

**JOURNAL OF JOINT MEETING OF THE GREAT FALLS CITY COMMISSION AND
CASCADE COUNTY BOARD OF COMMISSIONERS
GREAT FALLS PUBLIC LIBRARY, 301 2ND AVENUE NORTH, CORDINGLEY ROOM
DECEMBER 2, 2016**

CALL TO ORDER: 9:30 a.m.

City Commission members present: Bob Kelly, Bill Bronson, Tracy Houck and Fred Burow. Also present were City Manager Greg Doyon, City Attorney Sara Sexe, and City Clerk Lisa Kunz.

Cascade County Board of Commissioners present: Jane Weber, Joe Briggs and Jim Larson.

Legislators present: Fred Anderson, HD 20; Ross Fitzgerald, HD 17; Brad Hamlet, HD 23; Wendy McKamey, HD 19; Jean Price, HD 24; Casey Schreiner, HD 26; Jeremy Trebas, HD 25; Ed Buttrey, SD 11; Brian Hoven, SD 13; and, Mary Sheehy Moe, SD 12.

Other Officials present: Dave Crum, Community Connections Manager/Great Falls Public Schools Executive Director; Dr. Susan Wolff, CEO/Dean Great Falls College MSU; Brad Livingston, President/CEO Great Falls Area Chamber of Commerce; Brett Doney, President/CEO Great Falls Development Authority; Dr. Tony Aretz, President University of Great Falls; and, John Faulkner, Airport Director Great Falls International Airport.

Packets were provided of the Montana 2017 Legislation affecting the Great Falls and Cascade County region.

1. Public Comment

Sheila Rice, Montana Housing Coalition/NeighborWorks Great Falls, 509 1st Avenue South, provided and discussed a handout titled “Montana Has a Housing Crisis.” She concluded that the legislature can help solve the housing crisis.

Aart Dolman, YWCA board member, residing at 3016 Central Avenue, commented that the board is forming a social justice committee to address the drug issue in the community.

Ron Gessaman, 1006 36th Avenue NE, commented that Calumet’s tax abatement request is coming before the City Commission next week. If the City Commission grants the request it will result in the loss of over \$5 million in tax revenue. He concluded that what the City of Great Falls does affects what happens in Helena.

Sheila Rice, NeighborWorks Great Falls, 509 1st Avenue South, on behalf of **Don Feist**, Trailer Terrace Park Cooperative member, briefly discussed the needed infrastructure in the Trailer Terrace area, and she urged the legislators to keep the rankings in tact in applying for grants.

Tracy Houck, Paris Gibson Square Executive Director, 1400 1st Avenue North, reported that Great Falls has more than 10 museums and cultural centers in the community making it the museum consortium capital of Montana. She noted that those museums attract a lot of tourists and, with that, revenue to the community. She expressed concerns about potential cuts in the arts arena. She urged the legislators to support bills funding art related activities.

2. Welcome and Introductions

Mayor Kelly welcomed everyone in attendance and congratulated the new legislators. He noted that Rob Cook, HD 18, was unable to make the meeting due to weather/road issues. He commented that the meeting is the first of many more thoughtful conversations going forward.

Attendees made introductions.

3. Meeting Goals

County Commissioner Jane Weber reported that the goals of this meeting were to familiarize legislators with issues of interest to the Great Falls/Cascade County region, and to establish a working relationship and contact list between legislators and local officials.

4. Review of Resolutions and Legislation

- City of Great Falls

City Commissioner Bill Bronson reported on the issues that concern the City of Great Falls. He noted that all cities have a common interest – the critical component being funding and cities being at the mercy of the legislature. He discussed the imbalance in the funding for local government units and that cities rely almost solely on the property tax system.

Commissioner Bronson noted that the City of Great Falls relies on the Montana League of Cities and Towns (MLCT) to represent cities' and towns' interests at the legislature.

He reviewed and discussed the following proposed legislation from the attached 2017 Montana Legislative packet:

- MLCT Resolution 2016-2: Protection of the “Entitlement Share” Program
- MLCT Resolutions 2016-3, 2016-6, 2016-12, 2016-17: Development of Alternate Revenue Sources
- MLCT Resolution 2016-5: Local Government Infrastructure Program
- MLCT Resolution 2016-7: MS4 and Stormwater Quality
- MLCT Resolution 2016-15: Establishment of a Local Government Standing Committee

Commissioner Bronson noted that Tax Increment Financing (TIF) programs are critical for commercial and industrial development in communities. He further discussed the financial issues facing local governments with the implementation of Constitutional Initiative 166, Marsy's Law. He concluded that he wished the "price tag" discussion occurred before legislation passes. Unfunded mandates are a burden to local governments.

- Cascade County

County Commissioners Joe Briggs and Jane Weber reported on the issues that concern Cascade County. The County's great resource is Montana Association of Counties (MACO) to represent its interest at the legislature.

