CONTINUING THE INVESTMENT SUCCESS:
Proven Programs for Montana’s Economy
Worker Training Grant Program
Primary Sector Workforce Training Grant Program
Performance Measurements
2007-2012

<table>
<thead>
<tr>
<th>Total $ Awarded Fiscal Years 2001-2012</th>
<th>New Montana Jobs to be Created</th>
<th>Montana Workers to be Trained*</th>
<th>Leveraged Funds Invested in Projects</th>
<th>Annual Estimated Return to State General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,163,586</td>
<td>3,123</td>
<td>4,231</td>
<td>$223,796,206</td>
<td>$14,324,738</td>
</tr>
</tbody>
</table>

Worker Training Program...
- Provides grant funds to existing and new Montana businesses for new worker training.
- Designed to encourage job creation and business expansion in primary sector businesses.

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 170% of the state’s minimum wage or the 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 over 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.

Impact of Reduced Funding Level for FY 12-1
- FY12—$1,000,000—all funds were awarded to projects within the first nine months of the fiscal year.
- FY13—$1,000,000—approximately 80% of the funds were awarded within the first month of the fiscal year.

*During FY10-11 training funds were available for both existing and new workers
**Based on data available as of 9/20/2012
Indian Country Economic Development (ICED) Program
Performance Measurements

<table>
<thead>
<tr>
<th>Current Level Funding</th>
<th>$$$ Awarded through the 3 categories of ICED activities for FY 12</th>
<th>$$$ Leveraged from Indian Country Economic Development Program</th>
<th>Jobs Created, Retained, or Trained</th>
<th>Matching Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$800,000/yr</td>
<td>FY 2006-$440,000, FY 2007-$484,000, FY 2008-$646,725, FY 2009-$696,350, FY 2010-$703,953, FY 2011-$716,047, FY 2012-$710,000</td>
<td>$24,609,069</td>
<td>Tribal Government: 113.8 FTE 35 PTE 17 Temp 46 Business supported 523 trained</td>
<td>$5.60 per dollar awarded</td>
</tr>
</tbody>
</table>

2006-2012
The Indian Country Economic Development (ICED) Program provides funding for...
1. Tribal Priority Projects at $560,000 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 $126,000 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. Indian Entrepreneur Training 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.
The Montana Main Street program …
Helps communities strengthen and preserve their historic downtowns by focusing on economic development, urban revitalization, and historic preservation through long range planning, organization, design, and promotion.

- Serves as a coordinating resource for communities seeking to revitalize their historic downtown commercial districts and surrounding neighborhoods.
- Assists designated and affiliate communities in the organization and administration of their Main Street programs, providing technical assistance and on-the-ground training as needed.
- Provides networking opportunities and serves as an advocate for local communities that are interested in downtown renewal, economic development, and historic preservation.
- Enables communities to identify and secure additional funding opportunities for revitalization projects.

Need for Program:
The Montana Main Street program is needed to …

- Serve as the primary resource for downtown development, revitalization, and historic preservation issues for communities of all sizes that are interested in maintaining economically vital and relevant downtowns. The Montana Main Street Program serves as the coordinating resource and is an essential go-to resource for downtown development and historic preservation services in the state.
- Stimulate business investment, assist in retaining existing small businesses, promote new businesses, strengthen the local tax base, create employment opportunities in downtowns, enhance the economic vitality while maintaining local historic integrity, quality of life, and a sense of place throughout Montana’s downtown areas and historic districts.
- Help identify and capitalize on existing assets such as distinctive architecture and pedestrian-friendly environments in the historic business districts, assisting communities in planning for and preserving these features whenever possible.

Goals and Measurements:
The Main Street program will:

- Increase accessible by eliminating the requirement for paid staff at the local level and providing downtown development and historic preservation services communities require most. Communities of all sizes are encouraged to participate in the Montana Main Street Program.
- Apprise communities of funding opportunities through the Montana 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; public improvements completed and amount of grant funding awarded through the Montana Main Street Program and other sources; number and types of projects completed and amount of technical assistance provided per community.
- Number 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 small communities to build capacity for economic development, particularly in eastern Montana communities experiencing the impacts of large scale oil and gas development as well as those communities that continue to be impacted by the economic downturn.
Incumbent Worker Training Grant Program
For businesses with less than 20 employees in one location and not more than 50 statewide.

