the Montana Economic Developers Association (MEDA), and the Montana Manufacturing Extension Center (MMEC). The M²TAP offers a start-up or expanding Montana small business a marketing specialist who will assist them in performing strategic marketing analyses, and, using these results, create a strategic “business-to-business” marketing plan for a mutually selected product or product line.

The program is intended to assist Montana companies having the following characteristics.

- Potential to generate new monies in Montana.
- Potential to create and retain Montana jobs.
- Current resources of staff and/or funding to conduct the marketing analysis and follow-through with the new marketing plan.
- High probability of success in the present economy.

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
Marketing Assistance - # of companies provided strategic marketing assistance	7	12	15	15
Marketing Assistance Workshops	9	10	10	10

Trade Show Assistance Program: This program assists Montana based companies in exploring new domestic and international wholesale markets by encouraging first-time exhibition at trade shows outside of the state. It is not only for companies new to trade show exhibition, but can also be useful for established companies who are looking to exhibit at a show that they have never been to before. It is not intended for a company to use for a trade show at which it has previously or currently exhibits. The assistance comes in the form of fifty (50) percent reimbursement of qualified and approved expenses for trade show exhibition up to a maximum of \$3,000 (including bonus amounts).

To provide assistance to Montana companies having the following characteristics:

- Private-sector, Montana based company providing a Montana based product/service or adding value to a product in Montana.
- Exhibiting at a “business-to-business” (non-consumer) trade show outside of the state of Montana (USA or international).
- First-time participation in the specified show.

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
Trade Shows attended by Montana companies participating in the Trade Show program	17	20	20	20

Made In Montana Trade Show, Internet, and Label Program: The Made in Montana (MIM) program is designed to provide a unique identity to value-added products made and/or grown in Montana through the application of labels to Montana products. The program encourages businesses that meet the program requirements to utilize the trademarked image on their products. Since the inception of the program in 1984, over 30 million Made in Montana & Grown in Montana labels have been sold.

- Assist with the coordination of an annual state-wide Made in Montana Food and Gift Trade Show.
- Evaluate training opportunities and provide effective training to MIM companies to better enable them to succeed in profitably producing and marketing their products.
- Continue to identify and assist Montana companies who choose to use the Made in Montana label on their products.
- Maintain an internet based Montana products directory with links to Montana companies' web-sites and work toward allowing MIM companies to update their company information via the internet. www.madeinmontanausa.com.
- Help consumers and companies to identify products produced in Montana that is available to meet their needs.
- Maintain a cooperative agreement with a private sector printer to produce and sell Made/Grown in Montana label products.

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
Total number of "Made in Montana" On-Line Products Directory company listings	879	1,000	1,200	1,400
Total # of Montana companies participating and using the Made in Montana label on their products	2,130	2,200	2,300	2,400

Overseas Trade Offices: The Department of Commerce is responsible for maintaining the State of Montana's trade representative offices in Taiwan and Japan. The office located in Taiwan at the Taipei World Trade Center is responsible for trade relations in the greater China area and is referred to as the Montana Asia Pacific Trade Office. The Japan Trade Representative Office is located in Montana's sister-state, Kumamoto Prefecture. As part of a reciprocity agreement, the Kumamoto government provides Montana with rent-free office space and subsidized government housing for the Montana Trade Representative. The Trade Office Representatives work on an ongoing basis to promote and support the sales of Montana products.

- To promote Montana as an international tourism destination.
- To help Montana companies successfully pursue trade opportunities in East Asia.
- To promote Montana's value-added agriculture industry.
- To promote Montana's higher education study opportunities for international students.
- To provide logistical support for business, cultural, and government missions between Montana, Japan and Taiwan.
- To maintain Chinese and Japanese language websites that provides Montana information and trade opportunities www.montana-chinese.org & www.bigskyjapan.com.

PERFORMANCE	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
Trade Shows in Asia	9	15	15	15
Montana Seminars in Asia	36	20	20	20
Chinese & Japanese Media advertising value	\$2,224,710	\$2,500,000	\$2,500,000	\$2,500,000

SMALL BUSINESS DEVELOPMENT CENTER BUREAU:

Small Business Development Centers (SBDC's): The Small Business Development Center program is designed to help start-up and existing businesses prosper by providing information and assistance through no-cost confidential, quality one-on-one counseling and training. With the Lead Center located in Helena, and sub-centers based in 10 major Montana communities hosted by local economic development organizations, the Montana SBDC delivery system is designed to reach the state's entire population with its services and programs.

- The Montana SBDC program's two primary services are providing individualized counseling and group training in the areas of business plan preparation, starting a business, financial analysis, market research & analysis, loan packaging, accounting, promotion and selling, and general business management skills.
- The SBDC will serve the state's business needs, both start-ups and existing, through training and counseling via ten statewide offices, Billings, Butte, Bozeman, Colstrip, Great Falls, Havre, Helena, Kalispell, Missoula and Wolf Point. It is expected that the program must continue to emphasize more group trainings for individuals interested in starting a business in order to provide more in-depth and longer-term one-on-one counseling to existing businesses and start-ups.
- In order to receive SBA grant funding, the SBDC network must meet ASBDC accreditation standards of quality. Business advisors participate in a certified training program and maintain this core level of skills through annual professional development.

PERFORMANCE	Actual CY 2007	Plan CY 2008	Plan CY 2009	Plan CY 2010	Plan CY 2011
SBDC - Small business clients provided counseling	1,041	1,300	1,300	1,300	1,300
SBDC - Total number of counseling hours provided to small businesses	5,762	5,700	5700	5700	5700
SBDC - Total # of Training Participants	2,443	3,000	3,000	3,000	3,000
SBDC - # jobs created by businesses receiving counseling	414	500	450	450	450
SBDC - # jobs retained by businesses receiving counseling	583	500	500	500	500
SBDC - \$\$ borrowed by small businesses from lenders after counseling	\$49,000,000	\$ 45,000,000	\$52,000,000	\$52,000,000	\$52,000,000

Montana Technology Innovation Partnership Program (MTIP): The Montana Technology Innovation Partnership Program is intended to promote technology commercialization in the State of Montana. The program provides technical assistance to Montana companies so that they can effectively compete for over \$1 billion annually in federal research funding.

- Increase the knowledge base of tech-based clients pursuing state and federal grants.
- Increase the quality of proposals being submitted by offering proposal development and review services.
- Maintain the number of Phase 1 awards at 23 through coaching provided by MTIP contracted consultants.
- Increase the number of Phase 2 awards from seven to ten. This increase will be enhanced because of MTIP coaching provided.
- Conduct one Innovators Roundtable seminar in rural Montana.
- Conduct one SBIR/STTR general seminar and 2 advanced-level seminars.
- Work with one organization's annual conference and embed one MTIP seminar.
- Provide up to 250 hours of SBIR counseling in calendar year 2008-2009.
- Convene and facilitate four meetings of the State Technology Partnership Committee annually.
- Maintain the list serve of 576 subscribers. Increase the subscription numbers to 650.

PERFORMANCE	Actual 2007	Plan CY 2008	Plan CY 2009	Plan CY 2010	Plan CY 2011
Total # of companies receiving MTIP technical assistance	58	75	80	80	80
Total Number of New Clients Generated.	31	35	40	40	40
Total # of Phase I SBIR Awards	19	23	25	25	25
Total Number of Phase II SBIR Awards	7	9	11	11	11
Total Number of Phase I STTR Awards	2	3	4	4	4
Total Number of Phase II STTR Awards	0	2	2	2	2

The Entrepreneur Development Program: The program provides business planning courses to entrepreneurs starting a business and business owners who are growing and professionalizing their business. The program is a state/community partnership that includes local organizations that host the SBDC, community chambers of commerce and community colleges. The program develops successful business owners by giving them the professional marketing, operational and financial tools they need to maximize their business success. The program supplements business counseling and workshops with a comprehensive adult learning environment developed around a 13 week program that includes guest speakers from the business community, instructors with business experience, and a curriculum specifically designed to develop business planning skills and a business plan. The program utilizes the Kauffman Foundation *FastTrac* courses and *Indianpreneurship, A Native American Journey into Business* curriculum. The program is very focused on developing Indian owned private sector business through classroom training, workshops, technical assistance and counseling. The program has a small equity fund that through a granting process provides the Indian business owner the equity required to start or grow his business.

- Provide a business-planning course in Montana communities that builds the professional management skills of Montana entrepreneurs and small business owners.
- Develop classroom training with the community-based organization that has the greatest capacity to deliver services for the business owners and entrepreneurs in their region.
- Expand Native American business ownership on the seven Indian Reservations of Montana and the Little Shell Tribe.
- Partner, network and collaborate with Federal, State, and community organizations, especially the State Tribal Economic Development Commission (STEDC), the Montana Indian Business Alliance (MIBA) and the Small Business Development Centers (SBDC) to develop the capacity of organizations mentoring business owners and entrepreneurs in the Reservation communities.
- Through the Montana Indian Equity Fund provide a maximum grant of \$7,875 to individual private sector Indian business owners to use as equity to start or grow their business. The grant requires a one to one match in the form of either a loan or collateral.
- Continue to provide business management classroom training to organizations that serve specific populations including veterans, dislocated workers, people with disabilities, and other people in need who are seeking self-employment as a path to economic self-sufficiency.

PERFORMANCE	FY 2007	Plan FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
Training Sites	14	16	16	16	16
Training Participants	265	275	275	275	275
Indian Equity Grants	9	8	8	8	8

Montana Main Street Program:

DP 6103 BRD Montana Main Street Program – OTO: Funding to implement the Montana Main Street Program will be used to help communities rejuvenate their downtown and historic districts. The executive requests general fund in the amount of \$125,000 each year as a one-time-only appropriation.

Following the National Trust for Historic Preservation’s model, the Montana Main Street program is a historic preservation-based economic development program that has been used nationwide to spark life into traditional downtown commercial districts. In order to do this, the program encourages participating communities to use their unique assets – distinctive architecture, pedestrian-friendly atmosphere, local ownership, and personal service – to rebuild their downtowns. To do so, Main Street focuses on four major areas, known as the Four Points: Organization, design, promotion, and economic restructuring.

The Montana Main Street program consists of three levels of membership:

- Full designation. (Note: There are currently 7 designated communities. In the table below, the statistics are solely for the 7 designated communities and not the affiliates.) Designated communities have a population greater than 5,000 residents and must hire at least a part-time paid executive director to manage the local Main Street program. They receive on-site technical assistance and consulting services.
- Temporary affiliate status. Introduced in July 2008, temporary affiliate status is for communities with populations between 2,000 and 5,000. They do not have to hire a paid director during the first three years and do not receive the same level of services as fully designated communities. After the three-year period is over, they must apply for full designation.

- Permanent affiliate status. Permanent affiliate status is for communities with fewer than 2,000 residents. The purpose of the affiliate program is to provide educational information and networking opportunities to communities that lack the resources to become fully designated.

To participate in Main Street, communities must apply during an annual application cycle. The deadline is July 1 every year.

- Implement the comprehensive, incremental Main Street Four-Point Approach to revitalization in designated communities.
- Provide training, facilitation consulting services, and specialized services tailored to each community's needs.
- Serve as a resource for material and technical assistance for affiliates.
- Coordinate with the Department of Commerce divisions and other agencies to maximize available resources to Main Street communities.