Commissioners Briggs and Weber reviewed and discussed the following proposed legislation from the attached 2017 Montana Legislative packet:

- MACO Resolution 2016-02: Authorize Counties to Approve Phased Subdivisions
- MACO Resolution 2016-05: Detention Costs in County Jails
- MACO Resolution 2016-08: Immunization Record Disclosure
- MACO Resolution 2016-10: Mail Ballot Voting
- MACO Resolution 2016-17: Sheriffs' Retirement System Funding
- State Funding Support for Land Mobile Radio
- Removal of the Limitation of One Active CDBG Infrastructure Grant per County
- Removal of \$250,000 Threshold Cap for RSID's in Intercap Program
- Protection of Public Health from Sale and Distribution of Raw Milk

- Great Falls College MSU

CEO/Dean Dr. Susan Wolff reported that the governor's budget funds the renovation of the Romney Hall project on the MSU Bozeman campus at \$25 million with MSU required to provide \$3 million in other funds for this project. MSU is the state's largest and fastest growing campus, and is in need of more classroom space. The renovation of Romney Hall would transform the marginally useable building from having four classrooms and 140 seats to having 18 classrooms and more than 1,000 seats. She also reported that the governor and the 2015 Montana Legislature funded \$15 million for the Montana Research and Economic Development Initiative, MREDI, which provided funding for university-based research that would solve Montana problems, create Montana jobs, and grow emerging sectors of the Montana economy. The return on investment for MREDI has been impressive. She concluded that the Montana University System is supportive of a modest pay increase for faculty and staff. Currently, it appears the governor's budget is proposing a one percent increase in salaries and wages for state employees for each year of the biennium.

- Great Falls Area Chamber of Commerce

President/CEO Brad Livingston reported that the items set forth in the attached Coalition of Montana Chambers – 2017 Joint Position Papers have not yet been approved by all seven listed chambers and, therefore, are still in draft form. He discussed the shortage of workers in Great Falls, and the need for workforce recruitment and retention. The

average age of Great Falls' residents is 38½. He reported that the Chambers support the housing industry, the jobs this industry creates and the affordable workforce housing this industry provides to Montana's growing communities. The Chambers support streamlining governmental review of subdivisions and permitting to enable the private sector to continue to provide safe and affordable workforce housing. The Chambers also support clarifying language that would protect the economic interests of our cities and our agricultural producers. President/CEO Livingston also discussed military reductions and its effects on Great Falls.

- Great Falls Development Authority

President/CEO Brett Doney reported that GFDA's legislative priorities are to protect economic development programs focused on high wages and entrepreneurship. He discussed tax increment financing being an important tool. Additionally, he noted the importance of adequate funding for the continued manufacturing partnership through the Montana Manufacturing Extension Center.

- Great Falls International Airport

Airport Director John Faulkner provided and discussed a handout regarding draft Bill LC 377. The proposal is an increase in the 4% tax on rental car contracts to 5% that generates \$800,000 annually to be used for airline incentives for new Montana air service. All Montana commercial airports currently support this effort.

Mayor Kelly recessed the meeting at 11:00 a.m., and called the meeting back to order at 11:05 a.m.

5. Questions from Legislators

President/CEO Livingston discussed an education committee within the Chamber of Commerce to address and encourage the young workforce in apprentice programs to be paid productive workers.

CEO/Dean Dr. Wolff discussed the need to expand the Veterans Center and move the Dental Hygiene Program. She further discussed student opportunities, and getting young people earning while learning being a key part of the educational system.

Director Faulkner commented that proposed LC 377 would add growth, grow services year round and get flights permanently here in Great Falls. It allows for incentives to get new services to the community.

Commissioner Bronson and Senator Ed Buttrey discussed the creation of a local government interim committee and the strategy to get that established.

Representative Brad Hamlet expressed concern that Great Falls get enough reserved water for future growth. City Manager Greg Doyon responded that the City of Great Falls hired a consultant that looked at potential need. Representative Hamlet noted that it's affordable to reserve water from the Bureau of Reclamation.

6. Discuss/Decide on Mid-Term Break Meeting

It was the consensus of the attendees to schedule a mid-term meeting. President/CEO Livingston also offered use of the Chamber's teleconference capabilities to conduct weekly or bi-weekly calls. After a brief discussion, it was suggested that everyone provide President/CEO Livingston their schedules and best times to arrange said teleconferences.

7. Thank You and Wrap Up

Appreciation was expressed to the legislators and community officials for what has been accomplished for the community.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the joint informal meeting of December 2, 2016 at 11:35 a.m.

Montana 2017 Legislation Affecting the Great Falls and Cascade County Region

Prepared by: Great Falls City and Cascade County Commissions, Great Falls Public Schools, Great Falls College MSU, Great Falls Area Chamber of Commerce, and Great Falls Development Authority

for the
65th Legislative Session
December 2, 2017

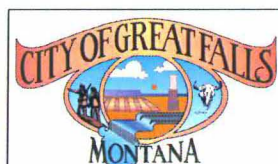
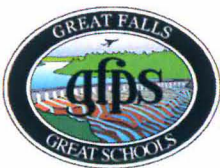


Table of Contents

City of Great Falls	White Pages
Cascade County	White Pages
Great Falls College MSU	Yellow Pages
Great Falls Area Chamber of Commerce	Green Pages
Great Falls Development Authority	Goldenrod Pages
Great Falls Public Schools	Salmon Pages

CONTACT INFORMATION

Great Falls and Cascade County leaders are committed to tracking legislative actions that may affect our region. We are available for questions on evolving legislation. Please contact us if you have questions on a bill proposal.

