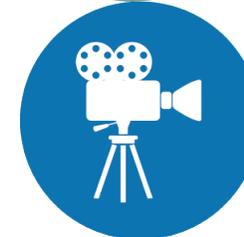
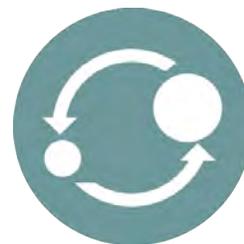


51 – MONTANA OFFICE OF TOURISM AND BUSINESS DEVELOPMENT

Mission:

Provide the tools to create good jobs, build strong communities, and grow Montana's economy.

FINANCE - TECHNICAL ASSISTANCE – INFORMATION



TOURISM MARKETING – TOURISM EDUCATION & OUTREACH – MONTANA FILM OFFICE



Programs by Bureau

- Business Assistance Bureau
 - Big Sky Trust Fund Planning and Jobs Creation Grants
 - Small Business Development Centers
 - Certified Regional Development Corporations
 - ExportMontana
 - Indian Equity Fund
 - Native American Business Advisors
 - Native American Collateral Support
 - Tribal Business Planning Grant
 - State Tribal Economic Development Commission
 - MT Innovation Partnership
 - SBIR/STTR
 - Wood Product Revolving Loan Fund
 - Montana Manufacturing Extension Center*



Research and Information Services

- Census and Economic Information Center
- Industry Development Program



Marketing Bureau

- Montana Film Office
 - Big Sky Film Grants
 - MEDIA Act
- Tourism Marketing



Industry Services and Outreach

- Made in Montana
- Tourism Grants
- Region/CVBs distribution and Tourism Advisory Council



Programs by Type

Grants and Loans

- Big Sky Trust Fund
- ExportMontana
- Indian Equity Fund
- Native American Collateral Support
- Tribal Business Planning Grant
- Microbusiness Finance Program
- Primary Sector Workforce Training Grant
- SBIR/STTR Matching Funds
- Wood Product Revolving Loan Fund
- Big Sky Film Grants
- Tourism Grants
- MT Indian Language Preservation

Technical Assistance

- Certified Regional Development Corporations
- ExportMontana
- Native American Business Advisors
- Montana Innovation Partnership
- Small Business Development Centers
- Montana Manufacturing Extension Center



Programs by Type, continued

Destination Promotion and Support

- Tourism Marketing
- MT Film Office
- Tribal Tourism
- Made In Montana
- ISO
 - Regions/CVBs
 - TAC
 - Office of Outdoor Recreation

Services and Support

- RIS
 - CEIC
 - IDP
 - Economists
 - GIS
 - Administration
- Communications



New Proposals

New Proposals	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5101 - OTBD PRIMARY BUSINESS SECTOR TRAINING HB2 BASE	1.00	600,000	83,032	0	683,032	1.00	600,000	84,007	0	684,007
DP 5102 - OTBD INDIAN COUNTRY ECONOMIC DEVELOPMENT HB2 BASE	1.00	874,952	0	0	874,952	1.00	874,951	0	0	874,951
DP 5103 - OTBD MT INDIAN LANGUAGE PRESERVATION HB2 BASE BIEN	0.00	750,000	0	0	750,000	0.00	750,000	0	0	750,000
DP 5105 - OTBD INCREASE EXPORT TRADE PROGRAM FUNDING HB2	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 5107 - OTBD ELIMINATE MSUN BIOFUELS APPROPRIATION HB2	0.00	0	(200,000)	0	(200,000)	0.00	0	(200,000)	0	(200,000)
Total	2.00	\$2,274,952	(\$116,968)	\$0	\$2,157,984	2.00	\$2,274,951	(\$115,993)	\$0	\$2,158,958

New Proposals				
NP - 5101 - OTBD PRIMARY BUSINESS SECTOR TRAINING OTO	240,000	321,337	240,000	322,293
NP - 5102 - OTBD INDIAN COUNTRY ECONOMIC DEVELOPMENT OTO	873,054	873,054	873,035	873,035
NP - 5103 - OTBD MT INDIAN LANGUAGE PRESERVATION OTO BIEN	750,000	750,000	750,000	750,000
NP - 5105 - OTBD INCREASE EXPORT TRADE PROGRAM FUNDING OTO	50,000	50,000	50,000	50,000
NP - 5107 - OTBD ELIMINATE MSUN BIOFUELS APPROPRIATION HB2	0	(200,000)	0	(200,000)
NP - 5111 - SBDC PRIVATE REVENUE REDUCTION	0	0	0	(46,975)
NP - 5555 - Reduce GF Budget for State Share Holiday OTO	(31,553)	(31,553)	0	0
Total New Proposals	\$1,881,501	\$1,762,838	\$1,913,035	\$1,748,353



PRIMARY SECTOR WORKFORCE TRAINING

NP - 5101

- State-funded program for grants to primary sector businesses for training Montanans in newly created full-time and part-time jobs.
- Funded in HB 2 with General Fund since 2005 as an OTO item (with exception of one-time BSTF transfer in 2019 Biennium).
- Adjusted from \$600,000 to \$240,000 as OTO to continue funding for grants that do not go to trades related job training. A separate Governor's proposal will enhance trades related training through tax credits

	<u>General Fund</u>	<u>Total Funds</u>
FY 2022	\$240,000	\$321,337
FY 2023	\$240,000	\$322,293



Indian Country Economic Development

NP - 5102

- Technical assistance and financial resources to existing tribal businesses to help expand operations, facilities and stimulate the private sector,
- Provides resources to tribal governments for launching new enterprises that create jobs and new avenues for revenue,
- Enhances the overall economies of reservations in Montana by growing the private sector,
- Delivering business skills training to rapidly growing number of Native American entrepreneurs and helping tribal businesses access commercial capital.
- Continued funding as OTO.

	<u>General Fund</u>	<u>Total Funds</u>
FY 2022	\$873,054	\$873,054
FY 2023	\$873,035	\$873,035



MT INDIAN LANGUAGE PRESERVATION

NP – 5103

- To preserve and perpetuate the Native American languages of the 8 tribal nations in Montana.
- Audio and video recordings will be produced by fluent speakers and preservation materials will be developed through use of a variety of technology applications.
- Language preservation deliverables are accessible to all Montanans and are archived at the Montana Historical Society.

	<u>General Fund</u>	<u>Total Funds</u>
FY 2022	\$750,000	\$750,000
FY 2023	\$750,000	\$750,000



INCREASE EXPORT TRADE PROGRAM FUNDING

NP - 5105

- ExportMontana helps Montana manufacturers and service providers achieve their business expansion and export goals by diversifying their customer base and increasing sales.
- Assistance provided includes market assessment, access, and development so Montana-based employers can take advantage of regional, national, and international trade promotions and grants for developing new markets.
- 3:1 federal (SBA) to state match, OTO

	<u>General Fund</u>	<u>Total Funds</u>
FY 2022	\$ 50,000	\$ 50,000
FY 2023	\$ 50,000	\$ 50,000



ELIMINATE MSU-N BIOFUELS APPROPRIATION

NP - 5107

- Removes the 2023 biennium HB 2 base level Biofuels appropriation from the Big Sky Trust Fund paid to MSU Northern.

	<u>General Fund</u>	<u>Total Funds</u>
FY 2022	\$ 0	\$ (200,000)
FY 2023	\$ 0	\$ (200,000)



SBDC PRIVATE REVENUE REDUCTION

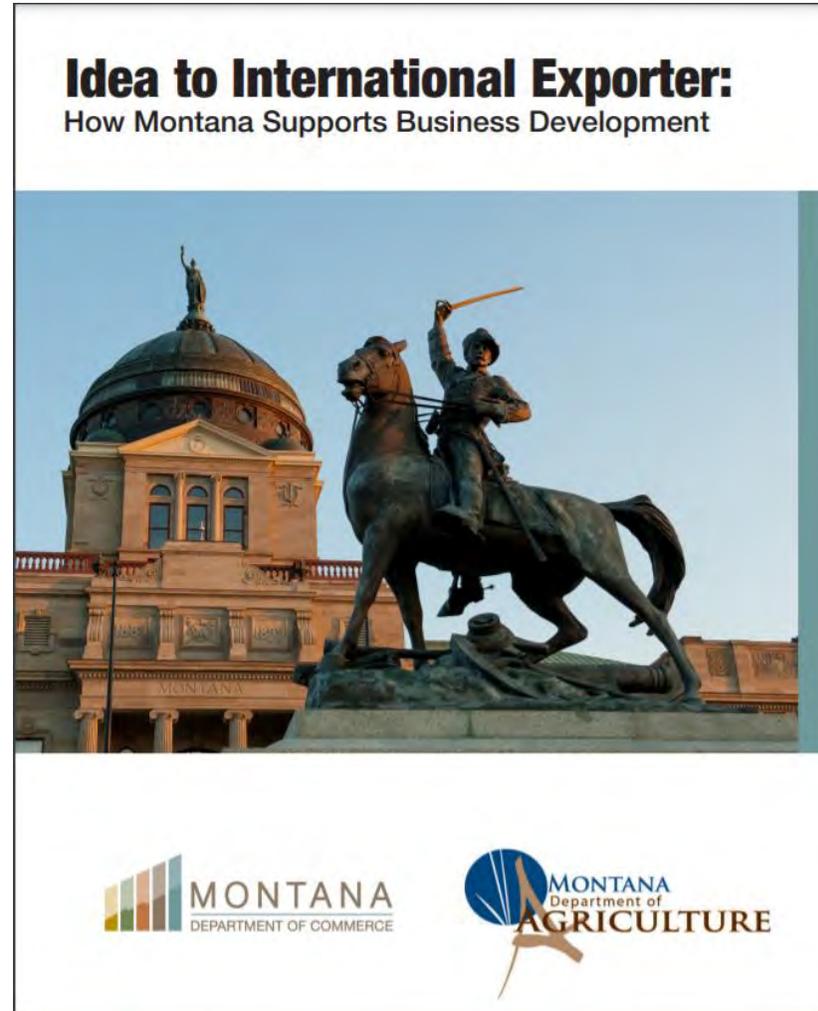
NP - 5111

- Clean Up
- There is no new revenue coming into this fund.
- The department will deplete the fund balance in FY 2021.

	<u>General Fund</u>	<u>Total Funds</u>
FY 2022	\$ 0	\$ 0
FY 2023	\$ 0	\$ (46,975)



Idea to International Exporter



Focusing in on programs

- Industry Research for startup and relocation (RIS)
- Technical and financial assistance (BAB) from growth to export
- Investing in who we are – culture has inherent value
- Promoting Montana as a premier location to visit and film



Research and Industry Services

- **Data for startup and relocation**
 - Census and Economic Information Center (CEIC)
 - Industry Development Program (IDP)
 - Tourism Research



CEIC

Project	Outcome
The MT 2020 Census Complete Count Committee achieved the goal of 60% household Self-Response	Annually, over \$2 billion from 300 federal programs is allocated back to Montana based on Census counts. By achieving the self-response goal, the U.S. Census Bureau staff had fewer households to visit resulting in millions in cost savings. CEIC staffed the CCC in its statewide work to promote self-response to the Census.
Voting Precinct Mapping	CEIC completed digitized voting district maps for all 56 Montana counties – the first time every county had this product. The district layers are available to anyone through the MT State Library GIS portal.
Developed, monitored and successfully utilized a Lodging Facility Use Tax (LFUT) revenue model for Department budgeting	The Lodging Facility Use Tax (LFUT) model developed by CEIC forecasts tax revenue changes. This model allows for improved budgeting and programming.
Completed resort community analyses for the city of Columbia Falls and the town of Twin Bridges	CEIC economists fulfill the Department of Commerce's statutory obligation to review and determine resort area / community designation of requesting communities across Montana (MCA §7-6-1501).
Completed over 100 information requests including 60 GIS data and map requests.	Every year, CEIC staff provide economic analysis, GIS support, technical assistance, and training to data users across the state.