PERFORMANCE	Actual 2007	Actual FY 2008	Plan FY 2009	Plan FY 2010	Plan FY 2011
# of designated and affiliate communities	11	14	18	21	23
Net new jobs	106	110	115	120	125
Net new businesses	45	50	55	60	65
\$ value of public improvements	\$3 million	\$1 million	\$1.25 million	\$1.5 million	\$1.75 million
\$ value of building improvements	\$1 million	\$1 million	\$1.25 million	\$1.5 million	\$1.75 million
\$ value of promotions	\$500,000	\$500,000	\$600,000	\$700,000	\$800,000
# of volunteer hours	5,353 hours	5,500	6,000	6,500	7,000

MT BOARD OF RESEARCH & COMMERCIALIZATION TECHNOLOGY:

The Montana Board of Research and Commercialization Technology (MBRCT) was created by the 1999 Montana Legislature to provide a predictable and stable source of funding for research and commercialization projects.

The board has the statutory authority to make grants to research and commercialization centers if the projects to be funded:

- Have potential to diversify or add value to a traditional basic industry of the state economy.
- Show promise for enhancing technology-based sectors or commercial development of discoveries.
- Employ or take advantage of existing research and commercialization strengths.
- Have a realistic and achievable project design.
- Employ an innovative technology.
- Are located in the state.
- Have a qualified research team.
- Have scientific merit based on peer review.
- Include research opportunities for students.

MT Board of Research & Commercialization Technology:

Award authorized funds to research and commercialization projects with significant potential to improve the state's economy by:

- Supporting production agriculture projects;
- Supporting projects that address renewable energy and clean coal technologies;
- Supporting projects that have the involvement of private companies;
- Supporting projects that enhance the state's research infrastructure;
- Supporting projects that show a clear path to commercialization in Montana; and
- Providing oversight management of awarded grants.

PERFORMANCE	FY 2008 Cumulative	Plan FY 2009 Cumulative	Plan FY 2010 Cumulative	Plan FY 2011 Cumulative
Total MBRCT state funds awarded	\$ 33.4M	\$ 36.9M	\$ 40.4M	\$ 43.9M
Matching funds leveraged by MBRCT state funds	\$ 38.9M	\$ 40.4M	\$ 41.9M	\$ 43.4M
Additional follow-on funding generated by Montana projects receiving MBRCT grants after the award	\$ 181M	\$ 191M	\$ 201M	\$ 211M
Total payroll expenditures resulting from MBRCT state funds, matching funds and follow-on funding	\$ 101M	\$ 107M	\$ 113M	\$ 119M
MBRCT grant awards for production agriculture	\$ 8.4M	\$ 9.1M	\$ 9.8M	\$ 10.5M
MBRCT grant awards for clean coal/renewable resource projects	\$ 1.0M	\$ 2.1M	\$ 3.1M	\$ 4.2M

MT CAPITAL INVESTMENT BOARD:

DP 6105 BRD Montana Equity Capital Act - OTO: This request provides funding for the State Capital Investment Board. The board was created by the 2005 Legislature, but was not funded. The board was given authority to provide contingent, deferred tax credits to enable a Fund of Funds Manager to promote equity capital investments in Montana companies. The one-time-only appropriation is \$50,000 general fund each fiscal year of the biennium.

The Montana Equity Capital Investment Act was passed during the 2005 legislature and created the Montana Capital Investment Board which is administratively attached to the Department of Commerce. The Board was given the authority to provide up to \$60.00 Million in contingent, deferred tax credits to enable a contracted Fund of Funds Manager to promote equity capital investments in Montana by investing in other regional and national venture capital funds. Investments in Montana companies is encouraged but not required by the Act.

Prior to the appointment of the Montana Capital Investment Board by the Governor in the fall of 2007, the Budget Director received an opinion from the Dorsey/Whitney law firm stating that the Act may be unconstitutional in light of other opinions handed down by the Supreme Court on economic development finance legislation. Upon the request of a legislative committee, the Legislative Counsel wrote a contrary opinion saying that the Act was constitutional.

The Board has been performing its due diligence since their appointment and has investigated similar programs in five other states. The Board has embarked on the preparation of the necessary processes and documents necessary to proceed in implementing the program. The Board issued an RFP for a "Fund of Funds Manager" on November 3, 2008. The RFP response due date is January 9, 2009. Once received, the Board will begin the process of evaluating responses to the RFP and potentially selecting a Fund of Funds manager.

Research & Commercialization 2.00 Statutory FTE
Business Resources Division 30.16 HB 2 FTE
Business Resources Division 6.00 Statutory FTE

BUDGET AND POLICY ISSUES (PAGE A 271-274)

The following budget or policy issues are included in the division budget submission to the Governor's Office.

Business Resources Division HB 2 Decision Packages:

PL 5105 BRD Administrative Costs Adjustments HB 2: The executive recommends operating adjustments for the Business Resources Division. Additional operating cost adjustments include: travel, communications, rent, training costs, indirect costs, and software for reporting to the federal government in the Small Business Development Center (SBDC) bureau. In addition, the request includes \$2 million state special revenue each year to record loans to certified Microbusiness development corporations on the state accounting system. The total amount of the request is \$2,145,546 in FY 2010 and \$2,148,319 in FY 2011.

PL 5106 BRD Federal Grants Adjustment HB 2: This decision package adjusts normal ongoing federal appropriations for grants received by the Business Resources Division to match available federal funds for the 2011 biennium.

PL 6105 BRD Montana Equity Capital Act - OTO: This request provides funding for the State Capital Investment Board. The board was created by the 2005 Legislature, but was not funded. The board was given authority to provide contingent, deferred tax credits to enable a Fund of Funds Manager to promote equity capital investments in Montana companies. The one-time-only appropriation is \$50,000 general fund each fiscal year of the biennium.

Since the Montana Equity Capital Act is statutorily mandated and codified in title 90, chapter 10, MCA; the Department of Commerce is requesting this decision package as a Present Law Adjustment.

NP 5190 BRD New Worker Training - OTO: The New Worker Training provides funding for companies in Montana to apply for workforce training grants from the Department of Commerce. A seven-member Grant Review Committee, consisting of both public and private members, makes the grant award decisions and adopts the administrative rules to implement the workforce training grant program. The request is approximately \$1.876 million each fiscal year.

NP 5191 BRD Tribal Economic Development - OTO: The administration requests a one-time-only general fund appropriation of approximately \$798,000 each year of the biennium to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of Tribal economic development activities and projects. Each tribal government is eligible to apply.

NP 6103 BRD Montana Main Street Program - OTO: Funding to implement the Montana Main Street Program will be used to help communities rejuvenate their downtown and historic districts. The executive

requests general fund in the amount of \$125,000 each year as a one-time-only appropriation.

NP 6104 BRD Made in Montana Program HB 2: The executive requests \$100,000 of general fund each year to provide further support technical (business-to-business) marketing information and coaching to selected Montana businesses.

NP 6106 BRD 2010 Decennial Census- OTO: The budget includes general fund of \$51,085 in FY 2010 and \$39,397 in FY 2011 for the Census and Economic Information Center to continue its long standing commitment and partnership with the U.S. Census Bureau and take full responsibility for promoting the decennial census in Montana and coordinate with the Census Bureau, the 56 counties, and the 126 incorporated cities/towns and numerous organizations and educational institutions throughout the state in an effort to ensure an accurate population count for the state.

2009 LEGISLATIVE FINANCE COMMITTEE PERFORMANCE MANAGEMENT INITIATIVE SUMMARY

As part of the 2009 Legislative Finance Committee's interim work plan, various workgroups met to discuss selected programs goals and progress towards specific measurable objectives, also referred to as performance measurements. It should be noted that some of the performance measurements were to be reached by June 30, 2009. The LFC interim project selected goals and related performance measurements and current status of the measurements are outlined below. A narrative discussion of the status of the measures (if any) is attached to the narrative section of this document.

The Business Resources Division reported on:

- Research & Commercialization
- Indian Country Economic Development (ICED)
- New Worker Training Grant Program

Significant Issues Expanded – Statutory

NP 5190 BRD New Worker Training –OTO:

(1) Justification (Why is this proposal needed?):

The New Worker Training Program provides grant funds to existing and new Montana businesses for new worker training. This economic development tool is a catalyst for creating new, good jobs in Montana that pay benefits. A seven member Grant Review Committee consisting of both public and private members review applications and allocate funding through the Department of Commerce. Montana continues to struggle with low wages and under-trained workers. The New Worker Training Program is needed to:

- Provide an essential incentive for new businesses to locate to Montana. State-supported worker training programs are among the incentives most important to expanding or relocating businesses.
- Provide existing businesses with essential support for new worker training that allows them to expand their business in Montana without needing to leave the State.

(2) Project Outcomes (What are the desired outcomes for this project?):

The goals of this Program are to attract new investment in Montana leading to the creation of new jobs that pay a minimum of the State average wage or County average wage where the business is located. This new investment in plant, equipment, and operations of the company create the opportunity for new employment. The New Worker Training Program will continue to attract new businesses to Montana by providing state support for new worker training as a major incentive to relocation and assist new and existing businesses to create new jobs that pay a minimum of the state or county average wage thereby raising wages across Montana.

(3) Performance Criteria (How will progress be measured?):

Measure its success by tracking and reporting:

- The creation of eligible new jobs and the hiring of employees for those jobs.
- The salaries of trainees and changes to salaries through the project.
- Summaries of the training program as planned and as delivered.
- Amount expended for each trainee. (not to exceed \$5000)

Records of training provided and costs incurred in that training must be submitted to the Department of Commerce. The business may receive grant funds periodically over the Contract period upon documenting the creation of eligible jobs, the hiring of employees for the jobs, and after incurring eligible training expenses. The business will submit status reports on project performance at the request of, and in the format prescribed by, the Department. These reports include, but are not limited to:

a) Unless otherwise specified by the Department, the business will submit biannual progress reports to the Department until the goals contained in the plan have been achieved, and the business receives project closeout approval from the Department. The reports must provide evidence of total payroll and employment for statewide operations. The information must be provided within 30 days after December 31 and within 30 days after June 30 for each year of the Contract and at closeout of the Contract. The business agrees to provide access to all payroll and employment records for in-state operations including authorization to review unemployment insurance and training records.

b) Project progress reports will be submitted with each request for funds describing the status of the project with respect to each implementation objective. Funds may be requested by sending a letter on official letterhead signed by the contact listed in the Contract, or by the individual who signed the Contract, with the following information included or attached:

- Names and current positions of employees being trained
- Current salaries of trainees and any changes to salaries through the project
- Summary of the training program and overall goal (certifications, skills, new positions to be filled by trainees, etc.) for each trainee
- Summary of training accomplished for the period in which funds are being requested
- Total cost and breakdown of costs for each employee for which funds are being requested
- Amounts requested for each trainee and amount remaining of the \$5,000 ceiling after the request
- Amount of matching funds expended to date
- Total amount requested and total remaining under the Contract
- Any other pertinent information related to the grant and progress on the hiring and training plan

(4) Milestones (When will key activities to the proposal be completed?):

Since the Department of Commerce has been operating the New Worker Training Program for the last two biennium's, the key activities of the program have already been completed. There is an application process and guidelines that have been developed. The Grant Review Committee has been established and has met to adopt

rules and to review and make grant awards. Contracts with current grantees are in place. We are continuing to work with potential applicants informing them that we are requesting additional funding for the program that would be available at the beginning of the new biennium.

(5) FTE (Who will do the work?):

The work is being performed by existing staff of the Department of Commerce.

