



LEGISLATIVE PRIORITIES

1

Remove the 2019 sunset of key economic development programs.

2

Build capacity by transferring funds from MT Board of Research and Commercialization to Certified Regional Development Corps., Small Business Development Centers, MT Manufacturing Extension Cr., and Food and Ag Centers.

3

Fund long-time one-time-only programs including Primary Sector Business Training, Indian Country Economic Development, and Native American Language Preservation in the base budget.

Background: The total to fund the eight “key” economic development programs, otherwise known as the “2019 Programs” is \$3,365,000 per year. The total funding consists of \$3,065,000 in coal severance taxes under 15-35-108, MCA, a \$195,000 transfer to Food and Ag Centers under 90-3-1003, MCA, and a \$105,000 HB 2 appropriation to the Department of Agriculture.

Montana Economic Development Organizations have a record of success in using and implementing these essential tools to build and sustain Montana’s economy. *Funding has remained flat for these tools for nearly 20 years, and Montana is losing ground in our effort to attract and retain workforce and private investment.* Now more than ever, it is essential that Montana builds capacity in our economic development resources.

Address Immediate Economic Development Needs/Build Capacity:

1. **Remove the 2019 Sunset to retain effective economic development tools.**
2. **Build Capacity:** Focus limited resources in areas of critical importance to build capacity in these key areas: Increase Certified Regional Development Corporation (CRDC) funding by \$200,000 for a total of \$625,000; increase Small Business Development Center (SBDC) funding by \$200,000 for a total of \$325,000; increase Montana Manufacturing Extension Center (MMEC) funding by \$300,000 for a total of \$500,000; and, finally, increase Food and Ag Center (FADC) funding by \$75,000 for a total of \$375,000. These proposed “capacity building adjustments” would be made possible by transferring \$775,000 from MT Board of Research and Commercialization, leaving a balance of \$500,000 for Board Administration and grant funding. A new line item will be added to 15-35-108, MCA providing funding of \$375,000 for Food and Ag Centers. This new line item funding amount will be offset by a repeal of the transfer required under 90-3-1003 and the removal of any request for funding in HB 2. Total overall funding remains at the same level-- \$3,365,000 (see the summary below).

Summary of Proposed 2019-Programs Funding:

Total	List of Proposed “2019” Program funds:
\$ 50,000	Small Business Research
\$300,000	Office of Trade and International Relations (Trade)
\$625,000	Growth through Agriculture (GTA)
\$500,000	Montana Manufacturing Extension Center (MMEC)
\$ 65,000	Montana Cooperative Development Center (MCDC)
\$625,000	Certified Regional Development Corporations (CRDC)
\$325,000	Small Business Development Centers (SBDC)
\$375,000	Food and Agriculture Development Centers (FADC)
<u>\$500,000</u>	MT Board of Research and Commercialization
\$3,365,000	TOTAL

