



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

**Bill #** HB0523

**Title:** Revise state trade and marketing promotion activities

**Primary Sponsor:** Sullivan, Katie

**Status:** As Amended

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 523, as amended, revises trade and marketing activities by expanding the Department of Commerce activities nationally and internationally, incorporating trade promotion and marketing into State Workforce Innovation Board activities in the most cost-effective manner possible and to the extent possible within existing resources.

### FISCAL ANALYSIS

**Assumptions:**

**Department of Commerce (DOC):**

- DOC currently receives federal Small Business Administration (SBA) funding for the state trade expansion program (STEP). This is a competitive federal program that requires state matching funds.
- HB 523 mandates working with the Montana agriculture development council, tourism advisory council, the Montana manufacturing extension center, the Montana board of research and commercialization technology, the state workforce innovations board, and other state and national entities to improve funding for and access to supportive services to the extent possible within existing resources to help all businesses.

3. HB 523 mandates working with local chambers of commerce, the Governor’s Office of Economic Development, certified regional development corporations, and other economic development organizations to educate and inform them of the services available in the most cost-effective manner possible.
4. Additional funds used for administrative purposes and additional outreach such as travel within the STEP grant funding will decrease the amount of funds awarded to companies as grants. The fewer grants given directly to companies, the less competitive that makes the federal grant application.
5. As amended to include “within existing resources” will lead to no immediate fiscal impact but may impact federal grant competitiveness going forward.

**Technical Notes:**

**Department of Labor and Industry (DLI)**

1. HB 523 directs the State Workforce Innovation Board (SWIB) to “assist” with efforts noted in the bill, thus the determination is there no fiscal impact to DLI. DLI is concerned that the spirit of the text could be misapplied, resulting in resource and opportunity requirements of the SWIB that are not allowed within the federal authorization and funding scope of the SWIB. The SWIB is specifically directed to oversee workforce development programs and services as identified in the Workforce Innovation and Opportunity Act (WIOA).

Sponsor’s Initials

Date

Budget Director’s Initials

Date