Census – Complete Count Commitment

Here are some of the impacts on the self-response rate of the GOTC activities for rural counties:

MT County	Self-Response % of households Date 7/1/2020	Self-Response % of households Date 10/14/2020	% Increase in Self- Response
Fallon County	23.5	33.3	41.7%
Granite County	26.6	31.0	16.5%
Madison	29.9	37.3	24.7%
Meagher	24.3	30.7	26.3%
Petroleum	28.1	31.0	10.3%
Phillips	24.4	37.0	51.6%
Wheatland	23.6	30.4	28.8%



- **Industry Development Program**

- Researches industry sectors to provide strategic information and analysis to facilitate economic development and foster growth in Montana's top industries.
- IDP prepares and delivers written materials to provide strategic guidance to the Department of Commerce leadership and to market and promote Montana's business attributes to attract investment, create good paying jobs, and increase tax base

- **Tourism Research**

- Mission: analyze trends, find ways to be most efficient with the State's marketing dollars, and support Montana's tourism partners with otherwise unfulfilled tourism research needs. The Tourism Research team also provides support to other entities within Commerce with their data and analytics needs (ex. the Transparency Dashboard for CARES Act grant awards).



Technical and financial assistance

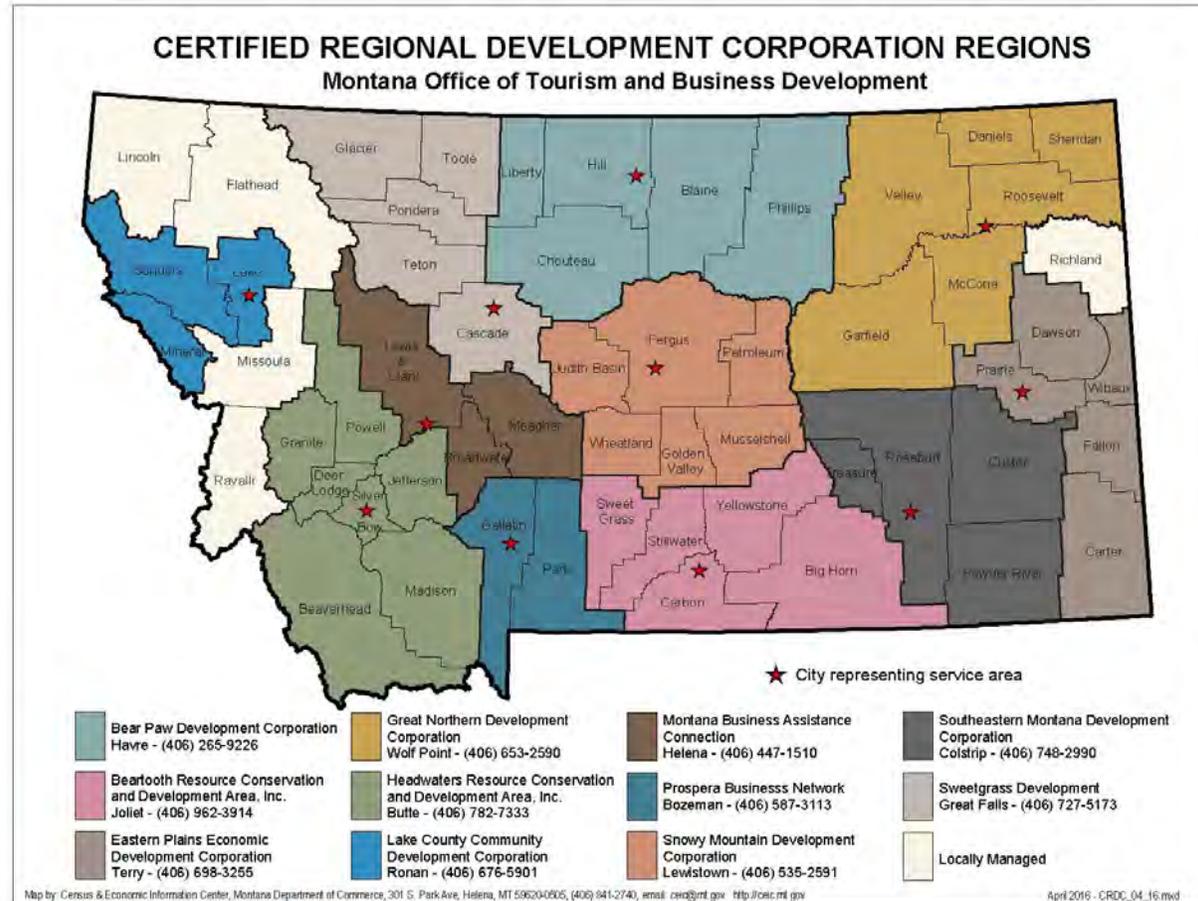
- On-the-ground resources statewide offering hands-on support for businesses and entrepreneurs.
- Technical Assistance – meeting business where they are and connecting them with resources
- Financial Assistance
 - Grants
 - Loans

“The technical assistance programs from Montana Department of Commerce have provided tremendous benefit to all of the communities throughout our region. Whether it is one on one business assistance through our SBDC program with budding entrepreneurs, community development work with our rural towns or funding assistance to our large employers, Butte and the Headwaters region are fortunate to have such strong partners to deliver assistance throughout our counties. Additionally, these funds have traditionally leveraged both private and federal resources, and have helped create countless jobs and vibrant local economies.”



GROWING MONTANA'S ECONOMY

CERTIFIED REGIONAL DEVELOPMENT CORPORATIONS



Certified Regional Development Corporations (CRDC)



- Snowy Mountain Development Corporation (SMDC), Lewistown
 - \$54,260 to date for CRDC SFY 2020
 - As a CRDC, SMDC serves its six-county region (Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland) by providing a regional approach to economic development in such areas as revolving loan funds, business technical assistance, local and regional planning, and application assistance for various federal, state and regional grant and loan programs.
 - For January thru June of 2020, SMDC has:
 - Closed 2 loans for \$181,150 – leveraging over \$5 million in additional funding and creating and retaining 37 jobs
 - Provided technical assistance to 322 businesses and 103 projects
 - Trained 400 individuals on a variety of topics.



Certified Regional Development Corporations (CRDC)

- Snowy Mountain Development Corporation (SMDC), Lewistown
 - The CRDC program provides foundational funding, allowing the organizations to access and apply for a variety of state and federal certifications and program funding, helping to strengthen the organization for long-term viability to provide vital services to its service region.
 - In October 2020, SMDC was designated an “Envision Center” by the US Department of Housing & Urban Development. EnVision Centers provide communities with centralized hubs for support in the four pillars of economic empowerment, educational advancement, health and wellness, and character and leadership.

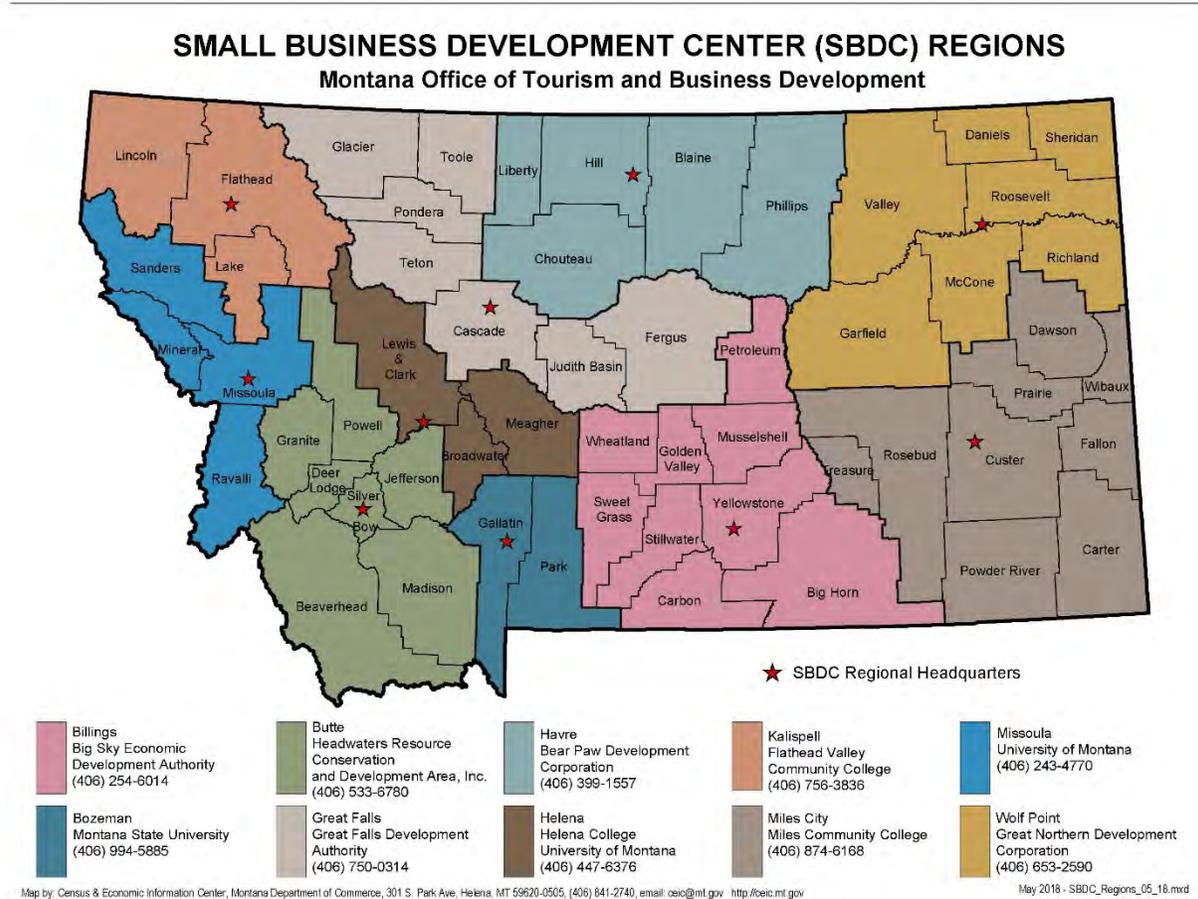
“Without having the Snowy Mountain Development Corporation working on community and economic development, we would not be able to access these federal resources or state resources. Our business would not be able to grow and expand.”

~Kathie Bailey, Executive Director

Snowy Mountain Development Corporation



Small Business Development Centers



Montana Small Business Development Center

- Lake Baked, Bigfork
 - Mother and daughter duo, Jana and Sadie Felt, turned to the Kalispell SBDC after attending their Business Startup Class to help get their dream off the ground. Dan Gorton, Kalispell SBDC Regional Director, met with Jana and Sadie and we went over startup costs, revenue and expense projections, margins on product lines, seasonality of the business and revenue and expense projections. Jana used the proforma statements to secure a bank loan.
 - Jana and Sadie were able to secure a \$101,000 loan to start their business in a historical spot in Bigfork, Montana.
 - Lake Baked now employs 2 Full time and 7 Part Time employees and Bigfork now has a local year round bakery.