City Commission		
Mayor Bob Kelly	870-0212 (cell)	MONTANAKELLYs@MAC.com
Commissioner Bill Bronson	799-9373 (cell)	bill.bronson@bresnan.net
Commissioner Bob Jones	799-0035 (cell)	jbar3@bresnan.net
Commissioner Fred Burow	727-0930 (home)	fburow@greatfallsmt.net
Commissioner Tracy Houck	727-8255 (office)	tracy.mthouck@gmail.com
City Manager, Greg Doyon	455-8450 (office)	gdoyon@greatfallsmt.net
County Commission		
Presiding Officer, Jim Larson (2017)	799-6536 (cell)	jl Larson@casca decountymt.gov
Commissioner Jane Weber	781-0741 (cell)	jweber@casca decountymt.gov
Commissioner Joe Briggs	868-8397 (cell)	jbriggs@casca decountymt.gov
Great Falls Public Schools		
Superintendent Tammy Lacey	590-3096 (cell) 268-6001 (office)	tammy_lacey@gfps.k12.mt.us
Great Falls College MSU		
CEO/Dean, Dr. Susan J. Wolff	771-4305 (office)	susan.wolff@gfcmsu.edu
Great Falls Area Chamber of Commerce		
President/CEO Brad Livingston	761-4434 (office)	blivingston@greatfallschamber.org
Great Falls Development Authority		
President/CEO, Brett Doney	750-2119 (cell)	bdoney@gfdevelopment.org
University of Great Falls		
President, Dr. Tony Aretz	791-5300 (office)	Anthony.aretz@ugf.edu
Great Falls International Airport		
Airport Director, John Faulkner	788-2155 (cell)	john@flygtf.com



2017 Montana Legislation
65th Legislative Session

Affecting the City of Great Falls and/or Cascade County Region

Unified Philosophy: Great Falls City and Cascade County Commissioners generally oppose legislation that shifts or increases the burden of financing core local government services or mandating new requirements without ensuring appropriate funding sources to pay for those services.

The City of Great Falls is affiliated with the [Montana League of Cities and Towns \(MLCT\)](#) and Cascade County is affiliated with [the Montana Association of County Officials \(MACo\)](#) to advance and protect the interests of residents within the City and County. Our residents justifiably expect the City and County Commissioners to provide critical public services at a reasonable cost.

In fall 2016, representatives of the City Commission and the County Commission met with their respective professional organizations (MLCT and MACo) and deliberated over resolutions on issues of major concern. The MLCT membership passed 20 resolutions on issues of major concern to all their members, be they small towns, or large cities. The MACo membership passed 22 resolutions on issues concerning county jurisdictions. Of that total, two of the resolutions would not involve the need for legislative support.

Following are summaries of key resolutions passed by the [MLCT](#) and [MACo](#) that affect the Great Falls/Cascade County area. Note numbered resolutions from the Montana League of Cities and Towns ([MLCT](#)) are shown in [blue](#) and resolutions from the Montana Association of Counties ([MACo](#)) are shown in [red](#).

1. [MACo Resolution 2016-02: Authorize Counties to Approve Phased Subdivisions](#) COUNTY ONLY
 Cascade County supports legislation amending the Montana Subdivision and Platting Act to grant counties the authority to approve phased subdivisions and to allow the opportunity for additional public participation of phased subdivisions as determined by the Board of County Commissioners.

It has been the practice for many years here in Cascade County as well as in many other counties to allow the approval of “Phased” subdivisions. By this we mean that a developer presents a master plan for the entire subdivision at the beginning of the process and the entire project is reviewed for impacts on the community. The project can then be broken up into phases for specific plan approval so that the infrastructure can be developed as each phase of buildout occurs. This phased approach is advantageous to both the county and the developer. Recently however, a District Court Judge has ruled that the Montana Subdivision and Platting Act does not provide counties with the specific authority to utilize a phased approach in subdivision approval if the entire buildout cannot occur within three years. MACo seeks to add specific statutory authority granting counties the ability to utilize phased subdivisions.

2. [MACo Resolution 2016-05: Detention Costs in County Jails](#) COUNTY ONLY
 Cascade County supports legislation to clarify laws pertaining to assignment of costs for incarceration of felons held in county detention centers. County detention centers, by law, must hold and detain lawfully arrested persons for undefined periods of time based on release conditions which are imposed by outside parties. County detention centers hold significant numbers of previously convicted felony level offenders under the supervision of the Department of Corrections (DOC) who:

- 1) are awaiting processing through revocation proceedings
- 2) commit new crimes and are processed through the court system
- 3) are awaiting sentencing primarily because the DOC is completing screening and assessment prior to sentencing
- 4) facing revocation of their underlying sentences and/or new criminal charges and are treated as pretrial detainees

County detention centers currently bear the cost of these previously convicted felony level offenders; thus the cost of operating county detention centers is disproportionately borne by the local property tax payers. Additionally, a significant number of inmates held in county detention centers are in custody solely because of process issues or failure to comply with the supervision conducted by the DOC. Cascade County supports MACo's intent to establish legislation to assign the costs of incarceration of convicted felony offenders to the Department of Corrections.

Unlike those who have been arrested and have yet to be convicted or acquitted, these individuals have already been convicted of a crime and are currently on parole and are therefore the responsibility of the state. We believe that in such cases the burden of cost for confinement lies with the State of Montana rather than with the county where they were arrested.

