

**PARTNERS IN
ECONOMIC
DEVELOPMENT**

October 2010

CONTINUING THE INVESTMENT SUCCESS:

Proven Programs for Montana's
Economy

Worker Training Grant Program

Primary Sector Workforce Training Grant Program

Performance Measurements

2007-2010

Current Level Funding	Total \$ Awarded Fiscal Years 2009-Dec, 2010	New Montana Jobs Created	Leveraged Funds Invested in Projects	Annual Estimated Return to State General Fund
\$2.5 million/yr	\$3,421,148	844	\$89,876,924	\$3,485,109

Worker Training Program...

- Provides grant funds to existing and new Montana businesses for new worker training.
- Provides a seven member Grant Review Committee consisting of both public and private members which reviews applications and allocates funding through the Department of Commerce.

Need for Program: Montana continues to struggle with low wages and under-trained workers. The 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.

Program Goals and Measurements: The 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.
- 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.
- 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)

Risks if program is not funded:

Failing to renew funding for the Worker Program would result in...

- The loss of an essential incentive for new businesses to relocate to Montana.
- The loss of support for new worker training programs which has already generated nearly 3000 new jobs.
- 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.

Indian Country Economic Development (ICED) Program Performance Measurements 2007-2010

Current Level Funding	\$\$ Awarded through the 3 categories of ICED activities for FY 10	\$\$ Leveraged from Indian Country Economic Development Program (includes award from First Interstate Bank Foundation)	Jobs Created, Retained, or Trained (does not include #'s from the Indianpreneurship Training)	Matching Tribal Funds
\$800,000/yr	\$703,000	\$5,682,427	228	\$8.08 per dollar awarded

The Indian Country Economic Development (ICED) Program provides funding for...

1. **Tribal Priority Projects at \$56,000 per year (\$70,000 per tribal government) for economic development activities including:**
 - Tribal business development,
 - Workforce, and entrepreneurial training projects,
 - Feasibility studies, and
 - Other priority Tribal economic development projects.
2. **Montana Indian Equity Fund at \$119,000 per year (\$7,000 per award) for:**
 - Start-up and expansions of tribal member-owned businesses on or near reservations as designated by local review committees
3. **Indianpreneurship: A Native Journey Into Business Training and/or Technical Assistance for each of Montana's recognized tribal communities at \$24,000.**

Need for Program: Montana's Reservations continue to struggle with high unemployment and underemployment, along with low wages. The Indian Economic Development Program is needed to develop and promote sustainable economies in Indian Country by...

- Providing necessary resources to existing Tribal businesses to help them expand operations and facilities, train and employ new workers, and thrive.
- Providing necessary resources to encourage the development of new Tribal businesses creating new job opportunities, and improving the overall economies of Montana's Reservations.
- Encouraging entrepreneurship and private business opportunities in tribal communities that have a persistent lack of access to affordable credit and capital.
- Providing business skills training to the growing numbers of entrepreneurs who are the necessary "risk takers" in a healthy, free-market economy.

Program Goals: The Tribal Economic Development Program will continue to...

- Assist tribal members in Montana get hired into permanent full-time jobs, start their own businesses, and improve their economic circumstances,
- Fund priority economic development projects identified by the Tribal Governments that will allow the Tribal Governments to provide more employment opportunities and greater wages to their citizens over the long term,
- Fund individual private businesses that are starting-up or expanding with small grants and technical assistance that helps to develop the private sector economy on the reservations in Montana and with the Little Shell tribe, and
- Provide funding for entrepreneurial training to tribal members so that they have a better chance of success in starting and growing their own businesses.

Program Measurements: The success of the program is measured by tracking and reporting:

- Number of jobs created, retained, or trained as a result of ICED investment.
- Amount of matching funds,
- Leverage ratio with other funds, and
- Number of projects that met or exceeded their proposed goals.

Risks if program is not funded: Failing to renew funding for the Tribal Economic Development Program would result in...

- The loss of support for new business and existing development on Montana's Reservations that have begun to show results in improving the economies of tribal communities.
- Continuing issues with high under-employment, unemployment, poverty, and lack of economic opportunities on Montana's Reservations.

