



# ENVISION

## 2026

A PLAN FOR  
MONTANA'S FUTURE

## 2016-17 ANNUAL REPORT

### YEAR ONE



MONTANA  
CHAMBER OF  
COMMERCE



MONTANA  
CHAMBER  
FOUNDATION

# First Year In...

One of the great joys in banking is seeing a dream become reality. Seeing small businesses grow and families buy their first home. I've had a similar feeling in seeing the creation and early progress of Envision 2026. Seeing the initial idea Webb Brown and I discussed a year and a half ago become a campaign which is transforming Montana is heartening and a source of pride.



Like all dreams when they meet reality, Envision 2026 had to face several harsh truths in its' first year. With a looming budget shortfall in state government and an uncertain economy, trying to gain acceptance and support for this plan was a challenge. However, the business community rallied around Envision 2026 and the results from the first year speak for themselves.

In 2017, we made great strides in addressing some of our infrastructure problems. We also made improvements in our state's liability system. This year Montana rose from the 34th overall in 2015 to the 27th best system in 2017, according to the Institute for Legal Reform of the U.S. Chamber of Commerce. This is only the beginning. Envision 2026 is making a difference in creating a state where all businesses can succeed.

On that note, I want to thank my fellow Montana business leaders for investing in Envision 2026. Rest assured that your money is being well spent by Webb and his staff. If you are not an investor, I urge you to contribute today.

Thank you and enjoy this report.

**ED GARDING**  
**Honorary Envision 2026 Chair**  
**First Interstate Bank, Billings**

## ENVISION 2026

**Ed Garding, Honorary Chair**  
First Interstate BancSystem, Billings

## MONTANA CHAMBER EXECUTIVE LEADERSHIP

**Webb Brown**  
Montana Chamber, Helena

**Todd O'Hair**  
Cloud Peak Energy, Helena

**Aimee Grmoljez**  
Crowley Fleck, Helena

**Greg Thayer**  
Montana Milling, Great Falls

**Bill McGladdery**  
Town Pump, Butte

**Richard Miltenberger**  
InterWest Health, Helena

**Kathy Boelter**  
Arrow Solutions Group, Billings

# KEY METRICS

## TOP HALF

PER CAPITA PERSONAL  
INCOME



38th

Per Capita Personal Income grew to \$42,386.00 in 2016 - below the U.S. average of \$49,571.00. *Source: Bureau of Economic Analysis (2016)*

## TOP 10

OF ALL US STATES  
IN GSP GROWTH



8th

Montana's Gross State Product growth continues to remain strong with 10-year growth of 34.4%. *Source: Bureau of Economic Analysis (2016)*

## TOP 10

OF ALL US STATES  
IN PERCENT OF JOB GROWTH

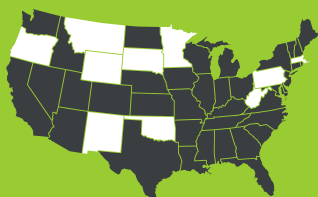


25th

From 2014 to 2016, jobs grew by 3.2% in Montana. To meet the top 10 goal, we would need to increase this to 5.2%. *Source: U.S. Census Bureau (2016)*

## TOP 10

OF ALL US STATES IN PER  
CAPITA PERSONAL  
INCOME GROWTH



44th

Two-year per capita personal income growth in Montana was only 1.29%. Ten-year income growth was 25.39% - 24th in the country. *Source: Bureau of Economic Analysis (2016)*



# WORKFORCE DEVELOPMENT

PROMOTE AND SUPPORT STRATEGIES TO  
PROVIDE A QUALIFIED WORKFORCE

## ACHIEVEMENTS

- PASSAGE OF SEVERAL KEY WORKFORCE TRAINING BILLS INCLUDING HB 232 - EXPAND DUAL ENROLLMENT ELIGIBILITY AND HB 308 - APPRENTICESHIP TAX CREDIT (SEE RIGHT).
- DEVELOPED A CLOSER RELATIONSHIP WITH THE STATE WORKFORCE INNOVATION BOARD, THE MONTANA UNIVERSITY SYSTEM BOARD OF REGENTS, HIGHER EDUCATION BOARD, AND THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION.
- DEVELOPING METRICS FOR KEY CREDENTIALS IN MONTANA'S TOP ECONOMIC SECTORS.
- INFRASTRUCTURE TO ALLOW US TO ASSIST BUSINESSES WHO WANT TO SET UP AN APPRENTICESHIP PROGRAM.