3. **MACo Resolution 2016-08: Immunization Record Disclosure**

CITY AND COUNTY

Cascade County supports legislation allowing limited disclosure of an immunization record without the patient's authorization for the purposes of the State Immunization Information System (IIS), unless the patient has elected not to participate. The opt-out system is already in effect in 40 states and has resulted in better information sharing for health care providers, as they are able to view what vaccines an individual may have received from other health providers to:

- 1) Keep vaccinations on schedule.
- 2) Prevent individuals from receiving unnecessary duplicative vaccinations.
- 3) Provide a convenient and secure location to obtain individual and children's records when needed for travel, daycare or school attendance.
- 4) Provide important information for elderly individuals who cannot remember when or where they received their vaccinations.
- 5) Allow public health agencies the ability to monitor vaccination efforts and assist with efforts to prevent further spread of contagious illnesses during an outbreak.

4. **MACo Resolution 2016-10: Mail Ballot Voting**

COUNTY ONLY

Cascade County supports MACOs position to propose mail ballot voting legislation. MACo has supported the concept of mail ballot elections for all elections for nearly 30 years; and Montana's County Clerks and Recorders/Elections Administrators have been running successful mail ballot elections for nearly 30 years. In the November 2016 federal election, Cascade County sent 31,770 mail ballots to voters. Of that total, 28,951 ballots were voted and returned to the Elections Office, representing a 92% return rate. Of the total 35,999 Cascade County voters in the November 2016 federal election, 80% preferred to vote by mail ballot. The use of the mail ballot reduces the potential for human error; replaces the difficulties of staffing remote polling locations, and significantly reduces the cost to taxpayers for conducting an election. Cascade County and MACo have every confidence in the ability of counties to securely conduct mail balloting for local, state and federal elections. Cascade County has found it increasingly difficult to staff remote polling places in outlying communities, and the expense of maintaining a polling location is not insignificant. The October school bond election, which was conducted exclusively by mail ballot, cost this county \$42,000 in comparison to the June 2014 primary election cost of \$170,000 and the estimated \$200,000+ cost of the most recent federal election. Cascade County would prefer to conduct all future elections via mail ballot to save taxpayer dollars and make voting more convenient for our citizens.

5. **MACo Resolution 2016-17 Sheriffs' Retirement System Funding**

COUNTY ONLY

The Montana Constitution requires the public retirement system to be funded on an actuarial sound basis. As of June 30, 2015, the Sheriffs' Retirement System (SRS) was underfunded by 3.8%; and that shortfall was projected to be higher with this year's actuarial valuation. This retirement system is solely funded by employee and employer (county) contributions and investment income, there is no state revenue component. It is clear that an increase in employee and county contributions is needed to create actuarial soundness and the counties do not have the revenues to fund additional contributions without and offsetting revenue

stream. Cascade County supports the policy of additional county employer contributions to the Sheriffs' Retirement System, contingent upon the following conditions:

- 1) Approval by the legislature to implement a permissive mill levy to allow counties to pay the employer portion of the required increased contribution.
- 2) Identification of a "trigger" whereby county contributions will decrease when actuarial soundness is achieved.
- 3) None of the county contributions from the permissive mill levy are diverted to the MPERS administrative costs.
- 4) No county contributions of terminating non-vested employees are diverted to the MPERS administrative costs.
- 5) No benefit enhancements are made to the SRS.
- 6) The SRS is not converted in part or in any way to a Defined Contribution Plan.

The Sheriff's retirement system lacks a state funding component such as the PERS and TRS plans have and it seems unlikely the such funding will be available this session. Representatives from MACO and MSPOA have been meeting to find a solution to this funding shortage that does not involve state revenue. The crafted solution is predicated on both the employees and the employers paying more into the system. Since most counties do not have the additional revenue required to fund their portion of the increases we looked at the existing model of the Health Insurance permissive mill levy for the solution. Providing the counties with a similar permissive mill that allows them to raise only the additional revenue required to meet the additional costs associated with funding the shortfall in the Sheriff's Retirement System allows the pension issue to be addressed while also protecting the taxpayers.

6. State Funding Support for Land Mobile Radio

CITY AND COUNTY

Roughly twelve years ago the State of Montana embarked on an ambitious project to convert the state's 1st responders to a new digitally based radio system. This effort was largely funded by federal grants and driven by a series of frequency changes mandated by the FCC. Over the course of the years the core system has been established and is in use by a number of law enforcement agencies including the Montana Highway Patrol, the City of Great Falls, the City of Helena and Lewis and Clark County as well as numerous others. The original Federal grants required that the towers and trunked equipment required to operate the system be owned by individual counties. As a result, parts of the system are owned by a number of entities that do not utilize the system themselves and lack the financial resources to adequately maintain the system. Maintenance of the existing equipment has been accomplished thus far by the MHP and a small number of counties working outside of their areas but the last of the federal grants and legislative appropriations that facilitated this maintenance have been used up. Currently, a number of jurisdictions including the Cascade County Sheriff's office are evaluating moving to the system but the lack of a long term management and maintenance funding represent significant hurdles to additional jurisdictions adopting this technology.

There are significant technical and tactical advantages inherent in the trunked radio system and it is the appropriate long term platform for our state's 1st responders. Unless the legislature establishes funding to maintain the existing system and establishes a pathway to bring management under a central body, we will never enjoy these advantages. The SIGB (State Interoperability Governing Board) will be presenting its recommendations to the legislature in the upcoming session. Both that city and county would ask that examine those recommendations carefully and we would hope that you could support them.