Montana Main Street Program 2009 Data

Current funding: \$125,000/yr

Net Jobs	Net businesses	Number of public improvements	Value of public improvements	Number of building improvements	Value of building improvements	Number of volunteer hours
70	24	45	\$109,508	38	\$1,361,899	19,582 worth \$293,730 if paid \$15 per hour

The Montana Main Street program ...

- Helps communities strengthen and preserve their historic downtowns by focusing on economic development, through organization, design, and promotion.
- Serves as a coordinating resource for communities seeking to revitalize their historic downtown commercial districts.
- Provides downtown development and historic preservation technical assistance and expertise to communities of all sizes, based on their individual needs, without a requirement for paid staff.
- Provides networking and advocacy to local communities that are interested in downtown renewal.

Need for Program:

The Montana Main Street program is needed to ...

- Montana lacks a statewide organization that serves as an authoritative source for downtown development and historic preservation issues for communities of all sizes that are interested in making sure their downtowns remain economically vital and relevant. Main Street can serve as a coordinating resource and be known as the go-to organization for many downtown development and historic preservation services.
- Stimulate business investment, assist in retaining existing small businesses, promote new businesses, strengthen the local tax base, create employment opportunities in downtowns, and generally enhance the economic vitality of downtowns and historic districts.
- Help identify and capitalize on existing assets such as distinctive architecture and pedestrian-friendly environments in the historic business districts. According to the University of Montana's Institute for Tourism and Recreation Research, visiting Main Streets that reflect the local culture and heritage is one of the most popular activities for "geotourists" to do while visiting Montana. If our communities retain their authentic character, and have distinctive and lively downtowns, people – and their pocketbooks – will come.

Goals and Measurements:

The Main Street program will:

- Make the program more accessible by eliminating the requirement for paid staff and thereby provide the downtown development and historic preservation services communities want most. Communities of all sizes are encouraged to participate.
- Apprise communities of funding opportunities through the Department of Commerce, other state and federal agencies, and from private sources.
- Measure success by tracking and reporting annual net job gains and losses; net gains in new businesses; dollar value of all private and public investment spent on new construction in the downtown, building rehabilitation projects, and public improvements.
- Number and dollar value of annual volunteer hours in each community donated

Risks if Program is Not Funded:

Failing to fund the Main Street program could:

- Result in fewer independently owned businesses and fewer employees
- Lower the tax base for municipal governments
- Decrease property values in the downtown areas
- Decrease the ability of local residents to maintain their community's historic integrity and residents' sense of place and belonging
- Decrease the ability of small communities to build capacity for economic development

Montana Energy Promotion and Development Division

Statistics from Calendar Years 2009- May, 2010

Current Level Funding	Number of Jobs Created Construction/ Permanent	Number of Projects Completed	Estimated Capital Investment in Energy Projects	Power Generation Capacity Increase
\$455,000/yr	Construction: 1680 Permanent: 93	11	\$2.049 billion	1073 MW

The Montana Energy Promotion and Development Division...

- Was created in 2007
- Reflects State's commitment to "clean and green" energy development,
- Conducts analyses of complex energy issues,
- Balances interests of private developers and the public sector, and
- Prepares and delivers written and oral communications intended to resolve conflicts and achieve resolution to challenges effecting the development of energy projects.

EPDD's most recent activities include...

- Coordination of meetings related to a potential interconnection to the proposed TransCanada Keystone XL Oil Pipeline.
- Coordination of meetings among Montana transmission developers to create and publish a Montana Transmission Scenario Document for submission to federal transmission authorities.
- Participation in regional transmission planning meetings with the Western Electricity Coordinating Council, the Western Governors Association, and the US Department of Energy.
- Participation in meetings with Puget Sound Energy and Portland General Electric to discuss the upgrade of the Colstrip 500 kV transmission line.
- Coordination of meetings with several Montana wind energy developers and attendance at a BPA rate case workshop to modify the Montana Intertie transmission tariff to reduce transmission wheeling costs for Montana wind energy.
- Organize and facilitate a Montana wind developers meeting with southwest utilities in San Diego in conjunction with the winter meeting of the WGA.
- Coordination of meetings related to the proposed Pursol Solar Manufacturing Plant to be located on the Fort Peck Indian Reservation.

Goals and Measurements:

EPDD will continue to work with energy developers and producers both in the State and regionally to expedite the growth and development new 'clean and green' energy efforts and the further expansion of existing 'clean and green' energy development.