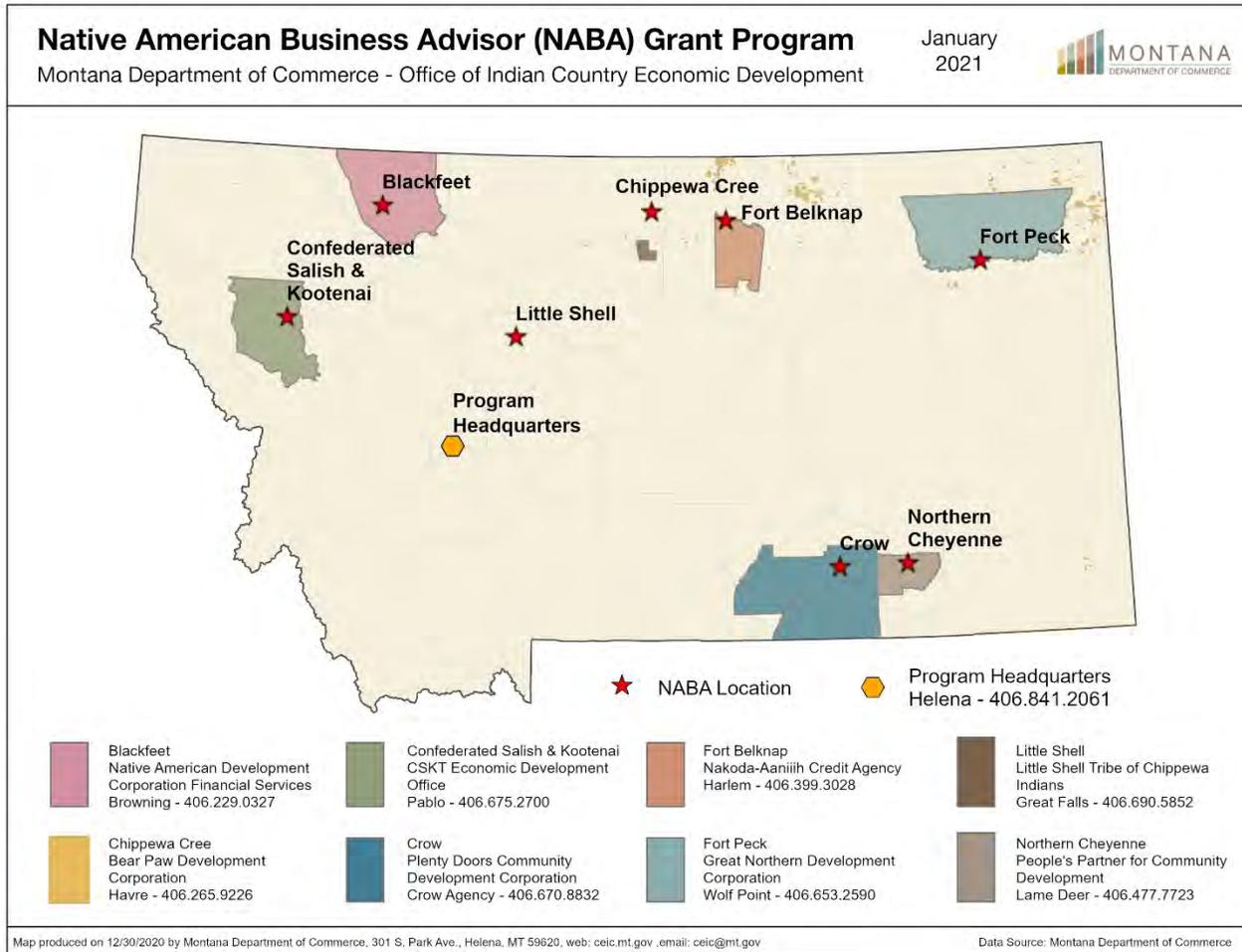


"We are thankful to Dan Gorton from the SBDC at FVCC in Kalispell. Dan helped us get going with his Small Business Startup class and the many spreadsheets and forms we've used for our business plan, and pricing and for his hours of advice and guidance."

Jana Felt, Owner



Native American Business Advisors



Native American Business Advisor Grant

- Plenty Doors Community Development Corporation
 - Assistance
 - In FY19, awarded \$15,000 for Plenty Doors to provide Native American Business Advisor services for the Crow Reservation.
 - Impact
 - Plenty Doors provided baseline business technical assistance to 79 clients, Indian Equity Fund assistance to 32 clients, and participated in capacity building trainings and certifications.
 - Measurable outcomes
 - With application support from Plenty Doors, four Crow entrepreneurs successfully applied for an Indian Equity Fund grant and received a total of \$54,000 in grant funds to start or expand their businesses.



Financing

- Startup expenses and operations
 - Microbusiness Finance Program Loans
 - Indian Equity Funds Grants
 - Native American Collateral Support
 - SBIR/STTR

Assistance in times of distress

- Wood Products Revolving Loan Fund



Microbusiness Finance Program

- Encourage and assist in the creation, development, and financing of microbusinesses
- \$4.7 million committed, loans made to MBCS who re-lend to microbusinesses
- Microbusiness is a business with fewer than 10 full-time equivalent employees and annual gross revenues of less than \$1 million



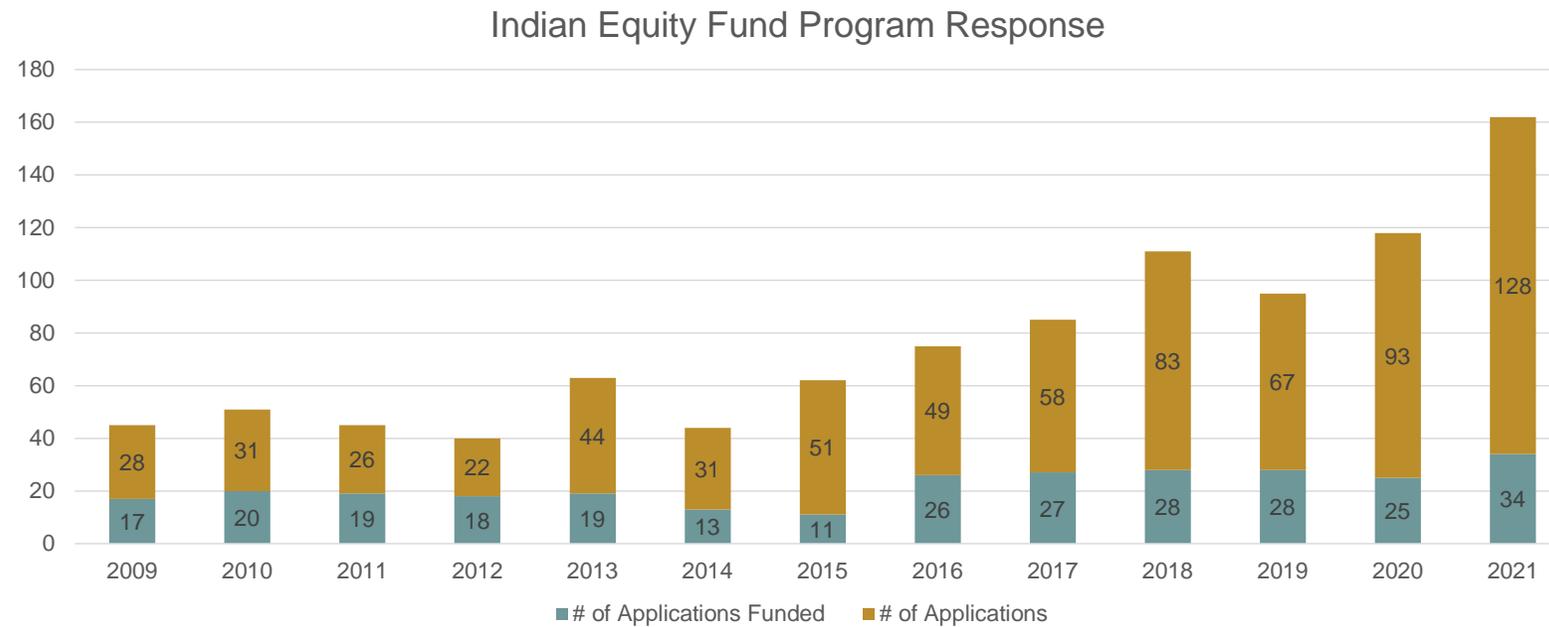
Indian Equity Fund

- \$320,000 annually, fully subscribed.
- Spur startup or expanding Native American-owned businesses
- Funds can be used for (not limited to):
 - Purchase of land, building and equipment.
 - Purchase of assets including furnishings, equipment and technology.
 - Selected use of working capital for business operations



HISTORICAL DEMAND

INDIAN EQUITY FUND (IEF) SMALL BUSINESS GRANT RESPONSE



Montana Indian Equity Fund

- **Designs by Della (Bighair-Stump)**
 - **Assistance:**
 - Provided \$14,000 in FY 2019 to purchase manufacturing and computer equipment and develop marketing materials for fashion shows.
 - **Impact:**
 - Resulted in expansion of Designs by Della product line.
 - Resulted in international exposure of Designs by Della Contemporary Collection at the Paris Indigenous Fashion Week in Paris, France.



Native American Collateral Support Program

- Addresses access to capital issues by providing collateral support security for lenders, making loans with Native American-owned businesses possible
- Leveraged Funds on Current Loans.....\$1,707,609
- Initial program funding.....\$500,000
- Interest received and available to relend.....\$62,767
- Current Loans\$348,061
- Amount available to lend.....\$214,706



SBIR/STTR

- Help Montana's tech-based entrepreneurs and innovators secure vital seed funding for their ground-breaking technologies
- Total match awards: \$60,000
- \$375,000 per year.
- All funds expended.



SBIR/STTR Matching Funds Program

- NWB Sensors Inc.
 - The business received \$60,000 from the SBIR/STTR Matching Funds Program
 - The Matching Funds program helps to support the business's USDA Federal Award to move their concepts to commercialization.
 - NWB has developed a new snowpack sensor to measure snow water equivalency and liquid water content. Additionally, they are developing an imaging-based precision agriculture tool to detect and classify anomalies in the field to produce a map of cropping problems.

“The MSMFP has allowed NWB Sensors, Inc. convert Phase I SBIR projects into Phase II projects, moving toward commercial products. This has allowed us to grow from a two-person company in 2016 to seven employees in 2021”.
Paul Nugent, President NWB Sensors, Inc. Bozeman MT.