7. Removal of the Limitation of One Active CDBG Infrastructure Grant per County COUNTY ONLY

Cascade County has a number of Water and Sewer Districts in need of upgrades. Some of these upgrades involve capacity shortfalls and many others are required due to changing environmental standards. In both cases a blend of grants, loans and rate increases are needed in order allow these projects to move forward. Grants such as the CDBG Infrastructure program are particularly critical due to the low and moderate populations living with in many of these districts.

Our concern revolves around an internal policy within the Montana Department of Commerce which limits each county to a single CDBG Infrastructure grant at a time. The policy is likely well intentioned and designed to spread the opportunity for these grant across the state but it has the effect of creating a backlog of projects in counties such as Cascade which have multiple simultaneous needs. Delays within the Sun Prairie Water project have effectively blocked other water and sewer districts within the county from moving forward with their necessary projects for two years. It would seem that a simple ranking system could be devised that allowed multiple projects in a given county to move forward while also ensuring that funds were spread across the state in an appropriate manner.

8. **Removal of \$250,000 Threshold Cap for RSIDs in INTERCAP Program**

COUNTY ONLY

The State of Montana Board of Investments oversees the INTERCAP Loan Program providing low interest loans to Montana local governments, state agencies and universities for a variety of purposes. Counties normally seek INTERCAP loans for construction projects and/or major equipment purchases; however, the use of INTERCAP loan funds is also applicable for a Special or Rural Improvement District (SID and RID) project. City or county funds must secure the SID/RID with a pledge to levy for and maintain their revolving fund for the maximum amount permitted by law. All local government SID/RIDs and the balance in the revolving fund are subject to review as part of the loan process. The maximum loan limit is \$500,000 and MCA 7-12-2171(b) requires loans in excess of \$250,000 to have underwriter opinions that the bonds are not marketable through competitive bond sale (two opinions are required). Also preliminary engineering loans will not be made to SID/RIDs. These restrictions place an inordinate limitation on counties needing to finance major RID projects; additionally, acquiring an underwriter opinion that the bonds are not marketable is a challenge. In Cascade County, one proposed RID project (Fox Farm Road/Dune Drive) has an estimated cost of \$4+ million. Because counties must front the engineering, easement purchase, and construction costs and repayment occurs via a 15-20 year term assessment from the residents within the SID/RID, this loan limitation is unrealistic for large projects. Cascade County would suggest removing this restriction in the INTERCAP Loan program.

9. **Protection of Public Health from Sale and Distribution of Raw Milk**

COUNTY ONLY

MACo amended its Health and Human Services policy statement to include the following, "MACo supports language to protect public health regarding the sale of raw milk and raw milk products for human consumption." The consumption of raw milk has serious health risks. From 1998-2009, non-pasteurized milk was associated with 93 recorded illness outbreaks, 1837 illnesses, 195 hospitalizations, and two deaths. Although DPHHS receives case reports, it is estimated that these numbers could be as high as 25-30 times greater than those actually reported. The enteric illnesses caused by non-pasteurized milk products can spread through the fecal-oral route from the ill person to those who did not consume raw milk products. Children are disproportionately affected by illnesses associated with the consumption of raw milk products and children are more susceptible to medical complications. Pasteurization remains the only practical method for eliminating pathogens from milk, improves the safety of milk and extends its shelf life. The most prevalent causes of illness include *Campylobacter*, *Salmonella*, *Escherichia coli*, *Brucella*, *Listeria*, *Shigella*. For every recognized case of *Campylobacteriosis* and *Salmonellosis*, an estimate 30 cases of these illnesses are not identified.

10. **MLCT Resolution 2016-2: Protection of the "Entitlement Share" Program**

CITY AND COUNTY

City and County elected officials ask the legislature to honor previous compacts with local government to provide a secure and predictable stream of revenue to local governments with a growth adjustment tied to state collections.

11. **MLCT Resolutions 2016-3; 2016-6; 2016-12; and 2016-17; Development of Alternative Revenue Sources**

CITY ONLY

Additional tools are needed to address the increasing cost of providing core public services. The legislature may be asked to examine various solutions, including but not limited to, "local option" taxes or assessments, which leave the final decisions adopting new revenue sources in the hands of local voters.

12. **MLCT Resolution 2016-5: Local Government Infrastructure Program**
ONLY

CITY

Cities and towns continue to support passage of a broad-based infrastructure plan, including availability of grants and loans to local governments to assist in developing and maintaining critical infrastructure.

13. **MLCT Resolution 2016-7: MS4 and Stormwater Quality**

CITY ONLY

Montana cities and towns acknowledge the importance of clean water. However, they are opposed to regulations that increase the financial burdens on local taxpayers without achieving any meaningful benefit in improvement of water quality. They are especially concerned about any attempts by state regulators to interpret "state waters" to include stormwater retention and detention ponds in classifications identical to lakes and rivers.

14. **MLCT Resolution 2016-15: Establishment of a Local Government Standing Committee**

CITY ONLY

The Legislature currently has six (6) permanent interim committees, each responsible for administrative rule review, program review, monitoring executive branch agencies, and developing legislation for subsequent sessions. Local government is now "lumped in" with education, which is making it difficult to create long-term collaborative relationships between state and local governments as envisioned by the 2009 law that established this interim committee system. The breadth and complexity of local government issues warrants a "stand-alone" committee.

15. **MLCT Resolution 2016-21: Support for Military Operations in Montana**

CITY AND COUNTY

Federal military operations are a critical source of economic health in many communities in Montana, especially Great Falls. It is important that we support efforts to protect military assets throughout the state, collaboratively address any proposed cuts to any military assets, and develop opportunities for military growth.