## ACTIVE APPRENTICESHIPS

DROPPED FROM **1.66 TO 1.4**  
PER THOUSAND RESIDENTS -  
DROPPING MONTANA FROM  
**11TH TO 22ND** IN THE NATION.

## NEW APPRENTICESHIPS

**MONTANA RANKS 2ND IN NEW  
APPRENTICESHIPS** WITH 6.13  
APPRENTICESHIPS PER  
THOUSAND RESIDENTS.  
IN 2015 MONTANA WAS 17TH  
WITH 0.56 APPRENTICESHIPS  
PER THOUSAND RESIDENTS.



## KEY METRICS MOVEMENT

SOURCE: U.S. BUREAU OF LABOR STATISTICS, U.S. CENSUS (2016)



# KEY LEGISLATION

## **HB 308** **APPRENTICESHIP TAX CREDIT**

As amended, HB 308 creates a non-refundable tax credit for employers who participate in a registered apprenticeship program with the Department of Labor and Industry (DLI). The credit amounts to \$750 for each hired apprentice and \$1,500 per veteran apprenticeship. While the credit only applies to new apprenticeships, employers can utilize existing apprenticeship programs to realize the benefit. The bill also requires the DLI to provide each high school in Montana with information about apprenticeship programs.

## **MOVING FORWARD**

- 2018 BUSINESS DAYS AT THE CAPITOL WILL FEATURE A HALF-DAY WORKFORCE SYMPOSIUM.
- DEVELOP A REPORT ON KEY WORKFORCE CERTIFICATIONS. MATCH THIS WITH WORKFORCE NEED VERSUS ACTUAL CERTIFICATION OUTPUT.
- ASSIST MEMBERS IN STARTING CERTIFIED APPRENTICESHIP PROGRAMS.
- PROMOTE APPRENTICESHIP AND ALTERNATIVE WORKFORCE TRAINING PROGRAMS SUCH AS CODING SCHOOLS AND COMPETENCY-BASED LEARNING.
- CHAMPION SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM) EDUCATION EFFORTS IN THE K-12 EDUCATION SYSTEM.
- ADVOCATE FOR INCREASED VOCATIONAL EDUCATION AT THE HIGH SCHOOL LEVEL.



WE'RE  
**OPEN**

## BUSINESS CLIMATE

REDUCE THE COST OF DOING BUSINESS TO  
IMPROVE THE BUSINESS CLIMATE

### ACHIEVEMENTS

- PASSAGE OF SEVERAL KEY FINANCIAL REFORM BILLS INCLUDING SB 293 - REVISE JUDGEMENT INTEREST (SEE RIGHT), SB - 317 REVISE TAX PENALTY INTEREST, AND HB 550 - REVISE CORPORATE LOSS CARRYBACK AND CARRYFORWARD.
- DEFEATED SEVERAL HARMFUL BILLS INCLUDING LEGISLATION WHICH WOULD HAVE ROLLED BACK IMPORTANT 2011 WORKERS' COMPENSATION REFORMS.
- ENGAGING ON A WIDE SPECTRUM OF INTERIM COMMITTEES AND STUDIES, INCLUDING WORKERS COMPENSATION MARKET STRUCTURE AND HEALTH CARE PRICING TRANSPARENCY WORKING GROUPS.

**MONTANA'S LIABILITY  
SYSTEM RANKING**

**#34**  
**2015**



**#27**  
**KEY METRIC MOVEMENT**  
**2017**

SOURCE: U.S. CHAMBER'S INSTITUTE FOR LEGAL REFORM (2017)





# KEY LEGISLATION

## **SB 293** **REVISE JUDGMENT INTEREST**

SB 293 revises Montana's judgment interest rate in civil and tort cases. Specifically, this legislation changed the arbitrary 10 percent rate in statute to the U.S. Federal Prime Rate, plus 3 points. By tying interest to the true value of money, SB 293 creates a more predictable legal environment for business, while lowering the effective rate to a more reasonable figure.

