

SWEETGRASS DEVELOPMENT

SERVING NORTH CENTRAL MONTANA – CASCADE, GLACIER, PONDERA, TETON AND TOOLE COUNTIES

February 2, 2011

EXHIBIT 5

DATE Feb. 7, 2011

HB 316

TO:

- **Walter McNutt, Chair, and the House Joint Appropriations Subcommittee on Long Range Planning**
- **Don Roberts, Chair, House Joint Appropriations Subcommittee on Health and Human Services**

Bill Beck, chair House A

Subcommittee on general government

RE: **Opposition to HB 316;**

Redistribute Certain Revenue and Income to State General Fund

Sweetgrass Development is comprised of a five county region in North Central Montana including Glacier, Cascade, Pondera, Teton and Toole Counties. Sweetgrass Development is an Economic Development District with designation through the U.S. Economic Development Administration as well as and more importantly, a Certified Regional Development Corporation (CRDC), through the state of Montana. The mission and objectives of the organization is to assist the governments and citizens in each county and the Blackfeet Nation, achieve their economic goals, while preserving their distinct cultures and way of life.

Sweetgrass Development adamantly opposes HB 316, the redistribution of certain revenue and income to the state general fund. Transferring funds from the Big Sky Economic Development Fund, the Treasure State Endowment Fund and revising the allocation of Coal Severance Taxes will not only hinder current projects, but deter future development throughout the state. These funds are a key element in planning and economic diversification for Montana. Diverting these dollars would impede the economic development progress within the Sweetgrass area, affecting not only those counties in the area, but the economy of the state as a whole. Sweetgrass Development partners with entities throughout the region on projects possible through funding available to the CRDC. Since its inception, Sweetgrass Development has been able to utilize the funds received as a CRDC, to leverage approximately a million dollars in public and private dollars.

It should be noted that all of these programs were extensively reviewed by the 2009 Legislature, which determined that each was of critical importance to the economic growth in our state. The programs were funded by the 2009 Session and were extended through 2019. As we focus on job creation and business retention, reviewing these programs again, given the difficult economic times facing our state and specifically our rural communities, seems hypocritical. In addition to reducing funds available for planning and infrastructure projects, the proposed budget cuts in HB 316 would critically impact key economic development programs utilized by Sweetgrass Development including:

- **Certified Regional Development Corporations**
- **Small Business Development Centers**
- **Montana Cooperative Development Center**
- **Montana Manufacturing Extension Center**

Without these funds, Sunburst would not have a café, Glacier County would not have the blueprint for a new Emergency Services Building and Sweetgrass Development would not have a revolving loan fund, assisting businesses throughout the region, allowing them to keep their doors open, remaining viable members of the community.

We urge you to please oppose HB 316. Thank you for your time and consideration.

Sincerely,


Sarah Converse
Executive Director
Sweetgrass Development