Wood Products Revolving Loan Fund

- The Wood Products Revolving Loan Fund (WP RLF) provides loans to businesses in the wood products industry to create or retain jobs, targeting areas where timber jobs are most threatened, particularly in counties with lumber mills and other related facilities. WP RLF loans are available from two distinct programs:
 - State Wood Products Revolving Loan Fund
 - Economic Development Administration Wood Products Revolving Loan Fund
- Loans since inception in 2009 – 30
- Loans outstanding – 14
- Loans Paid in Full or under Negotiated Terms – 13



From Start-up to Growth

- Big Sky Trust Fund
 - Plan for growth
 - Incentivize creation of high paying jobs
- Primary Sector Workforce Training Grant
- Tribal Business Planning Grant



Big Sky Trust Fund Programs

- Started in 2005
- \$20 mil was transferred from the coal severance tax permanent fund to the Big Sky Economic Development Trust Fund along with a portion of the total coal severance taxes collected.
- 75% of the funds are devoted to job creation and 25% to planning projects.
- Quarterly cycle with a 30-day turn around of awards



BSTF Job Creation

- Helps basic sector businesses create good-paying jobs for Montana residents by assisting companies with the costs associated with expanding their workforce
- Basic sector: business that has a focus on out-of-state markets or clients

Total Number of businesses assisted.....	32
Total Number of Job Creation Funds awarded.....	\$3,945,500
Total Number of proposed Jobs to be created	675
Total Number of leverage funds proposed	\$36,601,130



BSTF Workforce Recovery

- New program to help businesses that were ready to start rehiring post-pandemic layoffs.
- Temporary, enabled through Governor's Directive.
- From funds reverted from awardees unable to create anticipated jobs.
- \$3 million
- Up to 25 jobs
- On payroll for minimum of 6 months to receive funding
- 55 grants, 313 jobs, \$1,895,000.



High Success for Hi-Line Packing

- Phillips County, Big Sandy Meat Shop, LLC dba Hi-Line Packing
 - An award of \$37,500 was made for the business to assist in the creation of 5 jobs in Phillips County. With the successful start of meat processing at the new location near Malta and creation of the 5 jobs before the year end, another \$37,500 in award was added for the creation of another 5 jobs.
 - Along with job creation within a rural community, Hi-Line Packing has expanded capacity to enable service to their North Central Montana customer base and beyond.
 - Currently 6 of 10 jobs have been created by the business, and \$45,000 has been reimbursed by the BSTF program.



BSTF Planning

- Awarded to Certified Regional Development Corporations (CRDCs), tribal or local governments, or other economic development organizations (EDO)
- Support economic development planning activities
- Reimbursement program
- 1:1 match up to \$25,000 award

- Total Number of entities assisted.....21
- Total Number of Planning Funds awarded\$459,356
- Total Number of leverage funds proposed\$685,837



Support in Rural Area

- Ravalli County Economic Development Authority, Sapphire Community Health, Inc.
 - This grant of \$25,000 is to assist Sapphire Community Health Inc., which is a federally qualified health center, with the engineering study for a new health center. The site will serve communities in Hamilton, Florence, Stevensville, Corvallis, Victor, Pinesdale, Darby, Sula and other residents of Ravalli County. Once constructed, the center will be able to expand services and create 16 additional jobs.

“RCEDA uses the BSTF Planning funds to assist projects that have a good chance of meeting their job creation projections and their projected economic benefits to the community. BSTF Planning funds are leverage with local and private funds for feasibility type work; this includes working with engineers to meet a pre-construction needs”. Julie Foster, Executive Director, RCEDA

SAPPHIRE COMMUNITY HEALTH
LOCATED IN SECTION 24 T.06N., R.21W., P.M.M.,
RAVALLI COUNTY, MONTANA



Primary Sector Workforce Training Grant

- State-funded program for grants to primary sector businesses for training Montanans in newly created full-time and part-time jobs.
- Primary sector: businesses having 50 percent or more of their sales outside Montana
- Job training incentive for new businesses to locate to Montana and provides existing primary sector businesses with essential support to train employees in net new jobs
- Funded in HB 2 with General Fund since 2005 as an OTO item (with exception of one-time BSTF transfer in 2019 Biennium).



Workforce Training

- Montana Fabrication Works, Inc. – Stevensville
 - Montana Fabrication Works received a \$51,680 Primary Sector Workforce Training Grant to train a minimum of 12 net new jobs.
 - Montana Fabrication Works is a metal fabricator. They are part of the Architectural & Structural Metals Manufacturing Industry



“As a new company, Montana Fabrication Works was grateful to receive a grant through the Workforce Training Grant program shortly after we began operations. Having the grant money allowed us to work closely with the Montana Manufacturing Extension Center through Montana State University. Their programs helped train our employees on lean manufacturing and how to streamline, improve efficiency, organize, team build and think “outside of the box”. We were able to incorporate various training programs for our employees to give the business the best chance of succeeding. Without the grant money, we would not have been able to afford this specialized training. Montana Fabrication Works has also been able to use the funds for other programs to train employees for a specific skill set allowing us to keep jobs local and promote the local job economy”. Terri Nickless, Controller, Montana Fabrication Works, Inc.



Business Growth

Alpine Aviation, Inc. received

- **BSTF Planning Funds** (\$27,000) preparation of construction documents for a new facility at the Billings Airport
- **BSTF Job Creation Funds** (\$110,000) creation of 30 net new jobs
- **WTG Training Funds** (\$150,000) to train 30 net new jobs

Even during the pandemic, the business was able to create 5 net new jobs paying at least \$19.80 per hour and has moved forward with finalizing their facility design.



“Alpine Aviation has greatly benefited from the BSTF Job Creation and Planning programs. In the years preceding 2020, the demand for air cargo surpassed what our staff and facilities could comfortably accommodate. Having already invested in more planes, we needed more mechanics, parts clerks, and pilots to maintain and fly them. We also needed more space for the staff to work on our growing fleet of aircrafts. The Job Creation and Planning grants enabled us to hire and begin the planning and design phase of the expansion sooner than we otherwise would have. When we were awarded the Job Creation and Planning grant in the beginning of 2020, we based our needs on the growing demand demonstrated in years prior. We had no way of knowing that 2020 would demand even more and more urgently. In the past year, we flew more routes than predicted and with greater cargo loads to meet the demand for air cargo created by the pandemic. In 2021, we are continuing to hire net new positions and have finished surveying the site we plan to build our new facility on. We greatly appreciate the Montana Department of Commerce partnering with us to meet needs in Montana as well as the surrounding states. The planes that fly out of our new facility in Billings and are maintained by residents of Montana will carry mail to much of the Western United States”. Amanda Luck, Alpine Aviation



Tribal Business Planning Grant

- Supports the economic planning and business growth priorities of tribal governments and organizations in Montana.
- Assists tribal governments and organizations to deploy comprehensive business planning strategies to grow their local economies
- Business plan development, market analysis, feasibility studies, physical business infrastructure planning, such as zoning, and can be used to match other funding sources to accomplish business growth activities.
- In State Fiscal Year 2020 (from July 1, 2019 to June 30, 2020), the program awarded \$240,000 to eight projects, with businesses investing \$693,250 in matching funds.



Tribal Business Planning Grant

- Plenty Doors Community Development Corporation
 - Assistance
 - In FY19, awarded \$28,000 for a Tourism Feasibility Assessment.
 - Impact
 - Plenty Doors contracted with the Institute for Tourism + Recreation Research at the University of Montana to conduct the assessment. Additionally, Plenty Doors contracted with Olivia Williamson to collect data and organize a Crow tourism committee.
 - Measurable outcomes
 - Based on the findings of the assessment and the recommendations of the Crow tourism committee, Plenty Doors contracted with local designers and photographers to produce a Crow tourism brochure. The brochure was finalized in December 2020 and is in the process of being printed and distributed.



Selling Montana to the World

- **ExportMontana** provides:
 - International technical expertise
 - Cooperative international marketing opportunities & exposure
 - Grant funds for exporting activities
- Resulting in:
 - Working with more than 1,000 Montana exporters
 - \$2.46 million in Federal grant funds
 - \$361 million in new export sales
 - 908 jobs created/retained



ExportMontana

- TrussLox, Billings
 - **Assistance:**
 - Provided \$3,000 via the State-funded Trade Show Assistance Program for exhibiting at an out-of-state trade show
 - Provided \$13,965 via the State Trade Expansion Program (Federal funds) for exhibiting at 5 international trade shows and for foreign language translation
 - **Impact:**
 - **TSAP:** Resulted in \$44,000 in actual sales
 - **STEP:** Resulted in \$89,000 in actual sales, with an additional \$168,000 anticipated over the next 18 months; also created/retained 2 jobs



ExportMontana

- Pulsara, Bozeman
 - **Assistance:**
 - Provided \$3,000 via the State-funded Trade Show Assistance Program for exhibiting at an out-of-state trade show
 - Provided \$62,758 via the State Trade Expansion Program (Federal funds) for exhibiting at international trade shows, export certification, international patent registration, and for foreign language translation
 - **Impact:**
 - **TSAP:** Resulted in \$200,000 in sales anticipated over the next 18 months
 - **STEP:** Resulted in \$112,000 in actual sales, with an additional \$3.7 million anticipated over the next 18 months; also created/retained 35 jobs



Investing in who we are – culture has inherent and irreplaceable value

- Montana Indian Language Preservation Program
- Made in Montana Program



MONTANA INDIAN LANGUAGE PRESERVATION

- To preserve and perpetuate the Native American languages of the 8 tribal nations in Montana.
- Audio and video recordings will be produced by fluent speakers and preservation materials will be developed through use of a variety of technology applications.
- Language preservation deliverables are accessible to all Montanans and are archived at the Montana Historical Society.

Recordings Received.....	72
Reference Materials Received.....	21
Curricula Received	24
Strategic Plans Received.....	10
Language Classes Received.....	73
Immersion Camps Received.....	5
Storytelling Sessions Received	16
Presentations Received	12



Montana Indian Language Program

- **Fort Peck Assiniboine & Sioux Tribes Culture & Language Department**

- **Assistance:**

- Provided \$77,500 in FY 2019 to develop an Ethnobotany (medicinal plants) guide; broadcast Nakota and Dakota Word of the Day on KVCK radio; record 3 CD's for Kahomani, Sundance and Veteran's songs; teach community culture and language classes in Wolf Point and Poplar; and host youth language and culture summer programs and an annual Language Bowl.

- **Impact:**

- Resulted in 200 youth impacted through the youth language and culture summer programs. Tribal elders were instrumental in developing language resources.



Made in Montana



MiM and COVID



MONTANA



LODGING FACILITY USE TAX PROGRAMS

- Tourism Marketing and Montana Film Office
- Industry Services and Outreach
- Indian Country Tourism Partnership

The Marketing and Industry Services & Outreach Bureaus work to strengthen Montana's economy through the promotion of the state as a **vacation** destination and **film** location.



MARKETING – GRANT PROGRAMS – EDUCATION & OUTREACH – FILM OFFICE



Promoting Montana

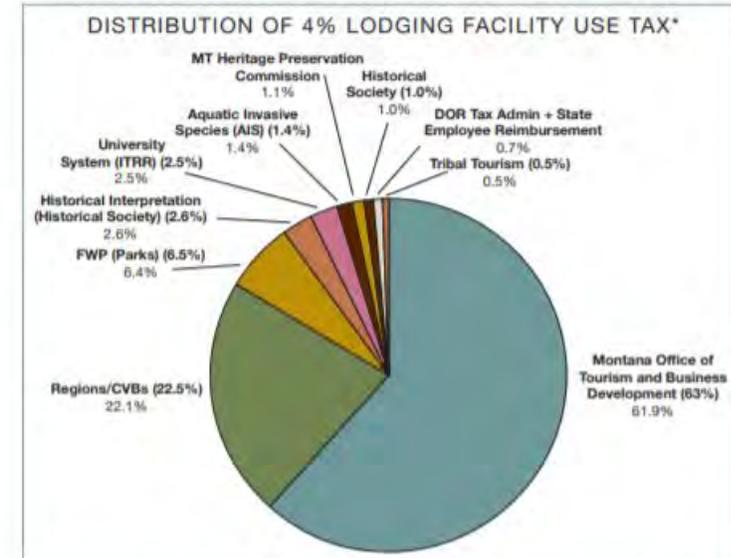
- MCA: 15-65-121
- Directs 63% of the Lodging and Facility Use Tax to the Department of Commerce
- For tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- Directs 22.5% to tourism region non-profit corporation and non-profit convention and visitor bureaus for same purpose.
- 0.5% to the state special revenue account provided for in [90-1-135](#) for use by the state-tribal economic development commission established in [90-1-131](#) for activities in the Indian tourism region.