## **MOVING FORWARD**

- ENGAGE LEGISLATORS AND STATE POLICY MAKERS DURING THE INTERIM PERIOD. SPECIAL EMPHASIS ON COMMITTEES EXAMINING HEALTH CARE PRICE TRANSPARENCY AND WORKERS COMPENSATION REFORM. BILLS ALREADY PLANNED FOR 2019 & 2021 SESSIONS.
- COMPLETE A COMPREHENSIVE TAX STUDY ON BUSINESS TAXES AND BUSINESS CLIMATE IN MONTANA. EXAMINE TAX STRUCTURE AND BARRIERS TO ECONOMIC GROWTH.
- LAUNCH WORKSAFEMT - A PUBLIC AWARENESS AND EDUCATION PROGRAM FOCUSED ON INCREASING WORKPLACE SAFETY.
- COMPLETE 2018 JUDICIAL REVIEW WHICH WILL EXAMINE THE MONTANA SUPREME COURT AND WORKER'S COMPENSATION COURT OVER THE PREVIOUS BIENNIUM.



# INFRASTRUCTURE INVESTMENT

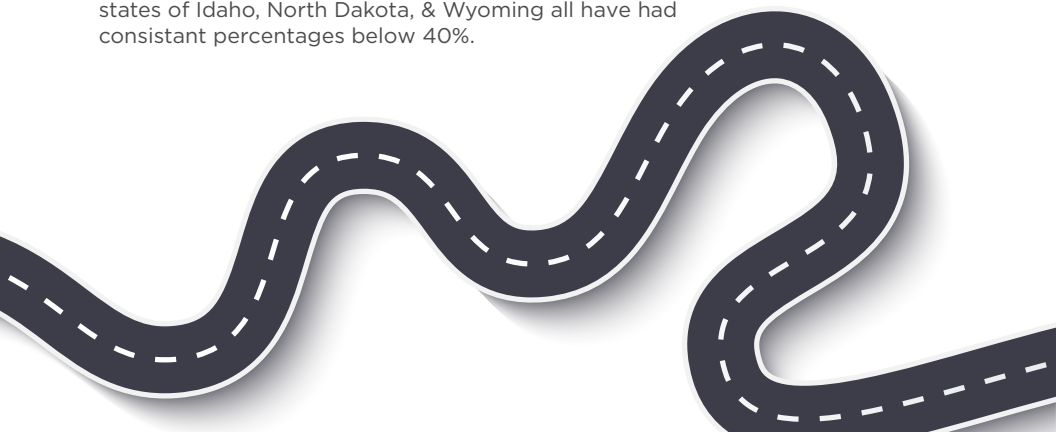
PROMOTE INFRASTRUCTURE  
DEVELOPMENT TO SUPPORT BUSINESS

## ACHIEVEMENTS

- PASSAGE OF A MAJOR TRANSPORTATION FUNDING PACKAGE AIMED AT CRITICAL ROAD & BRIDGE PROJECTS - HB 473 BRIDGE AND ROAD SAFETY AND ACCOUNTABILITY ACT. (SEE RIGHT)
- THE MONTANA INFRASTRUCTURE COALITION CONTINUES TO GROW WITH NEW MEMBERS, RESEARCH, OUTREACH, AND PLANS FOR FUTURE SESSIONS.
- PUBLIC AND PRIVATE INFRASTRUCTURE IN THE STATE WAS THE FOCUS OF THE FALL ECONOMIC UPDATE SERIES.

## KEY METRIC MOVEMENT

**45% of roads in Montana are not in good condition** according to the U.S. Department of Transportation in 2015. This is an improvement from 47% in 2013. Bordering states of Idaho, North Dakota, & Wyoming all have had consistent percentages below 40%.







# KEY LEGISLATION

## HB 473

### BRIDGE AND ROAD SAFETY AND ACCOUNTABILITY ACT

The Bridge and Road Safety and Accountability Act (BRSAA) increases Montana's fuel taxes for the first time in nearly 25 years to fund critical-need road and bridge projects statewide. HB 473 requires regular performance audits of the Montana Department of Transportation and directs it to create a website that will publish how every dollar of revenue is spent. The proposal takes full advantage of current federal matching funds and provides a much-needed financial boost for local governments to invest in infrastructure.