(6) Funding (How does the funding work?):

The Primary Sector Business Workforce Training Act, §§39-11-101, MCA, et seq., is designed to encourage the creation of good-paying jobs in primary sector businesses. The grant review committee may award workforce training grants to primary sector businesses that provide education or skills-based training, through eligible training providers from the Montana Department of Labor and Industry (MDOLI) eligible training provider list, for employees in new jobs. To be potentially eligible for a grant, an applicant shall demonstrate that at least 50% of the applicant's sales will be from outside of Montana or that the applicant is a manufacturing company with 50% of its sales from companies that have 50% of their sales outside of Montana and shall meet at least one of the following criteria:

- be a value-adding business as defined by the Montana Board of Investments;
- demonstrate a significant positive economic impact to the region and state beyond the job creation involved;
- be a new business that provides, as determined by the Committee, a product or a service that is not available in Montana or a substantially similar product or service that is not available in Montana, which results in state residents leaving the state to purchase the product or service;
- provide a service or function that is essential to the locality or the state; or
- be a for-profit or a nonprofit hospital or medical center providing a variety of medical services for the community or region.

In order for an eligible business to apply for a job training grant the business shall also meet all of the following conditions:

- Create at least one new job in Montana;
- Pay trainees at least the average wage for the area (state or county -- whichever is lowest). The value of employee benefits can be included in this calculation. The current state average wage is \$15.50 per hour;
- Have a need for education or training for the new employees; and
- Demonstrate that the business expansion is financially feasible.

Definition of New Jobs

"New job" means a newly created additional full-time job in an eligible business. Only net increases in new jobs are eligible for training funds. "Full-time job" means a predominantly year-round position requiring an average of 35 hours of work each week.

The term does not include:

- (a) jobs for recalled employees returning to positions held previously, for replacement employees, or for employees newly hired as a result of a labor dispute, part-time or seasonal jobs, or other jobs that previously existed within the employment of the employer in the state during the past three years; or
- (b) jobs created by an employer as the result of an acquisition of a Montana company or entity if those jobs previously existed, during the past three years, in the state of Montana in the acquired company or entity unless it is demonstrated that the jobs:

- are substantially different as a result of the acquisition; and
- will require new training for the employee to meet new job requirements.

Grant Award Ceiling and Thresholds

The Grant Review Committee ultimately determines the size of the grant. The maximum grant award is \$5,000 for each new job. The Committee may, in exceptional circumstances, consider a higher grant ceiling for jobs that will pay significantly higher wages and benefits if the need for higher training costs is documented in the application. A grant provided under this section must be proportional to the number of jobs provided, the expected average annual wage of all jobs provided, and the underlying economic indicators of the region where the majority of the jobs will be created. A primary sector business workforce training application must involve at least one new job unless unique circumstances are documented that indicate a significant, positive, secondary impact to the local economy will result from the project. Funding ceilings must be determined by the availability of funding, the cost for each job, the quality of the primary sector business proposal, and whether training will be provided in Montana.

Match Requirements

The business is required to provide a match of at least \$1 for every \$3 awarded.

The match:

- (a) must be from new, unexpended funds available at the time of application;
- (b) may include new loans and investments and expenditures for direct project-related costs such as new equipment and buildings. The Committee may consider recent purchases of fixed assets directly related to the proposal on a case-by-case basis. A purchase of fixed assets directly related to the proposed training activities that have been made within 90 days after submission of the application may be considered eligible by the Committee.

Eligible Costs

The grant award may only be used for direct costs associated with education or skills-based training for the new employees. All necessary and incidental costs of providing workforce training and education directed to the new jobs are eligible for a grant. This includes all direct training costs, such as:

- program promotion;
- instructor wages, per diem, and travel;
- curriculum development and training materials;
- lease of training equipment and training space;
- miscellaneous direct training costs;
- administrative costs;
- assessment and testing;
- in-house or on-the-job training; and
- subcontracted services with eligible training providers.

Eligible costs that are not direct costs attributable to specific new employees (such as instructor costs, curriculum development and administrative costs) must be pro-rated and allocated to each eligible new employee receiving training for which reimbursement is requested. The pro-rated costs then count towards the maximum \$5,000 training cost per eligible new employee.

The following are not eligible for grant monies:

- the purchases of equipment to be owned or utilized by the eligible training provider; and
- salary or wages paid to employees during training.

(7) Obstacles (What are the challenges to implementing this proposal?):

The proposal has been implemented and is working well.

(8) Risk (What is the risk to the state if the proposal is not adopted?):

Failing to renew funding for the New Worker Training Program would result in this tool not being available to attract new business enterprises to Montana and the quality jobs that come with this new investment. It would result in the loss of a competitive recruitment and retention tool that almost all other States employ putting Montana at a significant disadvantage for expanded jobs and businesses. The State will not see the economic progress that would have occurred by using this tool which has already generated nearly 2,500 new jobs. The State of Montana will forego new general fund revenue in the form of taxes far in excess of the cost of the incentive. Montana workers will not receive training in new production methods on state of the art equipment and will not accrue skills that could benefit them throughout their working life.

SIGNIFICANT ISSUES EXPANDED – STATUTORY

NP 5001 R & C MT Economic Development Statutory:

(1) Justification (Why is this proposal needed?):

Research has become an important industry in Montana. In the Montana University System (MUS) alone, sponsored research attracts well over \$100 million annually to the state. Technology companies attract millions more. Twenty years ago, the level of research conducted in Montana was a fraction of what it is today. State government has an important role to play to ensure that the level of research activity continues to increase. MBRCT grant awards not only help to pay for research projects, but also help research entities in the state attract federal dollars and private investment.

Many projects funded by MBRCT have resulted in the sale of new products by Montana companies – products that would not be on the market today without the research that was necessary for their development. Technology companies will continue to play a more important role in the state's economy in the future, and research is a fundamental component to the development of technology companies. The MBRCT funding not only directly sponsors research projects in Montana companies, but is also viewed very positively by federal granting agencies that are making their own funding decisions. As a result, Montana is viewed as a "player" in the research world by decision makers in Federal agencies, which results in additional funding for Montana projects.

The MUS also benefits significantly from the program. MBRCT funds are used by MUS research infrastructure projects to demonstrate to federal granting agencies (who pay for a large percentage of the costs of these projects) that the state is committed to the development of research programs in the state. This often results in the leveraging of millions of additional federal research dollars.

Most of the MUS projects sponsored by MBRCT either directly involve or have a collaborative relationship with a Montana company. This collaboration with local companies encourages the transfer of intellectual property from the MUS to a Montana company. The only interest the company has in the intellectual property is the commercialization of a product, so the involvement of the company is a solid indicator that the research project has commercial potential. The university research – technology transfer – company commercialization model has been around for decades, and has proven to be a very successful economic development model across the U.S. The state should continue to support and encourage this activity.

(2) Project Outcomes (What are the desired outcomes for this project?):

The goal of the MBRCT program is to provide a predictable and stable funding source for research and commercialization projects and to expand and strengthen research efforts for the state's industries to increase their economic impact on the state economy.

(3) Performance Criteria (How will progress be measured?):

Progress of the MBRCT program is measured as follows:

1. Total matching funds leveraged by research and commercialization state funds to total at least 25% of total project costs.
2. Additional funding obtained by Montana projects after receiving MBRCT funds to increase by at least \$15 million per year.
3. MBRCT grant awards made to production agriculture projects to total at least 20% of grant funds awarded by the Board.
4. MBRCT grant awards made to clean coal/renewable energy projects to total at least 30% of the funds awarded by the Board starting with the 2008 funding cycle.

(4) Milestones (When will key activities to the proposal be completed?):

Since the MBRCT Program has been in operation since 2000, the key activities of the program have been implemented and proven to work well over time.

(5) FTE (Who will do the work?):

The work is being performed by the Executive Director and Administrative Specialist, the MBRCT Board, and support staff of the Department of Commerce.

(6) Funding (How does the funding work?):

Projects:

- Projects are funded on an annual basis.
- A Request for Proposals is available to interested parties in December.
- The Submission deadline for proposals is March 1st.
- Applicants may be asked to make a presentation to the Board.
- Funding decisions are made by the end of June.
- Funding for new proposals is available in July.
- Proposals may be funded for up to two years. Projects lasting more than two years must resubmit for funding after the second year.

- There is no lower or upper limit on the amount of funding that may be requested. Most applications request between \$50,000 and \$300,000 per year. The average annual award is about \$150,000.
- All projects must have at least 25% in matching funds.

Program:

15-35-108, MCA statutorily appropriates \$3.65 million of interest income on the coal severance tax permanent fund to the MBRCT state special revenue account annually.

(7) Obstacles (What are the challenges to implementing this proposal?):

The program was implemented in 1999 and is working well.

(8) Risk (What is the risk to the state if the proposal is not adopted?):

It is said that "All overnight successes are 20 years in the making". Funding research and commercialization projects is a long-term approach to economic development. Montana competes with other states that have had such programs in place for many years. For example, the Triangle Park in North Carolina was founded in 1959 and currently boasts 157 research and development facilities with 39,000 employees whose average salary is \$56,000.

Montana may not be a major player in the research and commercialization world, but the state is definitely in the game. The loss of this program would demonstrate to Montanans and non-Montanans alike that the state is not serious about its ability to compete regionally, nationally, and globally in a technology-based economy.

**Significant Issues Expanded – Statutory
NP 5191 BRD Tribal Economic Development – OTO:**

1. Why is this proposal needed?

One of the greatest economic development challenges that Montana faces is capitalizing on or creating opportunities for job creation and economic prosperity on Montana's Indian Reservations and with non-reservation Indians.

According to the 2000 Census, there were 65,945 self identified American Indians in Montana, or about 7.3 percent of the total populations. Approximately 37,871 American Indians, or about 57.4 percent, lived on one of the seven reservations in the state. The Blackfeet and the Flathead reservations were the largest, with 8,665 and 7,853 American Indian residents, respectively. Rocky Boy's (2,598) and the Fort Belknap (2,805) reservations had the smallest number of American Indians residents. American Indians are, on average, much younger than other Montanans. The median age for American Indians was 24.1 years, as compared for 37.5 years for the total populations in the state. The youngest American Indians were on the Northern Cheyenne and Rocky Boy's reservations, with medians of 20.2 and 20.1 years, respectively. The oldest were on the Fort Peck Reservation, where the median age was 30.2 years.

The median household income for American Indians was \$22,824, more than ten thousand less than the \$33,024 reported for all Montanan households.