Risks if Program not Funded

Failure to renew funding for the program would result in the loss of efforts to coordinate and expedite the present and future development of energy production development for the benefit of the State's economy.

Incumbent Worker Training Grant Program

For businesses with less than 20 employees in one location and not more than 50 statewide.

Statistics from April —November, 2010

Current Level Funding	Number of Grant Applications Processed April —June 30, 2010 (2.5 months)	Number of Grant Applications Processed July 1—September 10, 2010	Total Amount Granted to Date
\$590,000	46	72	\$166,075**

**** Due to the rules process, the program could not be launched until April 16, 2010. The high level of activity in just six months indicates the need and usefulness of this program.**

The Incumbent Worker Training Grant Program...

- Created during the 2009 legislature as an answer to the documented need for workforce training.
- Designed to provide training grants for incumbent workers to small businesses.
- Provides grants to clients of the BEAR Program, MMEC, and/or SBDCs.
- Provides \$1000 (part time) and \$2000 (full time) per year grants to individual workers, and
- Provides grants to business with less than 20 employees in one location and or less than 50 employees statewide. A 20% match is provided by the employer.

The IWTG Program ...

- Works with small business to provide training dollars to improve the job skills for incumbent workers, improving job security, and salary improvement.
- Awards grants to small business that are clients of the BEAR Program, MMEC, and/or SBDCs. Applications are approved by at least one of these programs.
- Is under the oversight of the Montana Department of Labor and in partnership with Governor's Office of Economic Development, Montana Department of Commerce and Montana Economic Developers Association.

Goals and Measurements:

- Processed 72 training grants from April 15-June 30, 2010 to provide training to incumbent workers.
- Processed 46 training grants from July 1-September 10, 2010 to provide training to incumbent workers.
- While the program has only been operating 8 months, \$166,075 has been expended, demonstrating the need for incumbent worker training.
- The IWTG program will continue to monitor the number of grants awarded, the number of employees trained and the effects of the training received on employee wages and longevity.

Risks if Program not Funded

Failure to renew funding for the program would mean that small businesses, hard pressed by a challenging economy, would continue to struggle to find adequate funding to provide training to improve the job skills and employability for incumbent workers.

Food & Agriculture Development Centers

Statistics from July 1, 2009—June 30, 2010

Current Level Funding	Number of Clients Served	Number of Jobs Created/Retained	Total new products brought to market	Total Public and Private Sector Funds Leveraged
\$250,000	100	189 (50 self-employed)	56	\$10,613,063

**** Due to the change in funding source for this program (previously federally funded Bio Product Innovation Centers), data recorded is only from the beginning of State FY10, although the program has been operating under various funding sources since 2004**

The Food & Agriculture Development Centers

- Created during the 2009 legislature as an answer to the continuous need for specialized business development training in the food, value-added agriculture and alternative energy sectors
- Designed to provide one-on-one technical assistance to small and expanding value-added agriculture and alternative energy businesses
- Support critical infrastructure development needed for Montanans to process and distribute our agricultural products for markets in Montana and beyond

The Food & Agriculture Development Centers...

- Work with agricultural small businesses to provide training on successful business plan development, marketing plans and marketing strategies, product development, testing, analysis, business networking, access to financing.
- Provides critical assistance with food processing and regulatory compliance training, Hazard Analysis and Critical Control Plan (HACCP) training, Good Agricultural Practices (GAP) training, and Food Science assistance
- Provide industry-specific assistance with farm-derived renewable and bio-energy development and access to capital in these industries
- Is under the oversight and management of the Montana Department of Agriculture

Goals and Measurements:

- Successfully providing business development skills and training to increasing numbers of Montana entrepreneurs
- Increasingly providing tools necessary to develop additional farm-derived renewable energy and increase utilization of State and Federal programs to aid in these efforts
- Increase the number of Montana products brought to market, and keep revenue in-state
- Presently the FADC network is leveraging the center funding to operate five centers around the state, in Ronan, Havre, Joliet, Lewistown, and Glendive

Risks if Program not Funded

- Failure to renew funding for the program would mean that small agriculture businesses would struggle to find industry-specific training on business development activities in a challenging economic environment.
 - This will greatly decrease the likelihood for success of these entrepreneurs in a state that is dependent upon the growth of agriculture and small business to build and sustain its economic future.