Statistics from April 16, 2010-June 30, 2012

<table>
<thead>
<tr>
<th>State Fiscal Year</th>
<th>Current Level Funding</th>
<th>Total Amount Granted</th>
<th>Number of Applications Processed</th>
<th>Number of Workers Trained</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFY12</td>
<td>$554,486</td>
<td>$554,486</td>
<td>419</td>
<td>793</td>
</tr>
<tr>
<td>SFY11</td>
<td>$554,486</td>
<td>$530,013</td>
<td>295</td>
<td>735</td>
</tr>
<tr>
<td>SFY10**</td>
<td>$554,486**</td>
<td>$173,354**</td>
<td>54**</td>
<td>150**</td>
</tr>
</tbody>
</table>

**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 was…
- 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.
- Designed to require a 20% employer match plus any amount beyond the allowable grant limit for training attended in Montana.
- Designed to require a 20% employer match for the cost of training, a 50% employer match for travel and lodging, and any amount beyond the grant limit for training attended outside of Montana.

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 must be approved by at least one of these programs.
- Is under the oversight of the Montana Department of Labor in partnership with Governor’s Office of Economic Development, Montana Department of Commerce and Montana Economic Developers Association.

Goals and Measurements:
- The number of applications processed which has increased
- The number of workers trained which has increased
- The portion of the available funding which was awarded…in SFY12 all funding was awarded, in SFY13 looks to do the same
- Continue to measure and report the number of grants awarded, the number of employees trained, and the effects of training 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. This in turn would jeopardize the employer’s ability to remain competitive in today’s markets.
Continuing the Investment Success: Proven Programs for Montana

Food & Agriculture Development Centers

Statistics from State Fiscal Year, 2012

<table>
<thead>
<tr>
<th>Current Level Funding</th>
<th>Return on Investment dollars (Private Match Dollars)</th>
<th>Capital Infusion Dollars</th>
<th>Businesses Counseled</th>
<th>Business Expansions</th>
<th>New Business Start-ups</th>
<th>Jobs Created</th>
<th>New products introduced to Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>$195,000 (Down from $250,000 in SFY2010)</td>
<td>$3.67</td>
<td>$974,134 (73% private)</td>
<td>132</td>
<td>24</td>
<td>19</td>
<td>42.5 FTE</td>
<td>47</td>
</tr>
</tbody>
</table>

The Food & Agriculture Development Center Program, authorized by the 2009 Montana Legislature, is a statewide network of four centers. Its purposes are 1) to increase Montanan’s capacity to produce food, farm-derived renewable energy, and other value-added agricultural products; 2) to retain in the state’s local communities a greater share of consumers expenditures for food, energy and other value-added agricultural products, and 3) to make the end products of Montana agriculture more accessible to Montanans and others.

Need for the program:
The businesses targeted by this program need services that are unique to them, particularly related to product development, testing, labeling, and regulatory compliance. The regulatory environment for both the food and energy sectors is demanding and complex, necessitating affordable access to specialized expertise, training, planning, approvals and certifications. The four Food and Agriculture Development Centers are currently located with Bear Paw Development in Havre, Beartooth RC&D in Joliet, Headwaters RC&D in Butte and Dillon and Mission Mountain Food and Cooperative Development Center with the Lake County Community Development Corporation in Ronan.

The Four Food and Agriculture Development Centers will continue to...
- Provide facilities and technical expertise for product development, testing, analysis, and labeling
- Offer training in regulatory compliance and safety planning and implementation
- Provide an affordable pilot plant and food processing options
- Educate on industry dynamics and technologies
- Analyze changing markets, particularly in the food and energy sectors
- Offer access to financing
- Assist with cooperative development, business planning and development
- Facilitate business networking

Failure to renew funding for the Montana Food and Agriculture Development Network would...
- Slow development of Montana’s growing food manufacturing sector, for which this program provides unique and necessary services
- Slow the growth of labor income attributed to Montana’s food manufacturing growth
- Make small business’s ability to comply with food and energy product and process safety requirements more difficult
- Inhibit the start-up of new food, farm-based energy, and other value-added ag-businesses
- Increase the likelihood of failure for those entrepreneurs in the food and energy sectors that would otherwise lack access to affordable facilities, training and other tailored assistance that the Food and Ag Centers uniquely provide.