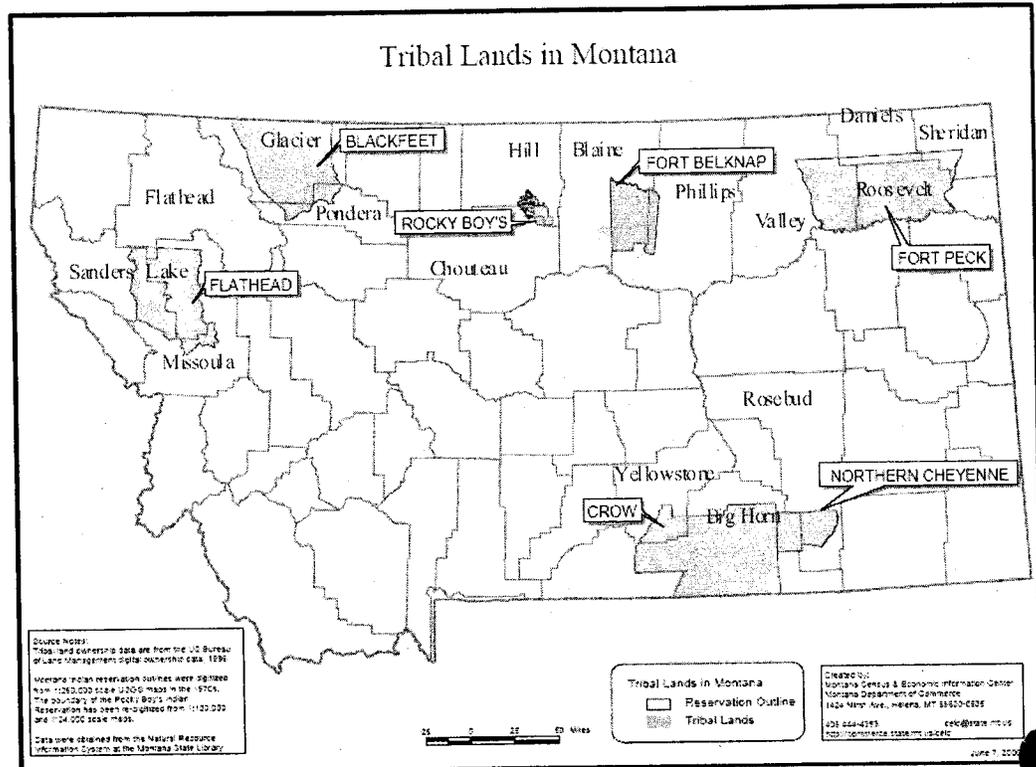
Based upon the methodology used, the unemployment rate for Reservations in Montana has historically ranged from 15% to 30%; using the Bureau of Labor Statistics methodology; and from 25% to 75% using Bureau of Indian Affairs methodology. Whichever methodology is used, these rates are significantly higher than the rest of the State where the current statewide unemployment rate is below 5%.

2000 Census Data

BLACKFEET	
Population	10,100
Unemployment	22.6%
Per Capita Income	\$9,751
Poverty	30.0%
Median Age	26.5
BA+	13.5%
% American Indian	84.2%

FLATHEAD	
Population	26,172
Unemployment	7.9%
Per Capita Income	\$14,503
Poverty	15.8%
Median Age	37.4
BA+	20.8%
% American Indian	26.7%

ROCKY BOYS	
Population	2,676
Unemployment	28.4%
Per Capita Income	\$7,326
Poverty	38.0%
Median Age	20.5
BA+	11.8%
% American Indian	96.3%



FORT BELKNAP		FORT PECK		CROW		NORTHERN CHEYENNE	
Population	2,959	Population	10,321	Population	6,894	Population	4,470
Unemployment	23%	Unemployment	17.5%	Unemployment	17.1%	Unemployment	19.5%
Per Capita Income	\$8,150	Per Capita Income	\$10,691	Per Capita Income	\$9,440	Per Capita Income	\$7,736
Poverty	36.5%	Poverty	30.1%	Poverty	26.6%	Poverty	39.3%
Median Age	23.5	Median Age	30.2	Median Age	27.6	Median Age	22.7
BA+	12.5%	BA+	14.6%	BA+	13.8%	BA+	13.5%
% American Indian	94.3%	% American Indian	61.9%	% American Indian	74.9%	% American Indian	90.1%

SOURCE: U.S. CENSUS BUREAU, CENSUS 2000

2. What are the goals of the proposal?

The goals of this proposal are to fund projects identified by the Tribal Governments that meet one or several of the application criteria and, to fund other activities that will have an impact on the prosperity of Indians involved in those projects across the State of Montana. In this way, we will be able to help individuals get hired into permanent full-time jobs, start their own businesses, and improve their economic circumstances.

3. How will progress be measured?

The Department of Commerce will use performance measures for each individual project funded that duplicate the kind of information we typically develop for other economic development projects and activities. These will include:

- Jobs created and retained
- New business created or retained
- Wages paid for jobs created and retained
- Other funds leveraged with State funds including private equity, loans, and local, state, and federal funds.

4. When will key activities to the proposal be completed?

Each project funded will have a separate completion timeline depending upon the nature of the project. As an example, the Rocky Boys Reservations applied for and was awarded money to help produce a feasibility study for an ethanol plant. The feasibility study itself would be one of the milestones for the project but our hope is that the study leads to investment and the creation of an ethanol plant employing Indian residents in good paying jobs and, providing farmers with a market for higher value oil seed crops.

5. Who will do the work?

Staff at the Department of Commerce have already designed and implemented the application and proposal review process. Each of the Tribal Governments has applied for funding from the department. Staff in the Department of Commerce have initiated and completed contracts with each of the Tribal Governments. We are currently in the process of receiving applications for FY07.

6. How does the funding work?

Eligible Applicants:

Eligible applicants for the Indian Economic Development Program funding include the governing body of each Montana Indian Reservation and also, the governing body of the Little Shell Band of Chippewa-Cree Indians.

Funding Availability:

A total of \$400,000 each year is available for eligible applicants under this program. The governing body of each Eligible Applicant may apply for a maximum of \$50,000. If all of the funding has not been applied for and awarded by March 31, 2006, the Department, in its discretion, may award additional funding to any project that was previously awarded funding under this program.

It is critical that other funds are leveraged with the funding contained in this program. Minimum matching funds required to receive funding are \$1 to \$1. Match can be in-kind. This matching rate is only the minimum. Significantly greater amounts of matching monies will improve the outlook for the continuation of this funding from the Legislature.

Eligible Activities:

- **Business Development Projects:** Funding is available for business expansion, retention, start-up, or relocation if applied for by the Governing Body. The Applicant may grant or loan the money to a business enterprise if it will produce a positive economic benefit for the Tribe(s). In this context, a positive economic benefit will be defined as the near-term creation or retention of job opportunities for Tribal members in Montana. The investment made by the Tribe or the Company must be equal to or greater than the funds applied for under this program.
- **Workforce Training Projects:** A project that will train Tribal members in job skills currently needed by a specific company on or off of the Reservation in Montana is an eligible activity. The company must commit to hiring the workers permanently and must document that equal matching funds are being provided by the company for the training. A maximum of \$5,000 in training funds may be requested for each person to be hired and trained.

Entrepreneurial Training: The Tribe(s) may request funding for the creation or maintenance of activities that are designed to provide entrepreneurial training for reservation members. An example of this kind of request would be to continue to provide small business technical assistance through an existing organization such as a Tribal Business Information Center. Equal matching funds are required for funding in this category of activity.

- **Feasibility Study:** A feasibility study may be an eligible activity providing the study is of sufficient magnitude to have a significant economic impact on the future economic development of the reservation. Any application to fund a feasibility study must prove that equal matching funds are available to fund the study from the Tribe(s) or any other source.
- **Other Business Development Projects:** A Tribal Government can apply for other types of economic development projects that are deemed to be the top priority of the Tribe(s). An example of this kind of activity might include the administration of a small revolving loan fund for individual Indian businesses that would be administered by the Tribal Government. Equal matching funds are required for funding in this category of activity.

7. What are the challenges to implementing this proposal?

The proposal has been implemented and we found no significant challenges in doing so. The greatest challenge of all is for the Tribal Governments to identify projects that will be successful and result in new, good businesses and jobs for Tribal citizens.

8. What is the risk to the state if the proposal is not adopted?

The risk to the State of Montana in not adopting the proposal is that the economies on Montana's Indian Reservations to a greater or lesser degree will continue to lag far behind the rest of the Montana economy. The economic status quo continues to result in high poverty rates and all of the social consequences that come with that condition. Obviously, this amount of funding in and of itself cannot change the economy on every Reservation in the State but, taken together with all of the other activities and resources deployed, progress is being made. This funding is able to change the economic condition for all of the Indian citizens either owning or being employed by a successful business.



How to apply

Montana Main Street is a program of the Montana Department of Commerce. Communities are selected through an application process once a year. **Applications are due July 1 every year.** All communities, regardless of their membership type, are required to submit quarterly economic development statistics to the state program coordinator. Applications are available online at www.mtmainstreet.mt.gov.

More Information

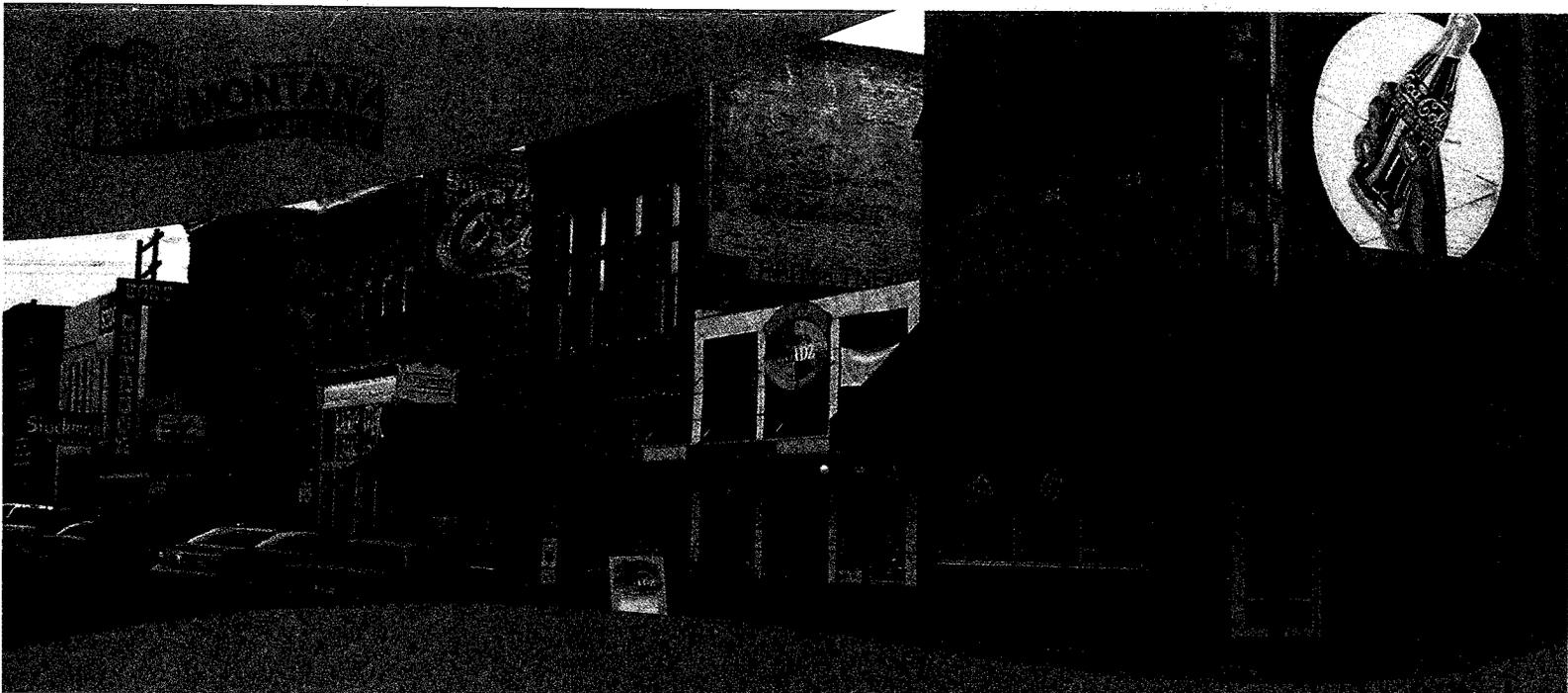
EXHIBIT 3
 DATE 11/21/09
 HB 2

Montana Main Street Program
 Montana Department of Commerce
 301 S. Park Ave PO Box 200505
 Helena, MT 59620
 Phone: 406/841-2756
 Email: jburk@mt.gov
www.mtmainstreet.mt.gov
www.mainstreet.org



"Community revitalization is a key component to creating economic prosperity in Montana's cities and towns. Montana's Main Street program helps to stimulate revitalization in local economies by encouraging communities to use their unique assets to rebuild their downtowns."