## MOVING FORWARD

- EXAMINE PERFORMANCE AUDITS COMING FROM THE MONTANA DEPARTMENT OF TRANSPORTATION.
- MONITOR THE COLLECTIONS AND SPENDING BASED ON THE GAS TAX INCREASE OF 2017. DEVELOP METRICS SUCH AS OVERHEAD EXPENSE PERCENTAGE AND OTHER TO JUDGE THE EFFICIENCY OF DOLLARS RAISED AND SPENT.
- ENGAGE THE MONTANA INFRASTRUCTURE COALITION DURING THE INTERIM TO DEVELOP NEW LEGISLATION, INCLUDING BONDING FOR CRITICAL INFRASTRUCTURE IN THE STATE.
- ISSUE A REPORT ON THE STATE'S BROADBAND AND TELECOMMUNICATIONS INFRASTRUCTURE. FIND WAYS WE CAN ADVOCATE FOR BETTER INFRASTRUCTURE FOR BUSINESSES, ENTREPRENEURS, AND SCHOOLS ACROSS THE STATE.



# ENTREPRENEURSHIP

MAINTAIN STATUS AS NATIONAL LEADER  
AND FOSTER ENTREPRENEURIAL  
DEVELOPMENT

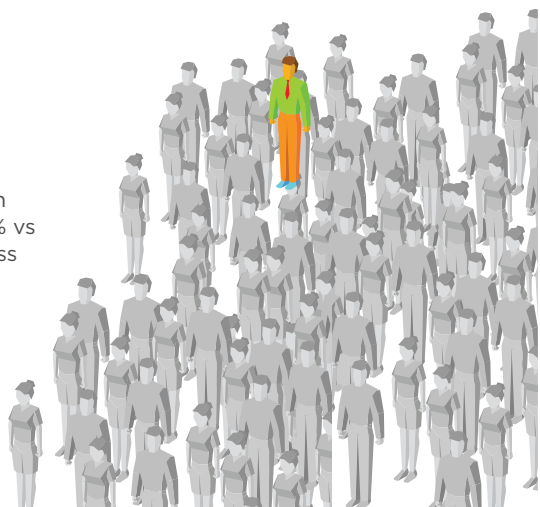
## ACHIEVEMENTS

- SUCCESSFUL FIRST YEAR OF THE HIGH SCHOOL BUSINESS CHALLENGE'S NEW "CHALLENGE BOWL" FORMAT.
- DEVELOPED NEW RELATIONSHIPS WITH MONTANA'S STARTUP AND VENTURE CAPITAL COMMUNITY.
- RE-DEVELOPED THE "COME HOME" CAMPAIGN WITH NEW DATA ANALYTICS AND A NEW WEBSITE.
- RESEARCHED BASELINE DATA FOR TELECOMMUTING AND BROADBAND ACCESS IN MONTANA.
- DEVELOPING NEW PROGRAMS TO COORDINATE AND RAISE THE AWARENESS OF YOUTH ENTREPRENEURSHIP IN MONTANA.

## KEY METRIC MOVEMENT

Montana **moved from 1st to 4th place** in rate of new entrepreneurs (2016 - 0.50% vs 2017 - 0.43% of adults starting a business in a given month).

*Source: Kaufmann Foundation (2017)*





# KEY LEGISLATION

## HB 187

### ANGEL INVESTOR / VENTURE CAPITAL TAX CREDIT

HB 187 would have provided a tax incentive for angel investors and venture capitalists to invest in certain types of Montana startups. As amended, it would have allowed a credit against individual income tax equal to 30% of investment of at least \$50,000 in a startup firm developing new products in specified fields or in an investment fund that makes 75% of its investments in such firms. A qualifying business for investment would have at least 65% of its employees be employed in Montana, been in operation less than five years, and other criteria. While this bill did not pass in the 2017, we will develop similar proposals in 2019.