16. **Implementation of Constitutional Initiative (CI) 166, "Marsy's Law"**

CITY AND COUNTY

This November, Montana voters supported inclusion of a "victims' rights" provision in the "Bill of Rights" of our Montana Constitution. Although well-intentioned, the new law is vague and unclear as regards its effective date, effects on constitutional rights involving the accused, the definition of "victim," lack of a severability provisions, and numerous other issues with how city and county attorneys can properly and legally implement the requirements of this new provision in our Constitution. Various legal actions are already contemplated to determine an effective date. Several local governments are also looking at the prospect of seeking help from the legislature with implementation.



The Montana Association of Counties (MACo) was organized in 1909 to anticipate rapidly changing and complex challenges facing Montana's 56 county governments. The following MACo Resolutions were adopted by deliberative assembly at the September 2016 MACo Annual Convention in Billings, MT.

Two of the Resolutions passed are not issues for the Montana Legislature (Resolutions 2016-18 and 2016-22). One Resolution affects the MLCT, but the County Commission would likely support (Resolution 2016-20).

Montana Association of Counties Resolutions Requiring Legislation in 2017

Res. No.	Resolution Short Title	Bill	LC No.	Requester/Sponsor	Bill Short Title	Action
2016-01	Allow Counties to Set Bounties on Predators					
2016-02	Authorize Counties to Approve Phased Subdivisions					
2016-03	Combining Special Purpose District Elections					
2016-04	County Printing					
2016-05	Detention Costs in County Jails					
2016-06	Funding for State Secondary Roads					
2016-07	Generally Revise Laws Applicable to County Government					
2016-08	Immunization Record Disclosure					
2016-09	Junk Vehicle Capital Reserve					
2016-10	Mail Ballot Voting					
2016-11	Minor Subdivision Review					
2016-12	Noxious Weed Trust Fund					
2016-13	Retirees and Independent Contractors					
2016-14	Review Standard for MT Subdivision and Platting Act					
2016-15	Road Tracts & Certificates of Survey as County Roads					
2016-16	Setting Speed Limits					
2016-17	Sheriff's Retirement System Funding					
2016-18	Support for Biocontrol of Noxious Weeds					Not an issue for MT Legislature
2016-19	Taxation on Trust Lands					MACo is to support the reservation counties
2016-20	Uncontested City Elections					Not a MACo bill, but will support MLCT
2016-21	Uniform Process for the Disposal of Surplus County Real Property					
2016-22	Wilderness Characteristics Inventory					Not an issue for MT Legislature



Tracy Ellig
Executive Director
MSU Communications
435 Culbertson Hall
Bozeman, MT 59717-2220
Tel: (406) 994-5607, Fax: (406) 994-4102
tellig@montana.edu



GREAT FALLS
COLLEGE
MONTANA STATE
UNIVERSITY

Dr. Susan J. Wolff
CEO/Dean
406.771.4305
susan.wolff@gfcmu.edu
www.gfcmu.edu

The Montana University System's mission is to provide students, employers and communities with affordable, high-quality education that helps advance individuals, Montana and the nation.

Overall, the Montana University System budget remains flat from its 2015 session appropriations. Given the state's revenue situation, the MUS is grateful to the Governor and his budget office for the funding they have provided in the budget. The MUS budget is contained inside the overall, state funding bill, House Bill 2, within Section E. Only under unusual circumstances would the MUS budget be voted on by the full House or Senate as its own, separate item. Historically, it is always considered with the rest of the state budget in House Bill 2.

The MUS has a single project in the Governor's long-range building plan, the renovation of Romney Hall on the MSU Bozeman campus. The Governor's budget funds the project at \$25M with MSU required to provide \$3M in other funds for this \$28M project. The renovation of Romney Hall was the number one priority of the MUS in 2015 and it remains the number one priority for the 2017 session. MSU is the state's largest and fastest growing campus, having grown 33 percent in the past ten years. It is in need of more classroom space. The renovation of Romney Hall would transform the marginally useable building from having four classrooms and 140 seats, to having 18 classrooms and more than 1,000 seats. More detail on the project can be found at: <http://www.montana.edu/pdc/projects/romney/> The Romney Hall renovation will likely be part of a large, state-wide infrastructure bill, historically House Bill 5. As background, the Montana Board of Regents prioritizes building needs across the university system at its May meeting prior to a legislative session. That entire priority list is then forwarded to the Governor's Office, which then does its own prioritization. The Montana Board of Regent's priority list from its May 2016 meeting can be found at: https://mus.edu/board/meetings/2016/May2016/AdminBudget/171-102-R0516_A1.pdf

The Governor and the 2015 Montana Legislature funded \$15M for the Montana Research and Economic Development Initiative, MREDI, which provided funding for university-based research that would solve Montana problems, create Montana jobs, and grow emerging sectors of the Montana economy. The return on investment for MREDI has been impressive. More detail can be found at: https://mus.edu/research_initiative.asp. MREDI is not in the Governor's budget for the 2017 session, but the MUS is hopeful that it can be funded at some level and anticipates pushing for MREDI in future sessions.

The MUS is supportive of a modest pay increase for faculty and staff. University system employees would be part of any large, state-employee pay plan, historically House Bill 13. Currently, it appears the Governor's budget is proposing a 1 percent increase in salaries and wages for state employees for each year of the biennium.