-Governor Brian Schweitzer



What is Main Street?

Main Street is a historic-preservation based economic development program that has been used in more than 2,000 rural and urban communities nationwide since 1980 to spark life into traditional downtown commercial districts. It was created by the National Trust for Historic Preservation to assist downtown revitalization efforts.

The Main Street approach encourages communities to use their unique assets—distinctive architecture, pedestrian-friendly atmosphere, local ownership, and personal service—to rebuild their downtowns. Main Street's focus is limited to the revitalization of the central business district because a healthy, economically viable, and attractive downtown is important to the overall health and vitality of an entire community.

It is a comprehensive and incremental approach to revitalization that requires the participation of a wide variety of stakeholders, including business and property owners, local government, utilities, banks, civic groups, the media, and others. If long-term revitalization is to succeed, it requires careful attention to every aspect of downtown, a process that takes time, and requires leadership and local capacity building. Main Street consists of four broad topics, called the Four-Point approach: organization, promotion, design, and economic restructuring.

Services

In Montana, there are three levels of membership: FULL DESIGNATION, TEMPORARY AFFILIATE STATUS, and PERMANENT AFFILIATE STATUS.

FULL DESIGNATION

Communities wishing to apply for designated status must hire at least a **part-time paid executive director** to oversee the local Main Street organization, board of directors, and volunteers. Designated communities receive on-site technical training and consulting, delivered by the National Trust Main Street Center and the state program.

First year

Designated communities receive assistance with organizational capacity-building, which consists of training in board development and staff development, 4-point training, and work plan development.

Second year

Receive market analysis assistance, and every year thereafter they receive on-site trainings on topics of their choice.

Additional

Receive free registration to the annual Montana Main Street conference, free registration to 2-3 executive director trainings per year, free reference materials, and one year of membership in the National Main Street Network. Communities of all sizes may apply for designated status.

Current Designated Communities

Anaconda, Butte, Libby, Livingston, Red Lodge, Stevensville

TEMPORARY AFFILIATE STATUS

This is intended for communities with populations between 2,000 and 5,000 residents. They receive Main Street 101 training, free registration to the annual Montana Main Street conference, free materials, and one year of membership in the National Main Street Network. Temporary affiliate communities have three years to familiarize themselves with the Main Street approach to downtown revitalization and to raise the money to hire a paid executive director. The goal is to help these communities achieve full designation. If a community does not apply for full designation after the three-year period, it will be dropped from the state program.

Current Temporary Affiliates

Glasgow, Polson, Shelby, Townsend, Whitehall

PERMANENT AFFILIATE STATUS

Communities in this category must have fewer than 2,000 residents, and can remain in this category indefinitely. They can, however, apply for full designation at any time. Permanent affiliate communities receive the same services as temporary affiliates.

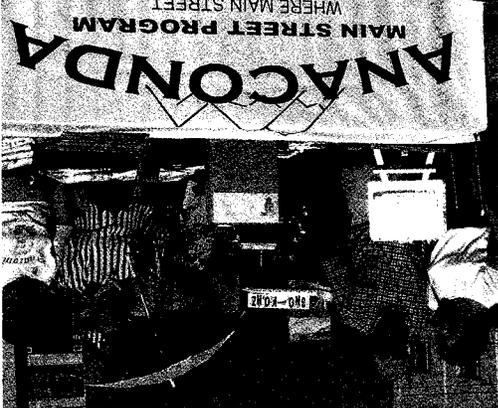
Current Permanent Affiliates
Columbus, Sheridan, White Sulphur Springs



National Folk Festival 2008, Butte



Main Street, Red Lodge



Marcus Daily Days 2008, Anaconda

Why the 2010 Coalition was Formed

In the 2005 Legislative Session, the sunset for eight key economic development programs was extended, meaning that the programs now are scheduled to sunset in 2010.

Prior to the formation of the 2010 Coalition, each program affected by the 2010 sunset went through a review by a subcommittee of the Montana Economic Developers Association (MEDA), to evaluate the involved programs, determine if the programs should be recommended for reauthorization, what funding levels should be and what modifications, if any, should be made for program improvement.

A report titled "Reinvesting in Montana's Economic Future" has been assembled as a result of the committee's study and demonstrates each program's strengths, purpose and success. The full report is available online at <http://www.medamembers.org>

Once again, a coalition has formed to insure that these successful endeavors continue far beyond the sunset of 2010.

2010 COALITION MEMBERS TO DATE:

Montana Association of Counties
Montana Cooperative Development Cr.
Lake County Community Development
Montana Independent Telecom Systems
Montana Chamber of Commerce
Bear Paw Development Corporation
Great Northern Development Corp.
Montana Grain Growers Assoc.
St. Mary's Rehabilitation Project
Montana Electric Cooperative Assoc.
Butte Local Development Corp.
Montana Ambassadors
Kallispell Chamber of Commerce
SouthEastern MT Development Corp.
John Balsam Associates
Big Sky Economic Development Authority
Montana Economic Developers Assoc.
NorthWestern Energy
Montana Telecommunications Assoc.
Snowy Mountain Development Corp.
Missoula Area Economic Development
Montana Farm Bureau
Billings Chamber of Commerce
Beartooth RC&D
Women Involved in Farm Economics
Montana Economic Development Services
Montana Business Assistance Connection

If you would like more information, contact us at:

2010 Coalition
c/o 118 E. Seventh St.; Suite 2A
Anaconda, MT 59711
Ph: 406.563.5476
Email: info@medamembers.org

REINVESTING IN MONTANA'S ECONOMIC FUTURE

Montana Growth Through Agriculture
Montana Cooperative Development Center
Montana Board of Research
Small Business Development Centers
Montana Technology Innovation Partnerships
Certified Regional Development Corporations
Montana Manufacturing Extension Center
Trade and International Relations Bureau

The 2010 COALITION

Eight Proven Programs for Montana's Future

Thanks to united efforts and great leadership, HB260 was passed and funded in 2000. As a result, for nearly ten years eight proven and successful economic development programs have made a huge impact on business and the economy of Montana.

Once again a coalition has formed to insure that these successful endeavors continue far beyond the sunset of 2010.

A SUMMATION OF SUCCESS:



Montana Growth Through Agriculture

Mission: Strengthen and diversify Montana's Ag Industry through private-public partnerships that assist in the development of new ag products and processes.

Current Funding: \$1,250,000
Projects Funded: 355 (40% since 2004)
Total Awards Given: \$8,350,976
Total Matching Funds: \$51,880,524
Per Dollar Return: \$6.21 generated
Total Financial Benefit: \$101,302,972
Total Jobs Created/Retained: 588
 Statistics since program inception 1989



Certified Regional Development Corporations

Mission: CRDC's are responsible for helping local officials, communities and businesses "assess, plan, and facilitate action" within their regions.

Current Funding: \$425,000 per year
Businesses Assisted: 917
Loans Provided: 103
Total Loan Value: \$8.7 million
Total Jobs Created/Retained: 730
 Statistics from calendar year 2006



Montana Technology Innovation Partnership

Mission: Promote technology commercialization. Help build the short-term benefits of technology research and development into the long-term rewards of economic development.

Current Funding: \$50,000 per year
Funds Leveraged: \$500,000 per year
2006 Awards: 11 Companies
New Companies Launched: 20
Annual Dollar Awards: \$10-15 million
Total Businesses Assisted: 350



Montana Trade and International Relations Bureau

Mission: To help Montanar's pursue business opportunities both domestically and worldwide by providing consultation and training for companies to successfully compete in new markets.

Current Funding: \$300,000 per year
2000 Total State Exports: \$796 million
2007 Total State Exports: \$1.7 billion
Percent of Increase: 21.3%
Average Counseling Sessions: 960
Average Foreign Visits: 15



Small Business Development Centers

Mission: Focus on the creation, retention and expansion of small businesses.

Current Funding: \$125,000 per year
Leveraged Return: \$5 for every \$1
Total Financing Obtained: \$64 million
Clients Counseled/Trained: 4,500 per year
Jobs Created/Retained: 414/434 per year
Counseling Hours Provided: 6,000 per year



Montana Manufacturing Extension Center

Mission: Provide information, training, decision support and implementation assistance to Montana's manufacturers. Assists manufacturers in adopting new advanced technology, techniques and business practices.

Current Funding: \$200,000 per year
Clients Served: 126
Counties Served: 29
Jobs Created/Retained: 544
Increased Sales: \$86,334,400
Client Investment: \$12,830,700
Client Satisfaction: 4.7/5
 Statistics from 7/1/05-6/30/07



Montana Cooperative Development Center

Mission: MCDC works with new and existing co-ops and other groups to evaluate co-op business models and strategies to meet their objectives.

Current Funding: \$65,000 per year
New Cooperatives Formed: 25
Cooperatives Pending: 13
Jobs Created/Retained: 296
Total Payroll Benefit: \$8,355,807
Grants Provided: \$20,000
Funds Leveraged: \$3.5 million



MT Board of Research & Commercialization Tech

Mission: Encourage economic development through investment in research projects that have a clear path to commercialization.

Current Funding: \$3,650,000 per year
Projects Funded: 127
Initial Project Funding: \$30 million
Leveraged Funding: \$36 million
Follow-on New Funding: \$171 million
 Statistics from program inception in 1999

The information in this report may have been updated since you last viewed this page. To insure you are viewing the most recent copy, press refresh on your browser window now.



MONTANA BY THE NUMBERS

Census and Economic Information Center

Montana Department of Commerce

Turning Data Into Knowledge

[Click this heading to return to web site](#)

PEOPLE AND HOUSEHOLDS

Population

Montana (2008 Estimate)	967,440
Montana (Census 2000)	902,195
Percent Change (2000-2008)	7.2%

Top Ten Cities, 2007 Estimates

Billings	101,876
Missoula	67,165
Great Falls	58,827
Bozeman	37,981
Butte-Silver Bow*	31,967
Helena	28,726
Kalispell	20,298
Havre	9,618
Anaconda-Deer Lodge*	8,852
Miles City	8,120

Top Ten Counties, 2007 Estimates

Yellowstone	139,936
Missoula	105,650
Gallatin	87,359
Flathead	86,844
Cascade	81,775
Lewis & Clark	59,998
Ravalli	40,396
Silver Bow	32,652
Lake	28,438
Lincoln	18,885

*Consolidated City/County

Population Projections

2010	2015	2020	2025
968,598	999,489	1,022,735	1,037,387

Age, Gender and Race Estimates

Under Age 18	23.0%	White	90.6%
Age 18 and Over	77.0%	Black	0.6%
Age 65 and Over	13.9%	Native American/Alaska Native	6.3%
Male	50%	Asian	0.7%
Female	50%	Native Hawaiian/Other Pacific Islander	0.1%
Median Age	39.2	Two or More Races	1.7%
		Hispanic or Latino Origin	2.8%

Geography

Density-Persons Per Square Mile (2000)	6.2
Land Area Square Mile	145,552
Urban (2000)	54.0%
Rural (2000)	46.0%

Household and Housing Characteristics (ACS 2007)

Total Households	371,954	Family Households	240,727
Average Household Size	2.5	Average Family Size	3.06
Total Housing Units	435,586	Homeownership Rate	69.6%
Median Value	\$170,000	Owner-Occupied Homes	258,965

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People and Households section continued on page 2

