Continuing the Investment Success:
Proven Programs for Montana’s Economy

Presentation Date
Location
INTRODUCTION

- One Time Only or OTO refers to programs funded by the legislature for a single biennium with no specific plans for continued funding.

- Due to the demonstrated success of these programs, MEDA and its partners will seek continued funding during the 2011 Legislative Session for the following:
  - Food & Ag Development Centers
  - Workers Training Grant Program
  - Indian Economic Development Program
  - Montana Main Street Program
  - Montana Energy Promotion and Development Division
  - Incumbent Worker Training Grant Program

- A Summary of Performance Measurements for each program…
Purpose of Program

- 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

Risk if 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.
Food & Ag Development Centers
Statistics from July 1, 2009 – June 30, 2010

- Current Funding: $250,000
- Number of Clients Served: 100
- Number of Jobs Created/Retained: 189 (50 self employed)
- Total New Products brought to market: 56
- Total Public and Private Sector Funds Leveraged: $10,613,063
Worker Training Grant Program
Primary Sector Workforce, MT Dept. of Commerce

- **Purpose of Program**
  - Provide grant funds to existing and new Montana businesses for workforce training and business expansion.
  - Provide an essential incentive for new businesses to locate to Montana

- **Risk if not Funded**
  - Loss of a competitive recruitment and retention tool that most states use to attract and expand businesses.
  - Loss of support for worker training programs which has already generated nearly 700 new jobs.
Worker Training Grant Program
Primary Sector Workforce, MT Dept. of Commerce

- Current Funding: $2,526,626 per year
- Total Funds Awarded Fiscal Year 2009 through May, 2010: $3,124,844
- Total Jobs Created: 679
- Leveraged Funds Invested in Projects: $89,062,118
- Annual Estimated Return to State General Fund: $3,544,098
Indian Country Economic Development Program (ICED) Montana Dept. of Commerce

- **Purpose of Program**
  - 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.

- **Risk if Not Funded:**
  - 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.
Indian Country Economic Development Program (ICED) Montana Dept. of Commerce

- Current Funding: $800,000 per year
- Funds awarded through the three categories of ICED activities for FY2010: $703,000
- Funds leveraged from ICED (includes award from First Interstate Bank Foundation): $5,682,427
- Jobs Created, Retained, or Trained (does not include numbers from the Indianpreneurship Training): 228
- Matching Tribal Funds: $8.08 per dollar awarded
Montana Main Street Program
Montana Dept. of Commerce

- **Purpose of Program**
  - Help communities strengthen and preserve historic downtowns by focusing on economic development through organization, design, and promotion.
  - 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.
  - Provide 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.

- **Risk if Not Funded**
  - 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.
  - Small communities would not be able to afford to pay for the technical services that Main Street communities currently receive.
Montana Main Street Program
Montana Dept. of Commerce  (2009 Data)

- Current Funding:  $125,000 per year
- Net jobs created/retained:  106
- Net businesses assisted:  45
- Number of public improvements:  25
- Value of public improvements:  $2,985,768
- Number of building improvements:  72
- Value of building improvements:  $1,047,375
- Number of volunteer hours:  5,353
Montana Energy Promotion and Development Division  Montana Dept. of Commerce

- **Purpose of Program**
  - EPDD works 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.
  - 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
  - Prepares and delivers written and oral communications intended to resolve conflicts and achieve resolution to challenges effecting the development of energy projects.

- **Risk if 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 Montana’s economy.
Montana Energy Promotion and Development Division  Montana Dept. of Commerce

Statistics from Calendar Years 2009 – May 2010

- Current Level Funding: $455,000 per year
- Number of Jobs Created Construction: 1680
- Number of Jobs Created Permanent: 93
- Number of projects completed: 11
- Estimated capital investment in energy projects: $2.049 billion
- Power generation capacity increase: 1073mw
Incumbent Worker Training Grant Program
Administered by Montana Dept. of Labor and Industry

- **Purpose of Program**
  - Provide training grants as an answer to the documented need for incumbent worker training for small business employers.
  - Works with small business to provide training dollars to improve the job skills for incumbent workers, improving job security, and salary improvement.
  - Provides grants to clients of the BEAR Program, MMEC, and/or SBDCs in the amount of $1000 (part time) and $2000 (full time) per year 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.

- **Risk if 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.
Incumbent Worker Training Grant Program
Administered by Montana Dept. of Labor, in partnership with Governor’s Office of Economic Development, Montana Dept. of Commerce and Montana Economic Developers Association

Statistics from April 16, 2010 – September 10, 2010

- Current Level Funding: $599,000 per year
- Number of Grant Applications Processed April 16 – June 30, 2010: 46 (2.5 months in FY 2010)
- Number of Grant Applications Processed July 1 – September 10, 2010 (2.5 months in FY 2011): 72
- Total Amount Expended in six months: $117,000**

**Due to the rules process, the program could not be launched until April 16, 2010.
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Thank You!