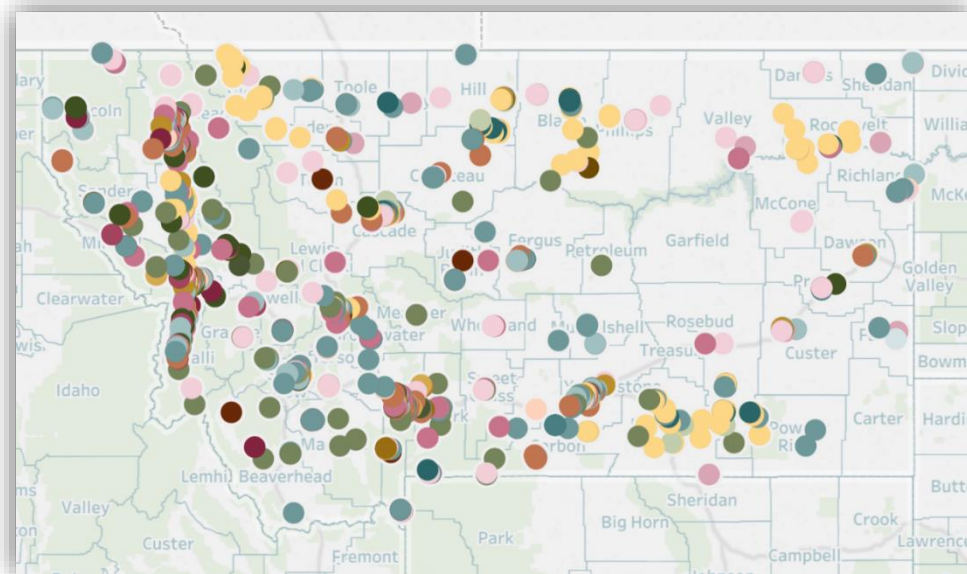
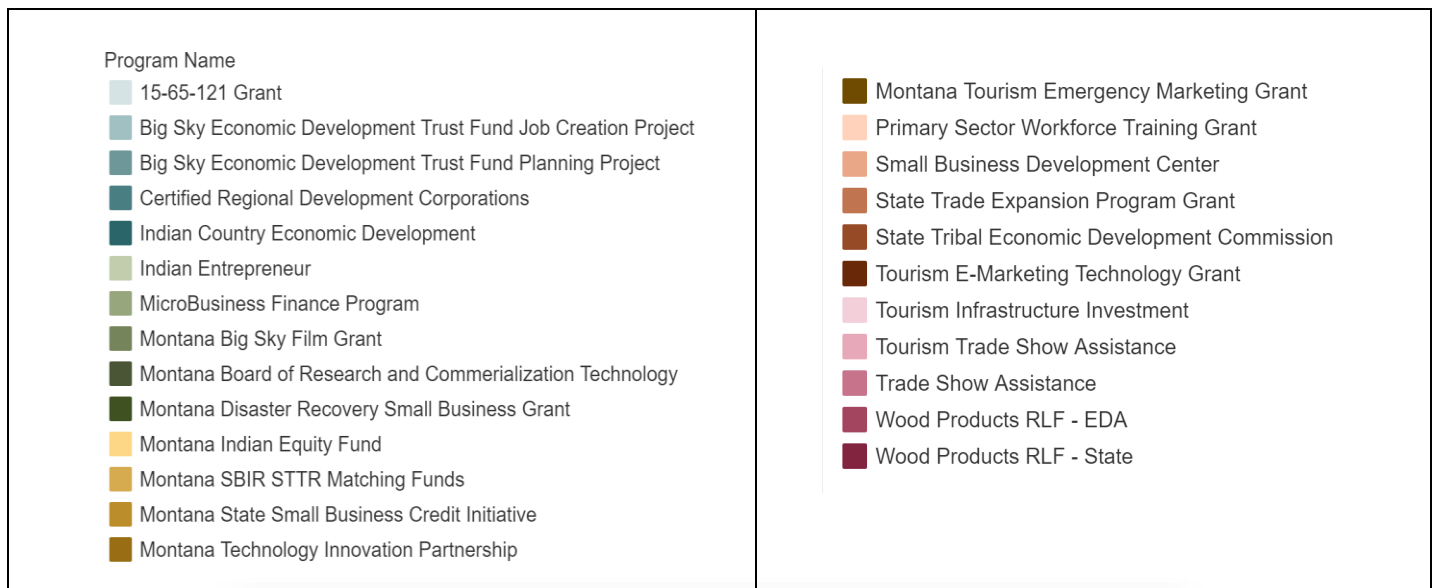
MEDA Legislative Priorities, continued

3. **Support one-time-only programs** and encourage the funding for these programs be placed in the base budget at current levels, including: Primary Sector Business Training, Indian Country Economic Development, and Native American Language Preservation.

4. **Add transparency and certainty** to how Food and Agriculture Development Centers are funded. Pursuant to 90-3-1003, MCA, each fiscal year \$195,000 is transferred from the Montana Board of Research and Commercialization Technology funding provided for in 15-35-108 (coal severance) to the Department of Agriculture to support Food and Agriculture Development Centers. These entities have also received an additional \$105,000 appropriation in HB 2 via the Department of Agriculture, for a total funding level of \$300,000 per fiscal year. As stated above, MEDA supports increasing this funding by \$75,000 for a total of \$375,000.

Montana Dept. of Commerce Projects, Grants, and Loans Montana Office of Tourism and Business Development

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