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Income and Poverty

Median Household Income (ACS)	\$43,531	People Below Poverty (SAIPE)	14.1%
Median Family Income (ACS)	\$53,497	Children Under Age 18 Below Poverty (SAIPE)	18.3%
		People Without Health Insurance (3 yr. avg.)(CPS)	16.1%

Source: American Community Survey (ACS), Small Area Income & Poverty Estimates (SAIPE) and U.S. Census Bureau's Current Population Survey (CPS)

Education (ACS 2007)

Educational Attainment (persons 25 years & older)	Percent	Rank
High School Graduates	90.0	7
Bachelor Degree	27.0	22

Source: U.S. Census Bureau, American Community Survey, 2007

www.census.gov

OPI - Public School Enrollment (2007-2008)

Elementary (PreK-8)	96,810
Secondary (9-12)	46,472
State Funded Schools	123
TOTAL	143,405

Postsecondary Institutions

University System Campuses	11
Private Colleges	3
Community Colleges Public	3
Tribal Colleges	7

Public Students Per Square Mile .975

Student/Teacher Ratio (2005-2006)

Montana Average	14.1 S/T
National Average	16.2 S/T

Source: Montana Office of Public Instruction. www.opi.mt.gov

End of People and Households section

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ECONOMIC

Gross Domestic Product by State

2000	2001	2002	2003	2004	2005	2006	2007
\$21,366	\$22,471	\$23,560	\$25,526	\$27,452	\$29,966	\$31,994	34,253

Millions of current dollars. Gross Domestic Product by State is the measurement of a state's output; it is the sum of value added from all industries in the state. NAICS Industry Data.
 Source: U.S. Bureau of Economic Analysis <http://www.bea.gov/regional/index.htm#gsp>

Personal Income

Total Personal Income, 2007(p)	\$31,090,410,000
Average Annual Growth 2006-2007	6.6%
Per Capita Personal Income, 2007	\$32,458
Rank	41
Percent of the U.S. Average	84
Average Wage Per Job, 2006	\$30,534

Source: U.S. Bureau of Economic Analysis <http://www.bea.gov/regional/index.htm#state> revised 4/7/08

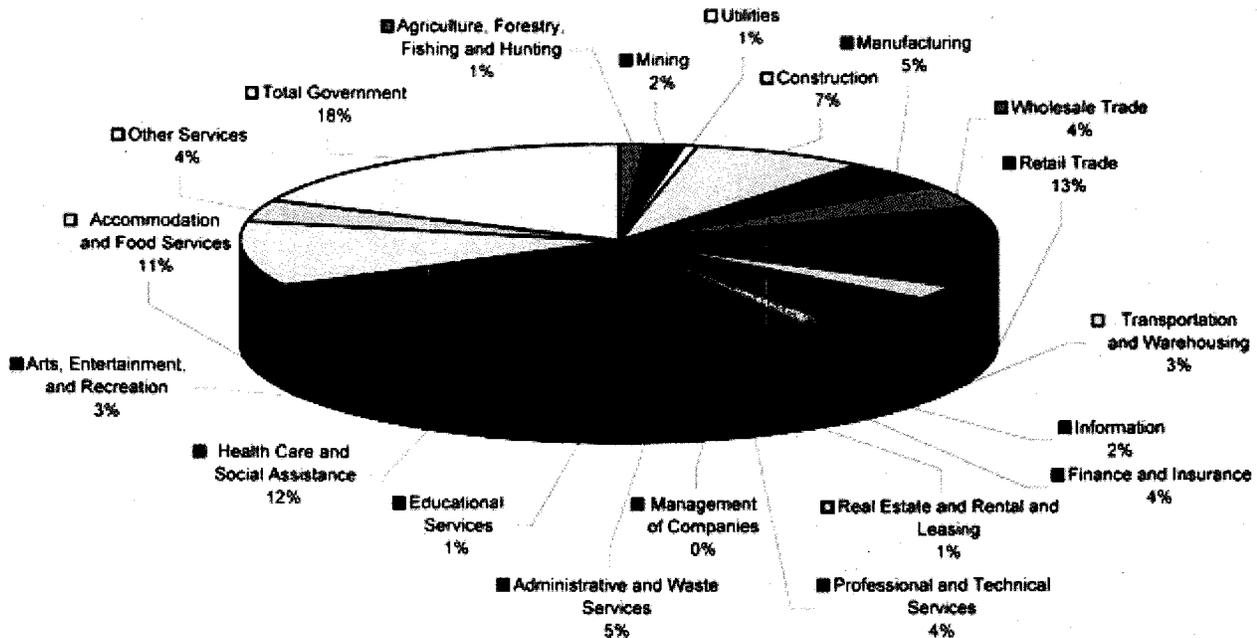
Annual Labor Force

Civilian Labor Force	501,348	Employed	485,615	Unemployed	15,734 (3.1%)
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Source: Montana Department of Labor & Industry, Research & Analysis Bureau, 2007 <http://www.ourfactyourfuture.org>

Major Industries By Employment

MONTANA EMPLOYMENT BY INDUSTRY: 2007



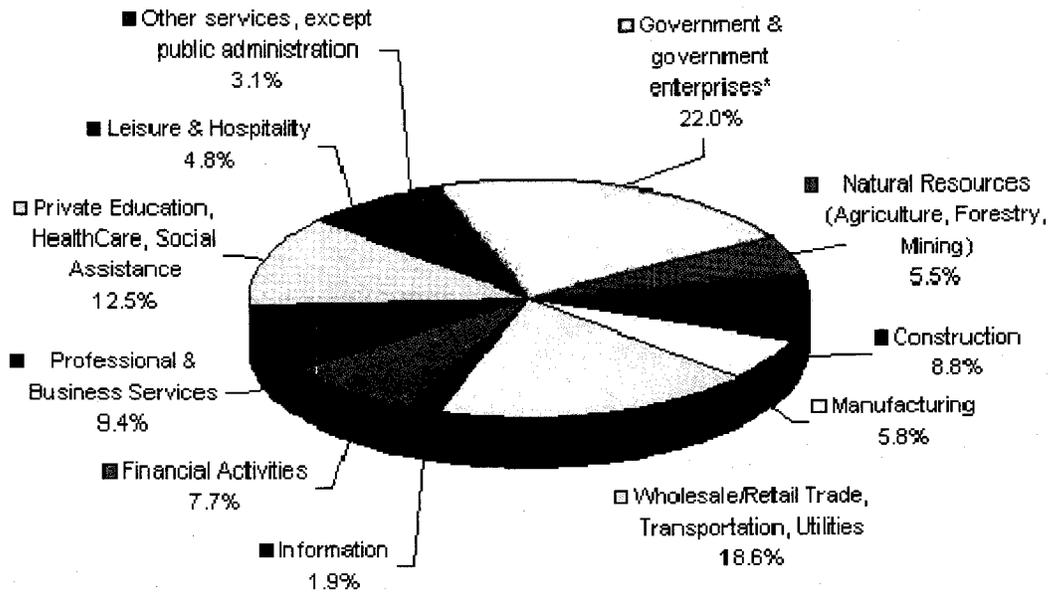
The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program.

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Major Industries By Earnings

MONTANA WORKER EARNINGS BY INDUSTRY: 2006



*Public education is included in Government & government enterprises

Source: Table SA05N, Personal Income and Earnings by Industry, Bureau of Economic Analysis, U.S. Department of Commerce, NAICS Industry data
 Compiled by: Census and Economic Information Center, Montana Department of Commerce, 09/07

Earnings = sum of three components of person income—wage and salary distributions, supplements to wages and salaries, and proprietors' income.
 Source: Bureau of Economic Analysis, U.S. Department of Commerce, September 2006. <http://www.bea.gov/regional/index.htm#state>
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Exports

Exports	Dollars	Percent Change (2005-06)
Total Montana Exports	\$1.297 billion	24.5%
Wheat	\$410.4 million	24.1%
Inorganic Chemicals	\$192.5 million	96.7%
Industrial Machinery	\$185.9 million	15.2%
Ores, Slag, and Ash	\$ 73.3 million	-35.6%
Paper and Paperboard	\$ 39.6 million	12.7%
Wood and Wood Products	\$ 32.6 million	-0.6%
Live Animals	\$ 2.9million	95.4%

Source: Montana Agricultural Statistics Services Service and WISER Origin of Movement, 2006 www.exporthmontana.com

Taxation

Type	Tax	Amount	Rank in U.S.
Total	Total	\$2,319,992,000	46
Property	Total	\$201,825,000	13*
Licenses	Total	\$308,304,000	34
Income	Total	\$1,011,623,000	41*

*Property tax rank out of 37 states; Income tax rank out of 46 states

Source: U.S. Bureau of the Census, 2007 www.census.gov/govs/www/statetax.html Revised 03/08

End of Economics' section

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BUSINESS AND INDUSTRY**Retail Sales**

Retail Sales by Store Group	(\$000)
Total Retail Sales	\$17,641,577
Building Material and Garden Equipment & Supply Dealers	\$2,525,477
Clothing and Clothing Accessory Stores	\$431,553
Food & Beverage Stores	\$1,860,121
Food Service & Drinking Places	\$1,610,157
Furniture, Electronics, Appliances	\$885,236
Gasoline Service Stations	\$3,123,884
General Merchandise	\$2,318,711
Health & Personal Care Stores	\$444,493
Motor Vehicle & Parts Dealers	\$3,004,575

Source: Demographics USA, County Edition, 2008

Businesses with Employees

Number of Employees	Annual Payroll (\$1,000)	Total Establishments
342,526	\$9,838,585	36,649

Number of Establishments by Employment-size class

1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 or more
22,040	6,899	4,245	2,441	658	284	53	22	7

Source: U.S. Census Bureau, County Business Patterns, 2006 <http://www.census.gov/epcd/cbp/view/cbpview.html>**Businesses with No Employees (Self-employed)**

Total All Sectors	Establishments	Receipts (\$1,000)
	80,969	3,273,945

Source: U.S. Census Bureau, Nonemployer Statistics, 2006 <http://www.census.gov/epcd/nonemployer/>**Industry**

NAICS Code	Industry Description	Number of Establishments	Sales, shipments, receipts, or revenue (\$1,000)	Annual Payroll (\$1,000)	Number of Employees
21	Mining	266	\$1,226,555	\$227,513	4,622
22	Utilities	221	N/A	\$177,740	3,057
23	Construction	4,025	\$3,372,837	\$658,456	22,506
31-33	Manufacturing	1,234	\$4,987,577	\$638,834	18,582
42	Wholesale trade	1,485	\$7,223,420	\$430,384	13,728
44-45	Retail trade	5,145	\$10,122,625	\$988,009	52,891
48-49	Transportation & warehousing	1,148	\$996,647	\$234,545	9,094
51	Information	633	N/A	\$261,550	9,357
52	Finance & insurance	1,803	N/A	\$468,021	13,596
53	Real estate & rentals & leasing	1,416	\$520,932	\$94,161	4,763
54	Professional, scientific, & technical services	2,886	\$1,249,057	\$498,313	15,617
55	Management of companies & enterprises	104	\$50,898	\$68,086	1,546
56	Administrative & support & waste management & remediation service	1,299	\$544,236	\$213,120	12,616
61	Educational services	188	\$39,674	\$11,565	876
62	Health care & social assistance	3,032	\$3,432,698	\$1,428,942	51,770

71	Arts, entertainment, & recreation	922	\$486,116	\$113,257	9,252
72	Accommodation & food services	3,260	\$1,537,986	\$408,977	40,918
81	Other services (except public administration)	2,231	\$737,387	\$190,716	10,295

Source: U.S. Bureau of the Census, 2002 Economic Census <http://www.census.gov/econ/census02/>

Business and Industry section continued on page 6

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Manufacturing

All Employees		Production Workers		
Number	Payroll (\$1,000)	Number	Hours (1,000)	Wages (\$1,000)
16,996	\$728,736	12,519	24,452	\$472,700
Value added (\$1,000)		Total cost of materials (\$1,000)		Total value of shipments (\$1,000)
\$3,476,001		\$6,252,335		\$9,555,352

Source: U.S. Census Bureau, Annual Survey of Manufacturers, 2006 <http://www.census.gov/econ/overview/ma0300.html>

Montana's Largest Private Employers*

(listed alphabetically)

Albertson's	Missoula Community Medical Center
Benefis Healthcare	Northwestern Energy
Better Business Systems	St. Patrick Hospital
Bozeman Deaconess Health Services	St. Peter's Hospital
Costco Wholesale Corporation	St. Vincent Healthcare
Deaconess Billings Clinic Health System	Stillwater Mining Company
DirecTV	Town Pump
First Interstate Bank	United Parcel Service
Glacier Bancorp Inc.	Wal-Mart
Kalispell Regional Medical Center	Wells Fargo

*This list contains ONLY private industry employers subject to Unemployment Insurance. Railroads, tribal entities and city, county, state and federal government agencies (including public school districts and universities) are excluded.

