



MEDA Legislative Agenda 2007

Presented to
Economic Affairs Interim Committee
September 12, 2006

Background

- The Montana Economic Developers Association (MEDA) is an association of economic development professionals. We are professional “lead” economic developers, business specialists, government employees, and staff members of affiliated non-profit organizations which promote and foster economic development activities in Montana.
- MEDA is a private non-profit organization created to increase the effectiveness of local economic development efforts by acting as a statewide resource for its members.
- Presently, MEDA has approximately 210 members located across the state of Montana.
- MEDA sponsors educational seminars, workshops and conferences to advance the economic development profession. We conduct research to stimulate the interchange of ideas and experiences between individuals with mutual goals and interests. The association also develops network and communications systems to disseminate information and acts as a clearinghouse and contact point within Montana for other state, regional, national and international economic development organizations and agencies.



Process

- Reviewed Legislative Agenda from 2005 Session
- Identified New Challenges and Opportunities
- Fall 2005 Conference - Whitefish
- Spring 2006 Conference - Polson
- Fall 2006 Conference - Havre



Primary Legislative Items 2007 Session

- Incumbent Job Training
- Local Option Sales Tax
- Remove 2010 Sunset of Key Economic Development Programs
- Appropriations for Small Business Development Centers and Micro-Business Loan programs



Incumbent Job Training

- Training for existing employees
- Training to correct an employee's skill deficiency or upgrade the current skill level
- Must be direct relationship between training and trainee's occupation or craft
- Upgrade needed for business to remain competitive
- Upgrade will enhance profitability, reduce turnover, or enhance wages
- Grant = \$2000 per full-time position being trained
- Requires match of \$1 for every \$4 requested



Local Option Sales Tax

- Request Amendment to Resort Tax Language
- Eliminates reference to population
- Eliminates 'primary' portion of economic well-being from recreation/travel



Program Sunsets

- Many key economic development programs have sunset dates of 2010.
- Wish to remove/extend sunset date
- Examples – Montana Cooperative Development Center (MCDC), Small Business Development Centers (SBDC), Research and Commercialization, Montana Manufacturing Extension Center (MMEC), Small Business Innovative Research (SBIR), Growth through Ag, and the Micro-Business Loan Program
- Most programs use state match to leverage federal funds



SBDC and Micro-Business Loan Funding

- SBDC – 10 centers receive approximately \$50,000 each. Funding comes from SBA (\$400,000) and State (\$100,000)
- One of the most effective ED tools, critical to business development
- Micro-Business Loans – Focused on businesses with less than \$500,000 annual revenues
- Dollars are provided to programs (5) in state; they must pay 2 $\frac{3}{4}$ % interest on the dollars
- Suggest additional funding at a lower rate