MONTANA PROMOTION FUNDING

The State of Montana levies two different taxes on accommodations that total 8%; the 4% Lodging Facility Use Tax and the 4% Lodging Facility Sales Tax. These taxes are collected from guests of hotels, motels, bed and breakfasts, guest ranches, resorts, and campgrounds.

The 4% Lodging Facility Use Tax, commonly known as the "Bed Tax", funds tourism related activities. Enacted by the 1987 Legislature, these funds are divided according to the chart below.

No additional funds come from Montana's General Fund. In fact, tourism helps to support the General Fund due to the additional 75% of the 4% Lodging Facility Sales Tax being directed to the General Fund. An additional 25% of this tax is directed to the construction of the Montana Heritage Center and historic preservation grants.



* In the chart above, the percentage in parentheses represents the percentage indicated in statute from MCA 15-65-121. The percentage not in parentheses indicates the effective rate after the costs related to \$400,000 to the Montana Heritage Commission, Department of Revenue administrative costs and state employee reimbursement is taken off of the top before the percentages in MCA 15-65-121 are applied. The total collector amount comes from the Legislative Fiscal Division projections for the 2019 Legislative Session.



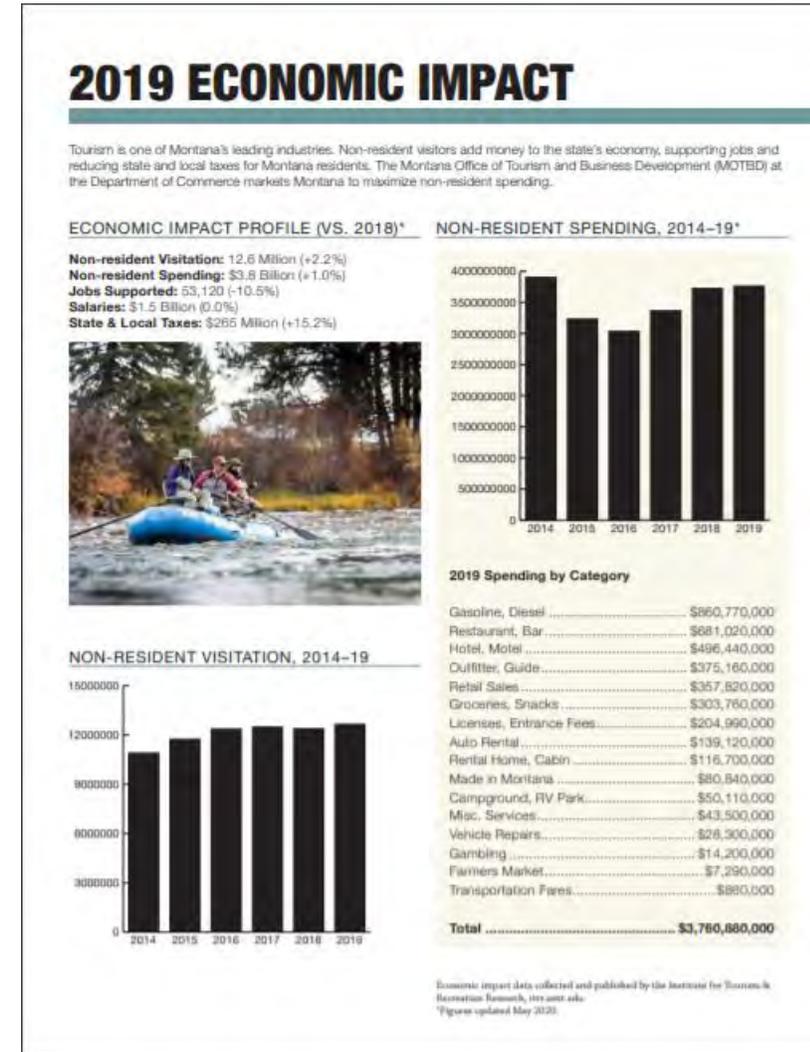
MARKETING

- Inspire visitation domestically and internationally
- Integrated
 - Content – right content in front of right people at right time.
 - Digital – highly targeted, low waste.
 - Print
 - Public Relations
 - Social Media
 - visitmt.com
 - Joint Venture Programs
- Data Driven



FUNDING & RETURN ON INVESTMENT

- Over 90% of Montana's target audience that traveled to MT were influenced by MOTBD's marketing efforts
- Those in the target audience that have been exposed to MOTBD ads and arrive in market stay in MT 47.3% longer than those who have not been exposed to our ads and arrive in MT.
- 2019 direct visitor spend generated by the tourism marketing efforts was \$416.7 million
- \$3.8 billion total visitor spending



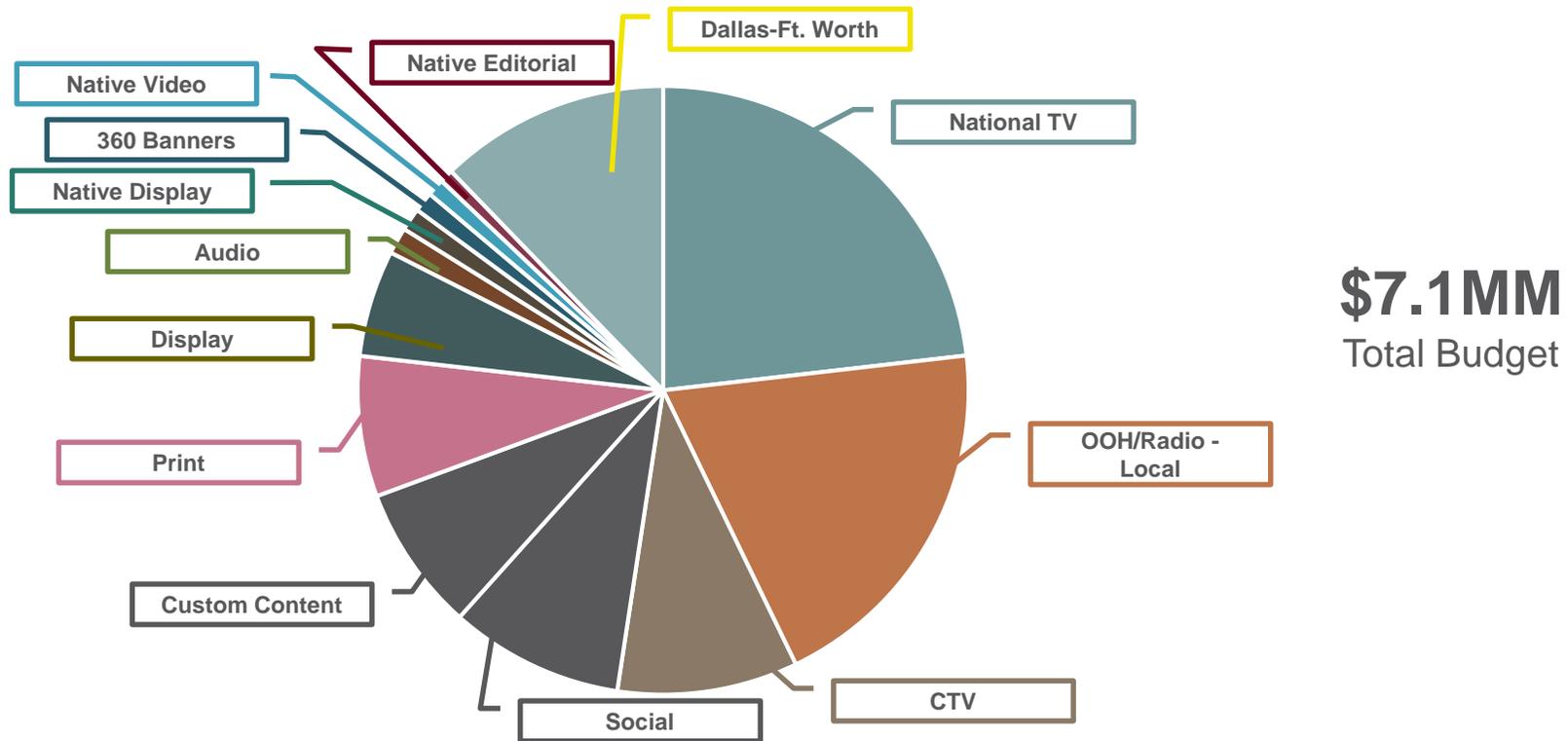
FY20 Warm Season: Original Campaign

Initially developed to build off past success:

- Target key Destination Analyst-identified consumer audiences
- National focus with local market heavy-ups
- Includes major Dallas/Fort Worth effort
- Full-funnel approach with a diverse media mix



FY20 Warm Season: Media Mix + Budget*



FY20 Warm Season: Creative

OOH



Joint Venture
Co-op Guidebook



DFW Wallscape OOH



Print



February 2

Air travel from China to U.S. is restricted



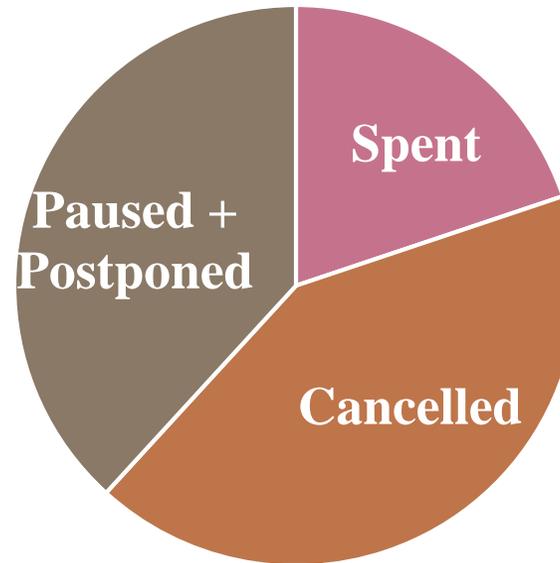
March 1

FY20 Warm Season campaign launches





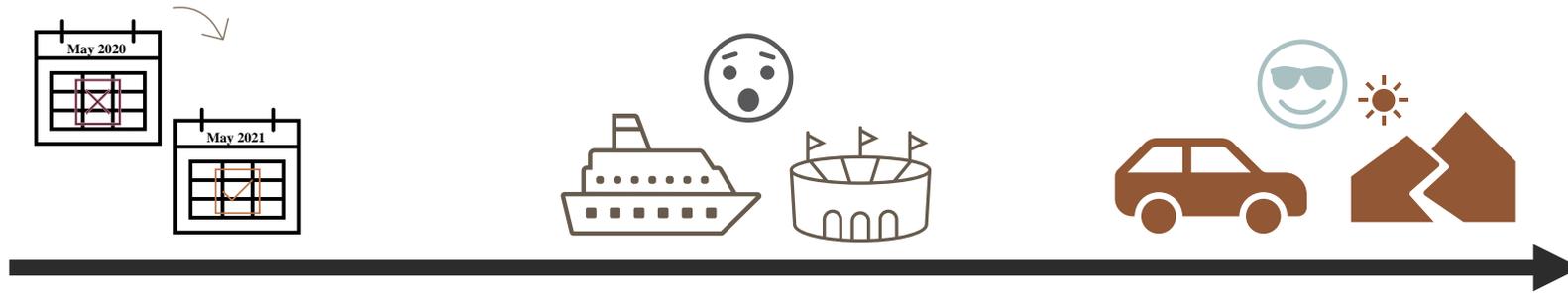
Media Shifts Due to COVID-19



\$7.1M*



General Traveler Sentiment: March - April



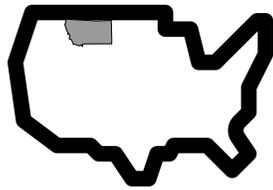
Travelers are rescheduling far more than cancelling trips