Source: Montana Department of Labor & Industry, Research & Analysis Bureau, 2nd Quarter 2007, QCEW. <http://www.ourfactyourfuture.org>

Agriculture

Land in Farms and Ranches (million acres): 60.0 (64%)
 Number of Farms and Rances: 28,100
 Average Size of Farm/Ranch - acres: 2,139

Top 5 Agriculture Commodities (2006)

(cash receipts - thousands of dollars)

1. Cattle & calves	\$1,117,144
2. Wheat	\$688,415
3. Barley	\$96,561
4. Hay	\$93,642
5. All other crops	\$86,572

Top 5 Agriculture Exports (2006)

(millions of dollars)

1. Wheat & wheat products	\$451.7
2. Feeds and fodders	\$39.6
2. Vegetables & preparations	\$39.6
4. Feed grains & products	\$23.4
5. Other	\$13.0

Source: USDA, 2007 Montana Agricultural Statistics, and 2002 Census of Agriculture <http://www.nass.usda.gov/mt>

End of Business and Industry section

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PUBLICATIONS**Publications**(Montana State web site - <http://mt.gov>)

Title	Publisher	
<u>Economic Profile</u>		
<u>Demographic Analysis</u>	Census and Economic Information Center Montana Department of Commerce	(406) 841-2740 http://ceic.mt.gov/publications
<u>What the Numbers Say Newsletter</u>		
<u>Data Highlights</u>		
<u>American Indian Reservation Fliers</u>		
<u>Economy at a Glance</u>	Research & Analysis Bureau Montana Department of Labor and Industry	(406) 444-2430 http://www.ourfactsyourfuture.org
<u>Labor Day Report</u>		
<u>State and County Fliers</u>		
<u>Montana Business Quarterly</u>	Bureau of Business & Economic Research University of Montana	(406) 243-5113 http://www.bber.umt.edu/
<u>Economic Outlook</u>		

End of Publication section

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EXHIBIT 3 ICED
 DATE 1/21/09
 HB 2

Tribal Economic Development Grants		Agency/Program #: 6501-51-11
		Division: Business Resources
		Program:
Agency Name:	Department of Commerce	
Agency Contact:	Andy Poole	841-2707
LFC Contact:	Representative Erickson, Representative Ripley	
LFD Liaison:	Pam Joehler	444-2722
OBPP Liaison:	Mark Bruno	444-4588

Program or Project Description:
 Indian Country Economic Development (ICED) Program – A total of \$798,496 is available to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies and other types of Indian economic development activities and projects. Tribal governments apply for funds to address priority economic development needs. Also, the Department of Commerce, working with the State/Tribal Economic Development Commission invests some of the funds in statewide Indian economic development activities.

Fund Name:	Appropriation, Expenditure and Source				Approp & Expenditure numbers are as of April 15, 2008
	2008		2009		
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
Total:	\$0	\$0	\$0	\$0	

Legislative Goal(s):
 To provide ICED funding to:
 Help Tribes maintain or expand their businesses by creating or retaining jobs,
 Help leverage at least \$1 for every \$1 in ICED funds,
 Help Montana Tribes address their priorities through funding economic development projects.

Legislative Performance Measures :
 Number of jobs created or retained as a result of ICED investment,
 Amount of leveraged funds,
 Number of projects that met or exceeded their proposed goals.

	2009 Biennium Significant Milestones:	Completion Dates	
		Target	Actual
1	→Each of the 8 tribal governments to apply for the \$70,000 of FY08 available funds by the March 31, 2008 application deadline. Target date March 31, 2008 - completed.		
2	Each of the 8 tribal governments to apply for the \$70,000 of FY09 available funds by the March 31, 2009 application deadline. Target date March 31, 2009		
3	Native American business owners from each of the 8 Tribal Nations have applied for a total of \$70,000 in funds from the Montana Indian Equity Fund prior to 05-31-08. The target date was June 30, 2008		
4	Indianpreneurship course and technical assistance offered in each of the 8 Tribal Nations; courses still in process. Target completion date is June 30, 2008.		
5			

Agency Performance Report:

The following information is summarized from the 11-page document submitted by the agency. This document is attached.

1) Number of jobs created or retained as a result of ICED investment:

FY 2006 -- 19 jobs created; 523 workers trained

FY 2007 -- 17 jobs created; 0 workers trained

FY 2008 -- 48 potential jobs created; 104 workers trained

2) Amount of leveraged funds

FY 2006 -- \$2,741,909 Total awarded \$440,000 6.23:1 match

FY 2007 -- \$3,328,956 Total awarded \$400,000 8.32:1 match

FY 2008 -- \$3,171,610 Total awarded \$568,829 5.66:1 match

3) Number of projects that met or exceeded their proposed goals

FY 2006 -- 8 of 8

FY 2007 -- 4 of 8 (4 grants still "open")

FY 2008 -- 1 of 9 (8 grants still "open" or "pending")

LFD Narrative:

LFD ASSESSMENT: On-Track

DATA RELEVANCE: The information reported in the Agency Performance section relates to the legislative goals and performance measures.

APPROPRIATION STATUS: Appropriation and expenditure data were not provided

COMMENTS: Approximately 29 percent of the FY 2008 appropriation is uncommitted.

OPTIONS:

- 1) Dismiss from further review
- 2) Review again in October 2008
- 3) Request additional information
- 4) Upgrade or downgrade the rating

Potential Questions for the Committee:

- What budget changes are being considered for the 2011 biennium for this program and why?
- What are the next steps in implementation to assure continued positive outcomes?
- Are there any potential obstacles in the near future that may change the course of this initiative or progress towards the goal?
- How is this level of performance going to be sustained?
- Why was this particularly successful?

Version

Date

Author

Change Description

Indian Country Economic Development (ICED) Program

Revised 4/29/08

FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/ RETAINED/ TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Crow	Revolving loan fund	Maintain and expand loan fund	MT-ICED-08-09	\$70,000	\$80,000		2			Pending	Committee approved on 4/23/08; contract being developed. Retain 2
2008	Confederated Salish & Kootenai	Economic development planning	Planning, oversight and tech. assistance in developing eco devo office	MT-ICED-08-08	\$70,000	\$300,000		2			Pending	Committee approved on 4/23/08; contract being developed. Retain 2
2008	Northern Cheyenne	Telecommunications /A&C Cultural Info & Tourism Ctr	Environmental assessment and boundary surveys /Business plan	MT-ICED-08-07	\$70,000	\$208,097		14			Pending	Committee approved on 4/23/08; contract being developed; Create 14-24
2008	Little Shell	Nokomis Child Care Center	Design, develop and implement a center based on Chippewa traditions.	MT-ICED-08-06	\$70,000	\$154,400		2			Open	Contract dates 4/10/08-4/10/09 Contract being signed Interim progress report due 10/10/08 Final report due 3/10/09 Create 2-3, potential 12-20 at full implementation
2008	Chippewa Cree	Ojibwa Ne-I-Yah-W Initiative	Start up funds for tribal workforce trng to develop a healthy workforce	MT-ICED-08-05	\$70,000	\$235,200		5			Pending	Committee approved on 4/23/08; contract being developed; Create 5 initially; 14-15 with more funding and 100-150 at full implementation
2008	Blackfeet	Pikuni Industries	Research, develop and prototype Advanced Lightweight Materials	MT-ICED-08-04	\$70,000	\$1,600,000		12			Open	Contract dates 12/28/07-12/28/08 Interim progress report due 6/28/08 Final report due 11/28/08 Create 12-18 initially, potential 100 jobs by year 5
2008	Fort Belknap	Little River Smokehouse	Working capital and beef/buffalo inventory	MT-ICED-08-03	\$70,000	\$165,000		9			Open	Contract dates 12/21/07-12/21/08 Interim progress report due 6/21/08 Final report due 11/21/08 Retain 4 jobs, create 5
2008	Fort Peck	Fort Peck Landowners Association	Develop land association infrastructure	MT-ICED-08-02	\$70,000	\$379,463		2			Open	Contract dates 12/14/07-12/14/08 Interim progress report due 6/14/08 Final report due 11/14/08 Create 2 initially, potential for 6 more up to 8
2008	Opportunity Link	Training	A Heartland Institute Training	MT-ICED-08-01	\$8,829	\$49,450	Yes	0		104	Closed	Course held 9/11/07-9/13/07 in Great Falls; titled "Hometown Competitiveness and Sustaining Success in Tribal Economic Development"
2008 SUB-TOTALS					\$568,829	\$3,171,610		48		104		5,66:1 match (note: doesn't include Opportunity Link training - #08-01)

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2007	Little Shell	Assessment of deeded, tribally owned land	Usable land and timber inventory /assessment	MT-ICED-07-08A	\$50,000	\$50,264		0			Open	Contract dates 3/28/07-9/28/08 Interim progress report due 9/27/07 Amendment being signed Final report due 8/28/08
2007	Confederated Salish & Kootenai	Fiathead Lath and Dowel and People's Center Museum	Mill expansion and business /strategic plan for cultural museum	MT-ICED-07-07B	\$50,000	\$2,042,957		14			Open	Contract dates 3/27/07-7/27/08 Interim progress report due 9/27/07 Change in scope rec'd, Amendment being signed Final report due 6/27/08 Retain 10 in mill/Retain 4 in center
2007	Crow	Revolving loan fund	Fund capital & training	MT-ICED-07-06	\$50,000	\$50,000		2			Open	Contract dates 3/26/07-3/26/08 Interim progress report due 9/26/07 Need add'l information on final report which was due 2/26/08 Retain 2
2007	Fort Peck	North Spriele/Artisan Guild	Feasibility study /Business plan	MT-ICED-07-05	\$50,000	\$200,000	Yes	4	4		Closed	Contract dates 1/22/07-1/22/08 Create 4, Claimed 4 - 2 in Artists Guild; 1 consultant, 1 oversight
2007	Fort Belknap	Little River	Working capital	MT-ICED-07-04	\$50,000	\$188,000	Yes	8	8		Closed	Contract dates 12/27/06-12/27/07 Create 8-10
2007	Northem Cheyenne	Smokehouse Telecommu-ications	Code and regulatory filing	MT-ICED-07-03	\$50,000	\$53,736	Yes	1	1		Closed	Contract dates 9/29/06-9/29/07 Retain 1
2007	Blackfeet	CHI Commu-ications	Start-up capital	MT-ICED-07-02	\$50,000	\$444,000	Yes	2	4		Closed	Contract dates 7/11/06-7/11/07 Create 2
2007	Chippewa Cree	Ethanol plant	Design/build phase	MT-ICED-07-01B	\$50,000	\$300,000		0			Open	Contract dates 7/1/06-6/30/08 Interim progress report due 1/1/07 Final report due 5/30/08 Need to begin contract closeout At full implementation, same potential 43 jobs proposed in FY06
2007 SUB-TOTALS					\$400,000	\$3,328,956		31	17	0		8.32:1 match