Coalition of Montana Chambers – 2017 Joint Position Papers

Endorsing Chambers: Billings, Bozeman, Butte, Great Falls,
Helena, Kalispell, and Missoula

TAXES

Accommodations Tax - The Chambers oppose any bill, which attempts to de-earmark or diminish the tourism promotion fund.

Tourism BID - The Chambers support the current law as written and passed in the 2007 session. It allows for Tourism Business Improvement Districts that enable communities to widen and increase their ability to tailor a comprehensive tourism promotion program for their community. The Chambers oppose any attempt to modify the TBID enabling law.

Business Equipment Tax - The Chambers support continuing reduction and elimination of the business equipment (personal property) tax as a part of a statewide tax reform package

Income Tax - The Chambers believe Montana's income tax should be based on federal taxable income, rather than federal adjusted gross income. Montana's tax should be competitive with that of surrounding states. The Chambers continue to support the Montana Endowment Tax Credit..

Corporate Tax Records - The Chambers strongly believe that corporate and individual income tax records should only be viewed by employees of the Department of Revenue and oppose any exchange of this information among state agencies.

Capital Gains - The Chambers support legislative efforts to reduce the Montana tax rate on capital gains.

Coal Trust - The Chambers support continued use of Coal Tax Trust Funds for economic development of our state. One example is to fund revolving loan funds for expansion and growth of established businesses. The Chambers recommend maintaining the current funding formula.

Big Box Tax

The Chambers are opposed to a progressive receipts tax (Big Box Tax) and are also opposed to a gross receipts tax.

Realty Transfer Tax

The Chambers oppose the creation of a realty transfer tax.

LABOR AND EMPLOYMENT

Minimum Wage

The Chambers do not support the annual raise based on a CPI (Cost Price Index) based outside of Montana. We do support including a tip credit.

Living Wage

The Chambers believe in the ability of market forces to set wages and benefit levels. We encourage workers to further job skill levels to increase value in the workplace and increase their salary levels. We oppose mandated increases in the minimum work age level or the creation of livable wage legislation.

Workers Compensation

The Chambers support the exclusive remedy doctrine for workplace injuries with the inherent trade off of legislative benefits for the injured worker without having to prove negligence.

The Chambers support continued broad reform as necessary to make Montana more competitive with other states.

Termination/References

The Chambers support legislation that clearly defines proper and improper terminations, the function of probation in employment, and the legal liability for an employer or employee who breaks these rules.

We believe that employers should be able to exchange previous work experience without risk of liability, doing so in good faith and reasonable, with either the potential employer or the previous employer.

ECONOMIC DEVELOPMENT

Infrastructure

The Chambers support legislation that will help fund updates and expansion of our infrastructure to accommodate new and expanding businesses and industry which in return will help to create sustainable jobs. **Natural Resources**

The Chambers support responsible development and exportation of natural resources for economic growth, including logging, mining, oil, and gas to grow and enhance Montana's economy.

The Chambers recognize that pipelines carry Montana's natural resources to markets. Construction of pipelines across Montana will provide jobs, transfer stations, and add to the overall tax base in Montana

The Chambers recognize the economic benefits of coal development and railroads in the State of Montana and the contributions the coal industry makes to our state and local economies. Railroads provide crucial service to domestic and international markets for Montana's petroleum, manufacturing, timber, farming, mining, and coal industries.

Railroads provide employment, purchase local goods and services, invest in infrastructure and pay taxes that support state and local government.

Water Rights

The Chambers recognize that water is vital for new and existing industry, expanding cities and towns, agriculture, energy production, firefighting, recreation and a healthy environment. The quality and quantity of Montana's water must be protected to meet the State's multiple needs. The Chambers support legislation that protects current water users while allowing for reasonable and timely review of applications for new water uses, including transfers of water from historical uses to new uses. The Chambers support the use of exempt wells.

Energy:

The Chambers support responsible, diverse, affordable, and sustainable energy production.

Tax Increment Financing Districts:

The Chambers oppose changes to the Tax Increment Financing/Targeted Economic Development District regulations that would decrease the amount of funds flowing into the TIF. The Chambers will oppose laws or rules which may limit or hamper cities' or counties' abilities to adopt and use the Tax Increment Financing Districts, Targeted Economic Development Districts and Business Improvement Districts.

Housing/Land Use:

The Chambers support the housing industry, the jobs this industry creates and the affordable workforce housing this industry provides to Montana's growing communities. The Chambers support streamlining governmental review of subdivisions and permitting to enable the private sector to continue to provide safe and affordable workforce housing. The Chambers note that the mitigation of agricultural land without considering the relationship between our agricultural producers and our growing cities is unfair to both interests. The Chambers support clarifying language that would protect the economic interests of our cities and our agricultural producers.

EDUCATION

K-12 EDUCATION

The Chambers support business involvement in all aspects of public education, and partnering with public education at all levels. Specifically, we support expansion of vocational training opportunities. Further, the Chambers support funding education on a formula that will benefit small and large school districts. We feel that funding should be based on current ANB count, either actual or estimated.

We support a basic entitlement that distributes funds on either a per school building or on a per pupil basis. The Chambers also support local control of the expenditure of funds and curriculum content. We encourage business involvement in all aspects of public education, including business partnering with public education at all levels. We also support funding for students who turn 19 and are

still in school as well as raising the dropout age from 16 to 18. The business community is a stakeholder in the quality of public education. Public education has the responsibility to prepare well-educated graduates who are ready to continue their education or enter the workforce. Finally, we support efforts to increase graduation rates from our public schools.