Cruise lines travel + large sporting events are seen as the most unsafe activities

Taking a road trip + outdoor recreations are seen as the safest activities



Montana Traveler Sentiment: March - April



While interest is down YOY, Montana continues to fare better than the USA



Website traffic begins to outpace YOY levels in mid-April despite limited advertising



Travel intent in Shoulder + Winter season meets or exceeds 2019 levels



April 26
Stay At Home
order lifted



May 1
Worth The Wait
campaign launches



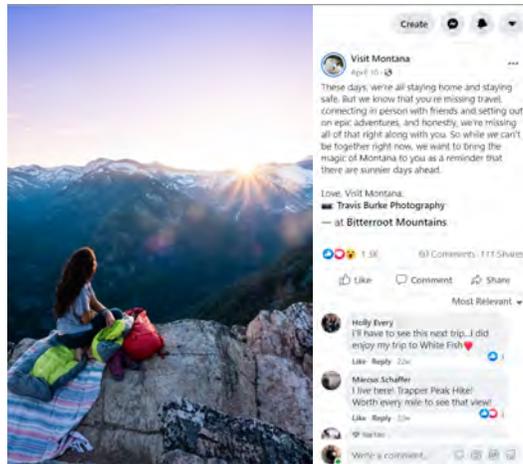
Worth The Wait: Campaign Development

The campaign is based on the developing travel trends seen in March + April

- Creative respects current travel restrictions while keeping Montana top of mind
- National remarketing audience
- Distributed via Social Media and Programmatic Video



Worth The Wait: Media Tactics + Timing



*Organic Social – FB + IG
April*



*Programmatic Video – HYTD
May*



*Paid Social – FB + IG
May*





Governor's office and COVID Task Force request MOTBD to provide an informational safety campaign

Consumer sentiment research and Montana travel data tracked since March 2020 reveal a market for safe domestic travel options and that **Montana has been further elevated as a desirable destination** for many travelers.

Current marketing insights discussed:

- Consumer travel trends
- Montana-specific travel interest



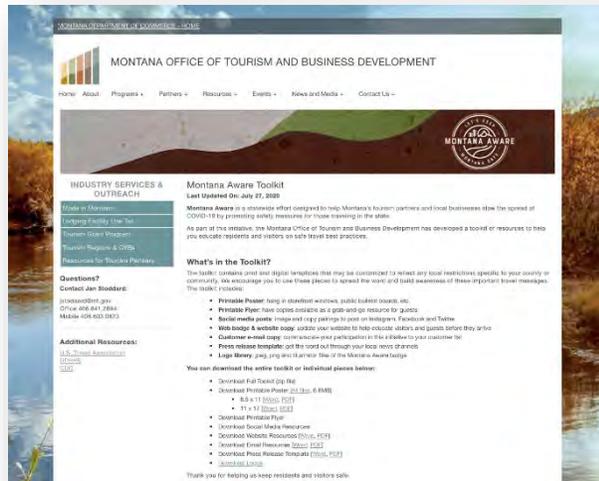
Montana Aware: Campaign Initiative



In Montana, tourists and residents alike are often given helpful advice on how to stay aware of their surroundings. This is true whether it's winter and we're skiing or snowmobiling, or during the warmer months when we're hiking, camping or just sight-seeing. During the COVID-19 pandemic, being aware is more important than ever. So, we are asking people to become Montana Aware before traveling to or when traveling in Montana.



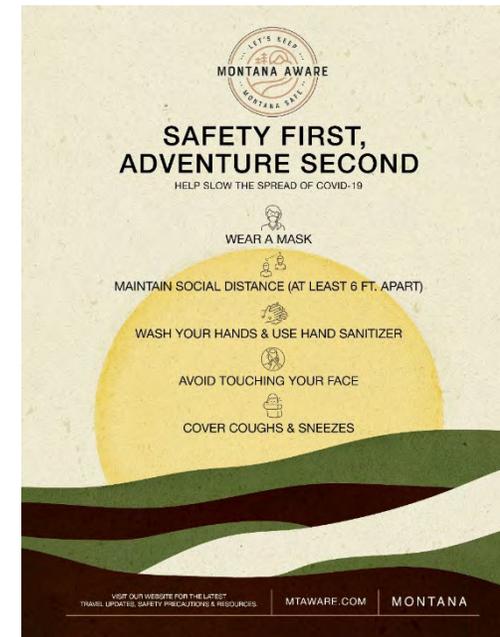
Montana Aware: Tourism Safety Grant Toolkit



[Resource Page on MarketMT.com](#)



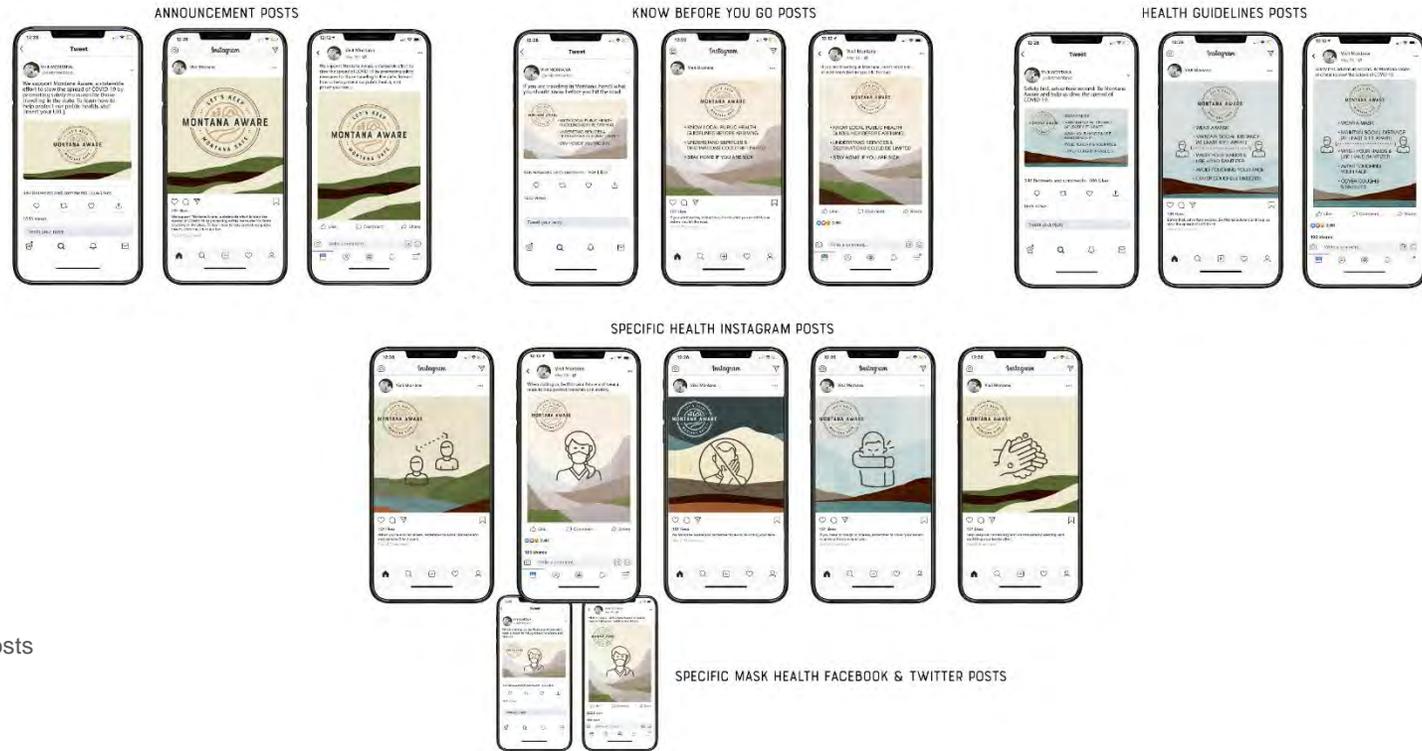
Poster



Flyer



Montana Aware: Tourism Safety Grant Toolkit



Social Posts



Montana Aware: In-state Media

Print Details

Partner with Montana Newspaper Association to utilize a network of 81 local newspapers to reach all communities. Publications include:

FLATHEAD BEACON



BILLINGS GAZETTE

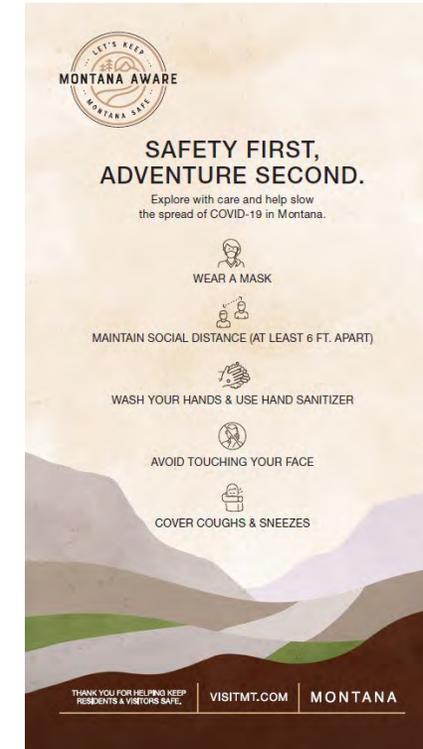
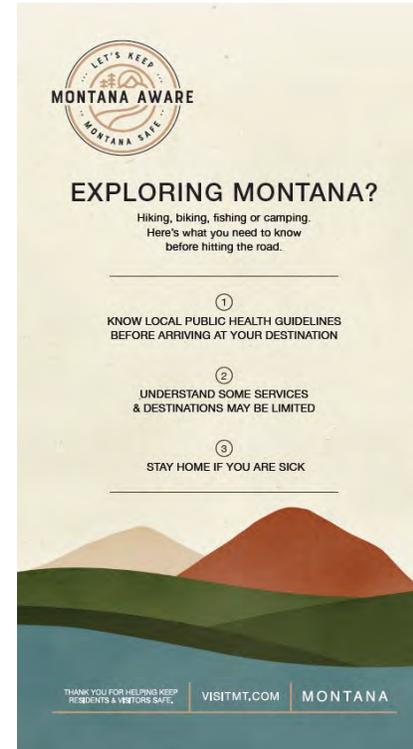
Explore **Big Sky**