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/RETAINED/ TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2006	Crow	Revolving loan fund	Fund start up & training	MT-ICED-06-08	\$55,000	\$104,700	Yes	2	2		Closed	Contract dates 4/4/06-4/4/07 Create 2
2006	Blackfeet	Manpower program	FEMA disaster training	MT-ICED-06-07	\$55,000	\$106,022	Yes	500		500	Closed	Contract dates 3/8/06-3/8/07 Blackfeet Manpower trained 500 people to prepare them to seek employment as temporary disaster workers and included additional training in Georgia and Florida. Once all that training was complete, then those trained individuals could work on any future FEMA disasters.
2006	Little Shell	Tribal capital and visitor center	Feasibility study, business plan, grant writing	MT-ICED-06-06	\$55,000	\$50,000	Yes	0	1		Closed	Contract dates 1/26/06-1/26/07 Create 6-8 potential jobs at full implementation; claimed 1 for consultant
2006	Kootenai	Confederated Salish & Flathead Stickers	Equipment purchase	MT-ICED-06-05	\$55,000	\$70,777	Yes	23	3	23	Closed	Contract dates 1/19/06-1/19/07 Create 3, train 23
2006	Fort Belknap	Little Rockies Meat Packing	Working capital	MT-ICED-06-04	\$55,000	\$50,000	Yes	8	8		Closed	Contract dates 12/22/05-12/31/06 Retain 8, potential for 12 additional jobs in long term
2006	Northern Cheyenne	Telecommunications	Feasibility study	MT-ICED-06-03	\$55,000	\$90,410	Yes	0	2		Closed	Contract dates 11/18/05-11/18/06 Claim 2 for consultant and oversight
2006	Chippewa Cree	Ethanol plant	Marketing study	MT-ICED-06-02	\$55,000	\$150,000	Yes	0	2		Closed	Contract dates 10/25/05-1/26/07 If plant built, expect to create 43 potential jobs at full implementation
2006	Fort Peck	Mitakoya Corporation	Business plan and marketing strategy	MT-ICED-06-01	\$55,000	\$2,120,000	Yes	0	1		Closed	Claim 2 for consultant and oversight Contract dates 10/28/05-10/28/06 Claim 1 for oversight
2006 SUB-TOTALS												6,23:1 match
					\$1,408,829	\$9,242,475		612	36	627	6:56:1 match	

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.

Note 2: Potential jobs to be created/retained/trained can be short term and long term.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/ RETAINED/ TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Blackfeet	Pikuni Industries	Research, develop and prototype Advanced Lightweight Materials	MT-ICED-08-04	\$70,000	\$1,600,000	0	12	0	0	Open	Contract dates 12/28/07-12/28/08 Interim progress report due 6/28/08 Final report due 11/28/08 Create 12-18 initially, potential 100 jobs by year 5
2007	Blackfeet	Qiki Communi-cations	Start-up capital	MT-ICED-07-02	\$50,000	\$444,000	Yes	2	4	0	Closed	Contract dates 7/11/06-7/11/07 Create 2
2006	Blackfeet	Manpower program	FEMA disaster training	MT-ICED-06-07	\$55,000	\$106,022	Yes	500	0	500	Closed	Contract dates 3/8/06-3/8/07 Blackfeet Manpower trained 500 people to prepare them to seek employment as temporary disaster workers and included additional training in Georgia and Florida. Once all that training was complete, then those trained individuals could work on any future FEMA disasters.
CUMULATIVE TOTALS					\$175,000	\$2,150,022		514	4	500		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.

Note 2: Potential jobs to be created/retained/trained can be short term and long term.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/RETAINED/TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Crow	Revolving loan fund	Maintain and expand	MT-ICED-08-09	70000	80000	0	2	0	0	Pending	Committee approved on 4/23/08; contract being developed; Retain 2
2007	Crow	Revolving loan fund	Fund capital & training	MT-ICED-07-06	\$50,000	\$50,000	0	2	0	0	Open	Contract dates 3/26/07-3/26/08 Interim progress report due 9/26/07 Need add'l information on final report which was due 2/26/08 Retain 2
2006	Crow	Revolving loan fund	Fund start up & training	MT-ICED-06-08	\$55,000	\$104,700	Yes	2	2	0	Closed	Contract dates 4/4/06-4/4/07 Create 2
CUMULATIVE TOTALS					\$175,000	\$234,700		6	2	0		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/ RETAINED/ TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Confederated Salish & Kootenai	Economic development planning	Planning, oversight and tech. assistance in developing eco devo office	MT-ICED-08-08	70000	300000	0	2	0	0	Pending	Committee approved on 4/23/08; contract being developed; Retain 2
2007	Confederated Salish & Kootenai	Flathead Lath and Dowel and People's Center Museum	Mill expansion and business /strategic plan for cultural museum	MT-ICED-07-07B	\$50,000	\$2,042,957	0	14	0	0	Open	Contract dates 3/27/07-7/27/08 Interim progress report due 9/27/07 Change in scope rec'd; Amendment being signed Final report due 6/27/08 Retain 10 in mill/Retain 4 in center
2006	Confederated Salish & Kootenai	Flathead Stickers	Equipment purchase	MT-ICED-06-05	\$55,000	\$70,777	Yes	23	3	23	Closed	Contract dates 1/19/06-1/19/07 Create 3, train 23
CUMULATIVE TOTALS					\$175,000	\$2,413,734		39	3	23		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/RETAINED/TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Fort Belknap	Little River Smokehouse	Working capital and beef/buffalo inventory	MT-ICED-08-03	\$70,000	\$165,000	0	9	0	0	Open	Contract dates 12/21/07-12/21/08 Interim progress report due 6/21/08 Final report due 11/21/08 Retain 4 jobs, create 5
2007	Fort Belknap	Little River Smokehouse	Working capital	MT-ICED-07-04	\$50,000	\$188,000	Yes	8	8	0	Closed	Contract dates 12/27/06-12/27/07 Create 8-10
2006	Fort Belknap	Little Rockies Meat Packing	Working capital	MT-ICED-06-04	\$65,000	\$50,000	Yes	8	8	0	Closed	Contract dates 12/22/05-12/31/06 Retain 8, potential for 12 additional jobs in long term
CUMULATIVE TOTALS					\$175,000	\$403,000		25	16	0		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/ RETAINED/ TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Fort Peck	Fort Peck Landowners Association	Develop land association infrastructure	MT-ICED-08-02	\$70,000	\$379,463	0	2	0	0	Open	Contract dates 12/14/07-12/14/08 Interim progress report due 6/14/08 Final report due 11/14/08 Create 2 initially, potential for 6 more up to 8
2007	Fort Peck	North Spoke/Artisan Guild	Feasibility study /business plan	MT-ICED-07-05	\$50,000	\$200,000	Yes	4	4	0	Closed	Contract dates 1/22/07-1/22/08 Create 4, Claimed 4 - 2 in Artists Guild; 1 consultant, 1 oversight
2006	Fort Peck	Mitakuye Corporation	Business plan and marketing strategy	MT-ICED-06-01	\$55,000	\$2,120,000	Yes	0	1	0	Closed	Contract dates 10/28/05-10/28/06 Claim 1 for oversight
CUMULATIVE TOTALS					\$175,000	\$2,699,463		6	5	0		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.

Note 2: Potential jobs to be created/retained/trained can be short term and long term.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/RETAINED/TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Little Shell	Nokomis Child Care Center	Design, develop and implement a center based on Chippewa traditions.	MT-ICED-08-06	\$70,000	\$154,400	0	2	0	0	Open	Contract dates 4/10/08-4/10/09 Contract being signed Interim progress report due 10/10/08 Final report due 3/10/09 Create 2-3, potential 12-20 at full implementation
2007	Little Shell	Assessment of deeded, tribally owned land	Usable land and timber inventory /assessment	MT-ICED-07-08A	\$50,000	\$50,264	0	0	0	0	Open	Contract dates 3/28/07-9/28/08 Interim progress report due 9/27/07 Amendment being signed Final report due 8/28/08
2006	Little Shell	Tribal capital and visitor center	Feasibility study, business plan, grant writing	MT-ICED-06-06	\$55,000	\$50,000	Yes	0	1	0	Closed	Contract dates 1/26/06-1/26/07 Create 6-8 potential jobs at full implementation; claimed 1 for consultant
CUMULATIVE TOTALS					\$175,000	\$254,664		2	1	0		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.

Note 2: Potential jobs to be created/retained/trained can be short term and long term.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/ RETAINED/ TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Northern Cheyenne	Telecommunications /A&C Cultural Info & Tourism Ctr	Environmental assessment and boundary surveys /Business plan	MT-ICED-08-07	70000	208097	0	14	0	0	Pending	Committee approved on 4/23/08; contract being developed; Create 14-24
2007	Northern Cheyenne	Telecommunications	Code and regulatory filing	MT-ICED-07-03	\$50,000	\$53,735	Yes	1	1	0	Closed	Contract dates 9/29/06-9/29/07 Retain 1
2006	Northern Cheyenne	Telecommunications	Feasibility study	MT-ICED-06-03	\$55,000	\$80,410	Yes	0	2	0	Closed	Contract dates 11/18/05-11/18/06 Claim 2 for consultant and oversight
CUMULATIVE TOTALS												
					\$175,000	\$352,242		15	3	0		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.
 Note 2: Potential jobs to be created/retained/trained can be short term and long term.

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FY	GRANTEE	PROJECT	ACTIVITIES	CONTRACT NUMBER	AWARD	LEVERAGE	MET OR EXCEEDED PROPOSED GOALS	POTENTIAL JOBS TO BE CREATED/ RETAINED/ TRAINED	ACTUAL JOBS CREATED &/OR RETAINED	ACTUAL WORKERS TRAINED	STATUS	NOTES
2008	Chippewa Cree	Ojibwa Ne-I-Yah-W Initiative	Start up funds for tribal workforce tmg to develop a healthy workforce	MT-ICED-08-05	70000	235200	0	5	0	0	Pending	Committee approved on 4/23/08; contract being developed; Create 5 initially; 14-15 with more funding and 100-150 at full implementation
2007	Rocky Boy's	Ethanol plant	Design/build phase	MT-ICED-07-01B	\$50,000	\$300,000	0	43	0	0	Open	Contract dates 7/1/06-6/30/08 Interim progress report due 1/1/07 Final report due 5/30/08 Need to begin contract closeout Same potential 43 jobs proposed in FY06
2006	Chippewa Cree	Ethanol plant	Marketing study	MT-ICED-06-02	\$55,000	\$150,000	Yes	0	2	0	Closed	Contract dates 10/25/05-1/26/07 If plant built, expect to create 43 potential jobs at full implementation Claim 2 for consultant and oversight
CUMULATIVE TOTALS					\$175,000	\$685,200		48	2	0		

Note 1: FY 2006 matches were not increased when the State Tribal Economic Development Commission increased project awards by \$5,000.
Note 2: Potential jobs to be created/retained/trained can be short term and long term.