## MOVING FORWARD

- WORK WITH MONTANA CODE ACADEMY AND THE BIG SKY CODING SCHOOL TO CONNECT THEM WITH EMPLOYERS WHO NEED TECH SKILLED WORKERS AND ENCOURAGE STUDENTS TO ENROLL IN THESE SCHOOLS THROUGH SCHOLARSHIPS.
- ISSUE REPORTS ON REMOTE WORK, BROADBAND INFRASTRUCTURE, AND WAYS TO ENCOURAGE PRIVATE INVESTMENT IN MONTANA COMPANIES AND STARTUPS.
- COORDINATE WITH DECA AND LOCAL CHAMBERS ON A YOUTH ENTREPRENEURSHIP PROGRAM THAT HIGHLIGHT FUTURE BUSINESS LEADERS AND AWARDS THEM WITH RESOURCES TO START A BUSINESS.
- REVAMP THE HIGH SCHOOL BUSINESS CHALLENGE SOFTWARE TO BE MORE FLEXIBLE, CHALLENGING, AND POSSIBLY CUSTOMIZABLE TO SPECIFIC INDUSTRIES.
- AGGRESSIVELY SEEK GRANTS AND ENDOWMENTS TO THE CHAMBER FOUNDATION.

# FINANCIALS, FUNDRAISING, AND COMMUNICATIONS

## FINANCIALS

The first year of Envision 2026 has been marked with strong support from the 45 investor companies and foundations - totaling more than \$1.2 million in total pledges. Our goal is to continue growing this investor class to include more Montana companies and foundations - using our track record of success we've established this year.

Much of our investments in fiscal year 2016-17 has centered around our legislative efforts, support of the Montana Infrastructure Coalition, and outreach & communications. We are looking at major expenditures in early fiscal year 2017-18. For example, Business Tax Structure Analysis Legislative Improvements study is estimated to cost between \$70,000 and \$90,000.

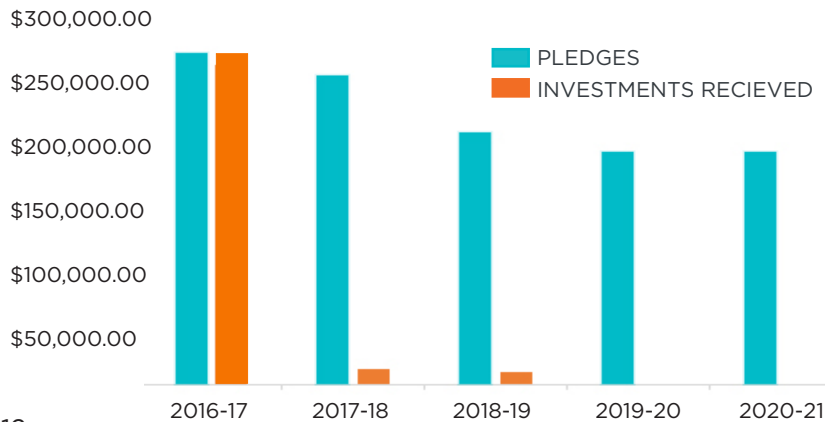
### NUMBER OF PLEDGES AT END OF FISCAL YEAR

2015-16	17
2016-17	45
2017-18	41
2018-19	39
2019-20	39
2020-21	39

## FUNDRAISING

With a year of Envision 2026 under our belt, we feel confident we can continue the momentum of our fundraising efforts. In fiscal year 2016-2017, the Montana Chamber staff met with dozens of potential investors, updating them on the progress of Envision 2026. In fiscal year 2017-18, we hope to meet with more potential investors and provide materials illustrating the results of our work.

### PLEDGES & INVESTMENTS RECIEVED



In addition to recruiting new private companies, we will also aggressively pursue opportunities for grants and endowments based on the efforts of Envision 2026.

**100%**  
**OF PLEDGES FULFILLED**  
**IN 2016-17 FISCAL YEAR**

One of the areas we are proud of is how many of our investors we've retained in the first year - more than 96 percent of companies who pledged followed through on their investment. This is a credit to the plan which Convergent laid out in January 2017 and the Chamber staff who followed through on this plan. We will continue this investment rate in fiscal year 2017-18.