Missoulian

BOZEMAN DAILY
CHRONICLE

Great Falls Tribune
PART OF THE USA TODAY NETWORK

Independent Record



Montana Aware: High-Potential Audience Geography

Layer media selections across **nine top tier states** for recent visitation – tiered into two groups by market area for spend prioritization

Markets selected and tiered due to:

- ✓ Increasing/recent visitation
- ✓ High per-capita visitation/interest
- ✓ Historical MOTBD market presence

Sources used:

- ✓ UberMedia, VisaVue, Google Analytics

Market Area	Tier Level	State
Seattle-Tacoma		WA
Spokane		WA
Salt Lake City-Ogden-Provo		UT
Boise		ID
Denver-Boulder	1	CO
Portland		OR
Minneapolis-St. Paul		MN
Rapid City		SD
Bismarck		ND
Fort Collins-Greeley		CO
Bend		OR
Cheyenne		WY
Colorado Springs		CO
Duluth-Superior		MN-WI
Eugene-Springfield		OR
Fargo-Moorhead		ND-MN
Grand Forks	2	ND-MN
Grand Junction		CO
Pueblo		CO
Rochester		MN
Sioux Falls		SD
St. Cloud		MN
Tri-Cities (Richland-Kennewick)		WA
Twin Falls (Sun Valley)		ID
Yakima		WA



Montana Aware: Campaign Planning Parameters

1. **Overview:** Target key consumer audiences to help preserve the health and safety of residents, in-state travelers and out-of-state visitors
2. **Goal:** Reach potential Montana travelers to build awareness of Montana Aware
3. **KPIs:** Impressions/delivery and website traffic to VISITMT.COM/Montana-Aware
4. **Budget:** \$5,000,000 (scalable)
5. **Available assets:** TV/video, radio/audio, native, social, display banners, print

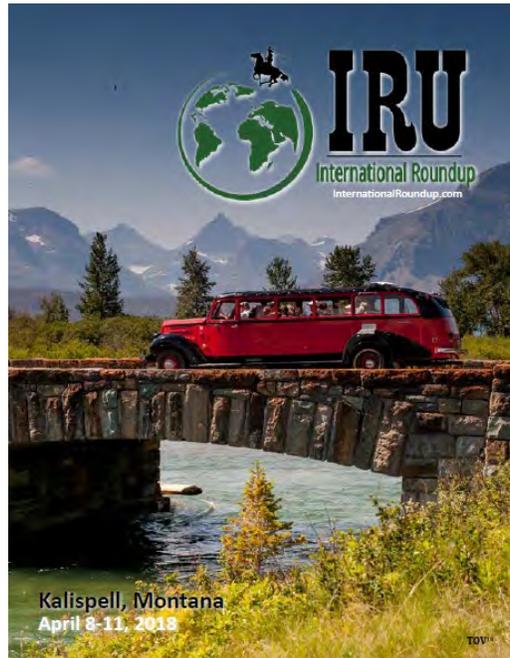


Montana Aware: Media Plan Timing

TACTIC	AUG	SEP	OCT	NOV	DEC
Remarketing/SEM (digital)	Active				
Drive Markets (digital/video/audio)			Active		
Drive Markets (TV/radio)				Active	
Drive Markets (OOH)				Active	
In-state (OOH)				Active	
In-state (Print)	Active				



INTERNATIONAL MARKETING



MONTANA



Indian Country Tourism

Indian Country Marketing Initiatives – FY19

Program building/asset development

“MONTANA: Explore Indian Country” visitor guide

Indian Country tourism photo library

Tribal Tourism Strategic Plan

Financial/technical assistance

Supported 7 tourism grant projects in Indian Country

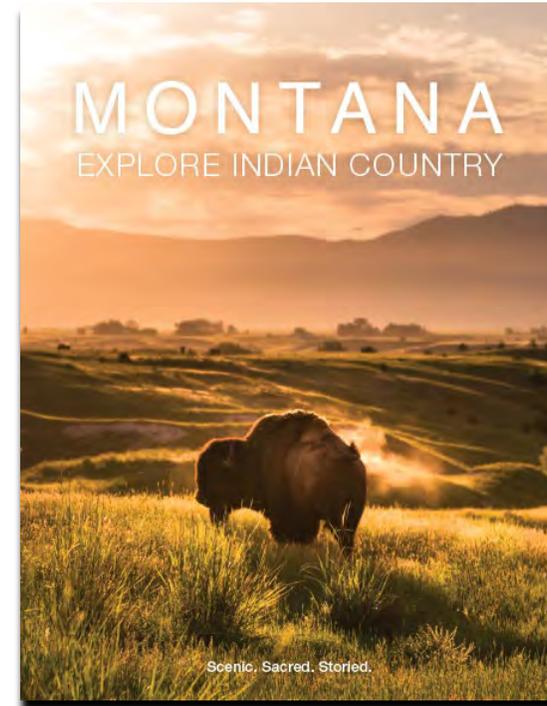
Sponsored education and networking opportunities

COVID-19 response

Paused consumer marketing

Promoted safety messaging

Supported Business Stabilization Grant



5 Pillars

- Capacity
- Product
- Marketing
- Relationships
- Research



Revenue Impacts - COVID

	<u>2019</u>		<u>2020</u>	
1/1 - 3/31	\$6,239,378	(+19%)	\$5,835,731	(-6%)
4/1 - 6/30	\$9,132,236	(+9%)	\$3,954,811	(-57%)
7/1 - 9/30	\$15,545,725	(+6%)	\$13,586,452	(-13%)
10/1 -12/31	\$5,389,108	(+4%)	\$0	(+0%)
Total:	\$36,306,446	(+9%)	\$23,376,993	(-24%)



2021 Brings Increased Travel Intent and Interest



OPENNESS TO TRAVEL INSPIRATION MARCH 13, 2020 – JANUARY 10, 2021



QUESTION: AT THIS MOMENT, HOW INTERESTED ARE YOU IN LEARNING ABOUT NEW, EXCITING TRAVEL EXPERIENCES OR DESTINATIONS TO VISIT?

MOTBD has subscribed to DA's weekly, rolling survey on travel sentiment since March 2020

Data cited is from 44th survey sample collected and reported on January 11, 2021

Overall consumer and business travel sentiment is on the rise as vaccines are rolled out to the general population.

We can anticipate a stronger travel market in 2021 as travel safety and comfort improve.

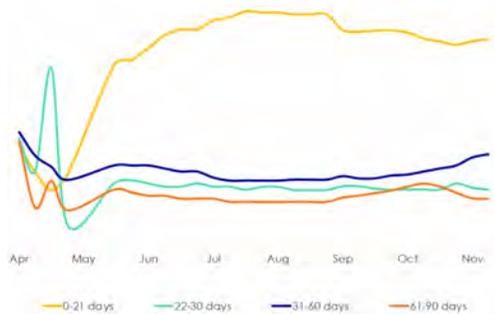
- Traveler sentiment metrics are at an all-time high since the start of the pandemic as measured by Destination Analysts:
 - Americans' openness to travel inspiration (61%)
 - Those in a travel readiness state-of-mind (59%)
 - Excitement levels about travel in 2021 (61%)
 - % of American travelers who believe the COVID-19 vaccines are safe (68%) and are willing to get vaccinated (61%)
 - % of American travelers that said they would be happy if they saw an advertisement promoting their community as a place for tourists to come visit when it is safe (40%)



Travel Market Will Continue to Evolve Throughout 2021



Weekly Search Windows | Percent Share 2020



Travel research behaviors have changed throughout the pandemic and are starting to take form.

- Major travel insights gathered from Expedia's online databases, user activity and user surveys:
 - Half of all travelers feel optimistic about taking a trip in the next 12 months, with younger generations being more inclined to travel sooner.
 - Travelers are looking heavily at April – September 2021 for their next travel plans.
 - 86% of travelers expect to make transportation decisions for future travel based on implemented pandemic measures (e.g., masks, cleaning/disinfection, contactless check-in, etc.).
 - Car travel remains a major consideration for travelers as it is viewed as a safe option – anticipate steady road trip traffic while vaccine rollout continues.



Key Opportunities for FY21/22 Planning

1. Maintain messaging continuity throughout the promotional window to capture active interest as safety concerns continue to fade.
2. Review age of target demographics and determine if additional heavy-ups are needed for younger demographics.
3. Alter geographic messaging based on changes in feeder markets and likely increased road-tripping.
4. Continue a layer of safety messaging informing prospective travelers of state-level initiatives.



EDUCATION & OUTREACH

- “Montana Brand” destination development and marketing outreach
- Collaborative marketing partnership development
- Governor’s Conference on Tourism and Recreation
- Making authentic *Made in Montana* products part of the 12.5 million visitor experience



TOURISM GRANT PROGRAMS

The Tourism and Destination Development Grants award funds to projects that strengthen Montana's economy through the development and enhancement of the State's tourism and recreation industry.

- A sampling of recent tourism grantees:
 - Lincoln Blackfoot Pathways for improved accessibility, picnic structures, and fauna/flora information panels:
 - Southeastern Montana Development Corporation created a new tourism marketing and brand strategy for Colstrip.
 - Cut Bank Holiday Bazaar
 - Ekalaka 7th Annual Dino Shindig
 - Welcome to Shelby signage



Event Grant Pilot

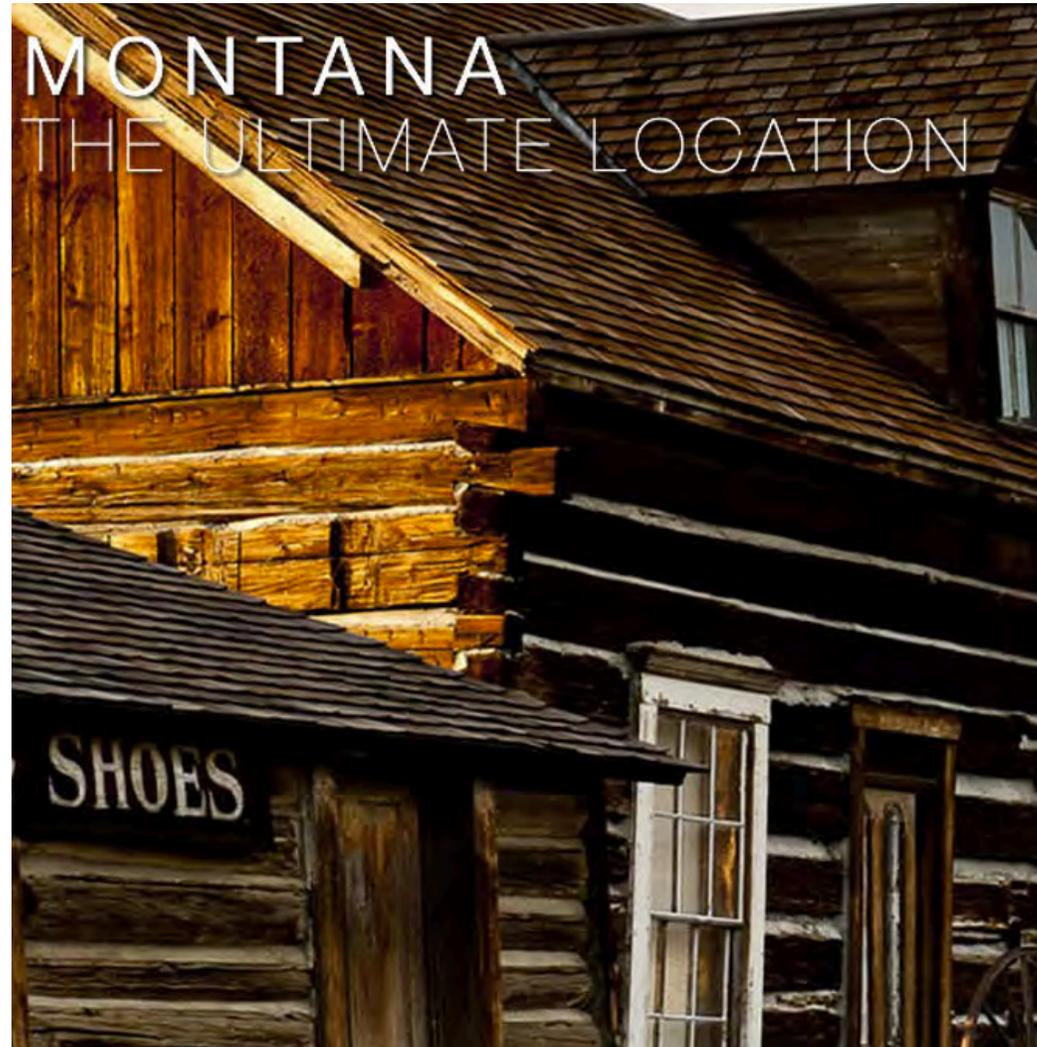
- Pilot cycle for FY19
- competitive application cycle to reimburse for event costs related to marketing, temporary infrastructure, facilities, hospitality and signage.
- Maximum award per event: \$25,000
- 64 grants totaling \$549,385.00 to 44 communities





MONTANA FILM OFFICE

- Advertising & marketing
- Location scouting & liaison services
- Trade shows & film festivals
- Big Sky Film Grant administration



Supporting small businesses during a pandemic – All Hands on Deck

- Business Stabilization Grant
- East Side of Glacier Park Tourism Business Grant
- Tourism Safety Grant and Campaign
- Census 2020 Cares Act Project
- Operations
- Total Grants (May-Oct):
 - \$271, 870, 628.00
 - (\$250 mil BSG)
 - 29, 355 payments
 - 11,590 unique businesses
 - (11,400 BSG)
 - Issued more grants per day every day than we would issue in an entire year.



FOR MORE INFORMATION

MONTANA OFFICE OF TOURISM AND BUSINESS
DEVELOPMENT DIVISION

Montana Department of Commerce

<http://marketmt.com/>

(406) 841-2870



Montana Manufacturing Extension Center

- Statewide manufacturing outreach and assistance center
- Serve manufacturers to assess and improve their manufacturing operations, providing trainings and workforce development, and leveraging research and technological developments at state and federal entities to keep manufacturing competitive in the state
- Headquartered at MSU in Bozeman, with remote offices in Billings, Missoula, Kalispell, Great Falls, and Butte

State Investment	\$500,000
Leveraged Investments (federal and client).....	\$869,946
Total Investment.....	\$1,369,946



Appendix: KPI Definitions

Montana Manufacturing Extension Center at MSU (MMEC)	
Manufacturers served with projects or trainings	The number of manufacturing companies who work with MMEC on projects or participate in trainings conducted by MMEC.
Jobs added and retained	MMEC manufacturing clients' answers to the following questions on an independent third party survey: "Did the services you received directly lead you to create any jobs over the past 12 months? If yes, how many?" and "Did the services you received lead you to retain any jobs over the past 12 months? If yes, how many?"
New and retained sales	MMEC manufacturing clients' answers to the following questions on an independent third party survey: "Did the services you received directly lead to an increase in sales at your establishment over the past 12 months? If yes, how much?" and "Over the past 12 months, did the services you received directly lead you to retain sales that would have otherwise been lost? If yes, how much?"
Cost savings and avoidance	MMEC manufacturing clients' answers to the following questions on an independent third party survey: "Did the services you received directly result in cost savings in labor, materials, energy, overhead, or other areas over what would otherwise have been spent in the past 12 months? If yes, how much?" and "As a result of the services you received, did your establishment avoid any unnecessary investments or save on any investments in the past 12 months? If yes, how much was saved/avoided?"
New investment	MMEC manufacturing clients' answers to the following questions on an independent third party survey: "As a result of the services you received, has your establishment increased its investment over the past 12 months in the following areas? <ul style="list-style-type: none"> - plant or equipment? If yes, how much? - information systems or software? If yes, how much? - workforce practices or employee skills? If yes, how much? - other areas of business? If yes, how much?
Manufacturers surveyed	Number of Montana manufacturing companies completing projects with MMEC



ExportMontana Program

Businesses supported through grants, consultations, trainings

These are the businesses who receive STEP or TSAP grant funds, with whom we meet in person or consult via phone, and who attend trainings we host or sponsor. This number may represent multiple instances of support for a single company (e.g. business was consulted, trained, and received grant funds = 3 instances of support).

Funding provided for market development activities

This is the dollar amount of funds that we grant to Montana businesses via our TSAP and STEP grant programs.

Sales from market development activities

The Montana businesses who receive TSAP and STEP grant funds report via survey the dollar amount of sales as a direct result of participating in the grant-funded activity.

Jobs retained or created from market development activities

The Montana businesses who receive TSAP and STEP grant funds report via survey the jobs created/retained as a direct result of participating in the grant-funded activity.



Small Business Development Centers (SBDCs)	
Number of Clients Served –	This field records the total number of clients that have received one on one counseling. We track this information to understand how many entrepreneurs and business owners the Montana SBDC Network has provided one-on-one small business technical assistance to.
Number of Training Attendees	This is tracked to understand how many entrepreneurs and business owners have received training provided by the Montana SBDC. This category tracks the total amount of individuals that attending training hosted by the MTSBDC.
Number of Jobs Supported	This is the number of jobs that are supported through one-on-one technical assistance provided by the Montana SBDC. This number is tracked to understand the greater overall impact of the MTSBDC one-on-one counseling services on supporting jobs for the state of Montana.
Number of Business Start Ups	This reflects the number of businesses that the Montana SBDC network has assisted from pre-venture to in-business. The number is tracked to understand how many businesses started after entrepreneurs received one-on-one counseling assistance from the MTSBDC.
Capital Infusion Amount	This is the approved dollar amount of loans and equity received by Montana businesses because of the assistance provided by the Montana SBDC network. The Capital infusion is tracked to understand the total financial impact created for businesses through MTSBDC assistance.



Certified Regional Development Corporations (CRDCs)	
Total Number of Loans Closed	Loans successfully closed and funds transferred to the business
Total Dollar Amount of Loans	Total dollar amount transferred to the business at time of closing
Dollars Matched by Businesses for Loans	The total dollar amount of the loan projects, less the dollar amount of the CRDC loan funds reported above
Number of Jobs Created	The number of jobs created due to the loans closed by the CRDCs
Number of Jobs Retained	The number of jobs retained due to the loans closed by the CRDCs
Number of Businesses Assisted	The number of new and existing businesses that the CRDCs provided Technical Assistance to
Number of Projects Assisted	The number of new and existing projects that the CRDCs provided Technical Assistance to



MicroBusiness Finance Program (MBFP)

Total Loan Portfolio	The total MicroBusiness Finance Program funds available to be loaned to MBDCs (since the program's inception in the 1990's this amount has been and remains at \$4.688 million)
Portfolio Matching Funds	The required MBDC matching loan funds that must be deposited, invested, and lent together with the development loan proceeds, in the ratio of at least \$1 from the MBDC for each \$6 of MBFP funds.
Number of New Loans	Loans successfully closed and funds transferred to the business
Amount of New Loans	Total dollar amount transferred to the business at time of closing
Jobs Supported at Time of Loan Closing	The number of jobs retained and/or to be created due to the loans. This info is only reported at the time of the loan closing.



Tribal Business Planning Grant**Funds Awarded**

Amount of funds awarded

Business Investment Match

Cash or in-kind match



Native American Business Advisors (NABAs)	
Funds Awarded	Amount of funds awarded
Funds Leveraged	Amount of funds leveraged
Clients Served	Number of clients served
Trainings Provided	Number of trainings provided
Indian Equity Fund Applicants Assisted	Number of IEF applicants assisted



Indian Equity Fund Small Business Grant (IEF)	
Funds Awarded	Amount of funds awarded
Business Investment Match	1:1 cash or in-kind match
Businesses Assisted	Number of businesses assisted
Jobs Supported	Number of jobs supported



Native American Collateral Support (NACS)	
Starting Loan Amount	Amount of loan from DOC to Financial Institution
Leveraged Funds on Current Loans	Amount of loan financial institution has made to borrower
Current Loans	The NACA loans that currently active



Montana Indian Language Program (MILP)	
Recordings Received:	Development of audio and visual records
Reference Materials Received	Creation of reference materials which may be audio, visual, electronic or written format
Curricula Received	Creation and publication of curricula which may include electronic curricula
Strategic Plans Received	Development and maintenance of a long-term language preservation strategic plan
Language Classes Received	Language classes held
Immersion Camps Received	Language/immersion camps held
Storytelling Sessions Received	Storytelling sessions held
Presentations Received	Language presentations in formal or informal settings



Primary Sector Workforce Training Grant (WTG)**Total Number of Businesses Assisted**

This is the number of businesses that were awarded training funds.

Total Number of Funds Awarded

This is the amount of funds that are awarded to those individual businesses.

Total Number of Jobs Proposed for Training

This is the number of jobs that the business is proposing to train.

Total Leveraged Funds Proposed

This is the amount of matching funds that the business is proposing to invest at the time of application.



Big Sky Economic Development Trust Fund: Job Creation (BSTF JC)	
Total Number of businesses assisted	This is the number of businesses to be assisted through the local government's job creation application.
Total Number of Job Creation Funds awarded	This is the amount of funds that were awarded to local governments on behalf of the assisted business
Total Number of proposed Jobs to be created	This is the number of jobs that the business is proposing to create.
Total Number of leverage funds proposed	This is the amount of matching funds that the business is proposing to invest at the time of application.



Big Sky Economic Development Trust Fund: Planning (BSTF PG)	
Total Number of entities assisted	This is the number of individual entities (businesses or local governments) that are being assisted through the planning grant program.
Total Number of Planning Funds awarded	This is the amount of grant funds that were awarded for planning projects.
Total Number of leverage funds proposed	This is the amount of matching funds that the business is proposing to invest at the time of the application.



Montana Innovation Partnership (MTIP)

Number of Clients Served	This metric is tracked to understand how many clients the MTIP program serves with counseling services
SBIR/STTR Proposals Submitted	This metric is tracked to understand how many clients that received assistance through MTIP submitted proposals for the SBIR and STTR grant programs. This metric provides an overall view of clients that were able to submit a proposal after receiving assistance.
Number of Training Attendees	This metric measures how many people attended training events provided by the MTIP program.
Number of Training Events Held	This metric is measured to understand the total training events that were provided through the MTIP program.
Total dollar amount of awards received	This number reports the known successful application award amounts from companies who received grant proposal assistance through the MTIP program. It reflects the total dollar amount of funds received through SBIR and STTR grants.