## COMMUNICATIONS

Developing communications tools for Envision 2026 has been a major focus in the fiscal year 2016-17. This was centered around three efforts:

- **Developed Investor and Board reporting mechanisms based on the specific recommendations from the Convergent Report.**
- **Five Envision 2026 E-updates sent to all investors.**
- **Rebrand and redevelopment of our website. This includes our Envision 2026 dashboard which shows the latest rankings and metrics we are holding ourselves accountable to.**
- **Public awareness materials such as our Envision 2026 booklet aimed at informing the public and recruiting additional investors to the plan.**

Moving forwards we will continue these efforts. We will also be adding several items, including Envision 2026 branded reports and whitepapers on issues critical to the success of this strategic plan.

We will expand our public awareness efforts into several concentrated campaigns such as the WorkSafeMT relaunch, Make Montana Home, and promoting non-four-year university workforce training options.





# THANK YOU ENVISION 2026 INVESTORS

## CHAIR'S CIRCLE



## PRESIDENT'S CIRCLE



## PARTNER LEVEL

KLJ ENGINEERING | CENTURY GAMING | CHS INC. | CLOUD  
PEAK ENERGY | FLATHEAD ELECTRIC COOPERATIVE |  
GLACIER BANCORP, INC | INTERMOUNTAIN DISTRIBUTING |  
MDU RESOURCE GROUP | MONTANA MILLING, INC. |  
LC STAFFING SERVICE | BENEFIS HEALTH SYSTEMS | HI-HEAT

## ADVOCATE LEVEL

REPUBLIC SERVICES | ARROW SOLUTIONS GROUP, INC. | BROWNING,  
KALECYZ, BERRY, & HOVEN | CROWLEY FLECK, PLLP | HECLA MONTANA |  
TRI-COUNTY IMPLEMENT | FOLKVORD FAMILY FOUNDATION | WEAVE  
MANAGEMENT | PAYNE WEST | WYO-BEN | BILLINGS CLINIC | KRAMER  
ENTERPRISES, INC. | ROWE AND REYNOLDS CHARITABLE FUND | VISION NET  
| WOOD'S POWR-GRIP | ULTRA GRAPHICS | INTER WEST HEALTH | TAYLOR  
LUTHER GROUP, PLLC | WESTPAW DESIGNS | NATURENER USA LLC

*\*As of Oct. 1st, 2017*



## IN CLOSING...

One year in.

Time flies when you're having fun.

The first year of Envision 2026 has capped off a remarkable 2016-17 fiscal year for the Montana Chamber of Commerce and Montana Chamber Foundation. As you have read in this report, we've had some remarkable achievements this year and set the table for long-term success.

We could not have done this without the commitment and financial support by our Envision 2026 Investors. Thank you.

Finally in closing, we would ask three things.

One, if you are not a Envision 2026 investor we would love to have you on board.

Two, we are always looking for feedback on our plan.

Finally third, if you know anyone who might be interested in the ideas and projects of Envision 2026, we would love to talk with them.

If you have any questions, please do not hesitate to contact me.

Thank you.

**WEBB BROWN**  
President and CEO  
Montana Chamber of Commerce

## **TO LEARN HOW YOU CAN SUPPORT ENVISION 2026 CONTACT:**

### **Webb Brown**

President & CEO  
(406) 431-9508  
Webb@MontanaChamber.com

### **Dan Brunell**

Operations Director  
(406) 431-3248  
Dan@MontanaChamber.com

## **OUR VISION**

As the leading business advocate, the Montana Chamber of Commerce envisions a business climate that is optimal for Montana business prosperity.

## **OUR MISSION**

To create and sustain an optimal business climate, business prosperity and a strong Montana economy, the Montana Chamber of Commerce - through advocacy, education, and collaboration - works to provide an empowered and educated workforce, reduce business growth obstacles, and advance positions that promote success for Montana businesses.

## **STRATEGIC OBJECTIVES**

Over the next 10 years, the Montana Chamber of Commerce will create the opportunity for business growth and prosperity by improving Montana's business climate, quality of life, talent pipeline, and entrepreneurship through regulatory and legal reform, infrastructure investment and workforce development.



**WE MEAN BUSINESS**