HIGHER EDUCATION

The Chambers support funding for a quality, affordable Higher Education System. This support includes continuation of a formal long-range capital building plan and funding for the higher education system. We also support modification of incentive programs to allow units to retain monies generated from research efforts and administrative savings. Finally, we support efforts to keep tuition affordable for Montana residents/students.

The Chambers support an effective, accessible, and affordable workforce education and training system. The two year colleges play a critical role in this effort. Montana's 2-year colleges are lagging behind obtaining state funding for major upgrades and modernization to help meet tightening skilled labor needs, both regionally and throughout Montana. The Chambers believe that new facilities offering additional post-secondary workforce training and taking its equal place in the statewide 2-year post-secondary system is absolutely critical for our business community's economy as well as our current and future workforce.

GOVERNMENT COMPETITION/ADMINISTRATIVE POLICIES

The Chambers support using the most efficient and effective means of providing government services. The Chambers support streamlining governmental services, privatizing services when beneficial and consolidation of government units whenever effective. The Chambers support bidder preference to be allowed under reciprocity only. Government shall not have an unfair advantage when providing the same service as a for-profit corporation.

TRANSPORTATION

The Chambers support continued investment in strong transportation infrastructure including the complete utilization of the state's allotment available through the federal highway bill. The Chambers also support the continuation of the EAS subsidies. The 1978 Airline Deregulation Act promoted the continuation of the EAS, stating "The maintenance of a comprehensive and convenient system of continuous airline service for small communities and for isolated areas, with direct federal assistance where justified and necessary.

The Chambers recognize that railroads provide crucial service to domestic and international markets for Montana's petroleum, manufacturing, timber, farming, mining, and coal industries. Railroads provide employment, purchase local goods and services, invest in infrastructure and pay taxes that support state and local government.

Coal Tax Grants

The chambers also support amending existing law governing grants from this account to include increased coal transportation as a criterion for coal impact area designation, to include increased coal transportation as a priority for grants, and to allow local governments to stack grant funding for single projects.



Great Falls, Montana
Development Authority

2017 Montana Legislative Priorities

12/1/16

1) Protect Key Economic Development Tools

Small Business Development Center
Montana Manufacturing Extension Center
Primary Worker Training Program
Big Sky Trust Fund Job Creation Grants
Growth Through Agriculture Grants

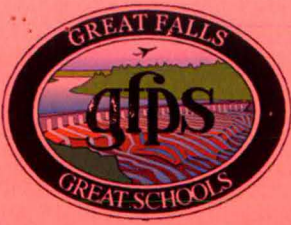
City/County Tax Increment Financing Authority

2) Fund Manufacturing Partnership

Through Montana Manufacturing Extension Center

Results Matter.

See how we help companies like yours to succeed.



GREAT FALLS PUBLIC SCHOOLS

Legislative Priorities

2017



VISION: All kids engaged in learning today...for life tomorrow.

STRATEGIC PLAN GOALS:

- Increase student achievement for all students while closing the achievement gap.
- Provide prudent stewardship and accountability of public resources to best support educational opportunity and student success.
- Provide all students a healthy, safe, and secure school environment in which to learn.

MORE INFORMATION ABOUT GREAT FALLS PUBLIC SCHOOLS:

<http://www.gfps.k12.mt.us/content/about-us>

PLEASE HELP GFPS ADDRESS THE ACHIEVEMENT GAP:

For more information
about this topic, please
contact:

Dale Lambert
Director of Student Services
406-268-6777

Tom Moore, Asst. Supt. 7-12
Jamie McGraw, CTE Facilitator
406-268-6008

Tom Hering
Director of Info Tech
406-268-6068

Dale Lambert, Director Student
Services
Colette Getten, Early Childhood
Coordinator
Ruth Uecker, Asst. Supt. K-6
406-268-6777

Drew Uecker
GFPS Alternative High School
406-268-6600

- Providing the opportunities for all students to gain the knowledge and essential skills needed for college, career and productive citizenry is our essential purpose. Therefore GFPS supports:
 - ☑ A mechanism to guarantee that the state's share of **special education funding** is annually adjusted by inflation. The increase in autism and other handicapping conditions demands additional funding to address those needs.
 - ☑ Additional funding of **Career and Technical Education (CTE)** programs in order to expand and enhance these already proven programs.
 - ☑ Implementation of formula-based support of **technology** and the repeal of the 10-year sunset for current technology levies. Expenditures in the area of technology are absolutely necessary to prepare students for the world of work.
- Expansion of current pre-school opportunities with an emphasis on kindergarten readiness is essential to address the social, emotional and educational needs of our youngest citizens. Therefore GFPS supports:
 - ☑ Implementation of formula-based **early childhood education funding** by expanding the definition of "pupil" to include 4-year olds.
- An emphasis on attendance and other Graduation Matters initiatives, in conjunction with community-based agencies like United Way, are making a difference. Therefore, GFPS supports:
 - ☑ An increase in the **compulsory attendance age** from 16 to 18 to greatly enhance our efforts towards our goal of a 92% high school completion rate.

CONTINUED ON BACK:



PLEASE HELP GFPS BE GOOD STEWARDS OF PUBLIC RESOURCES BY ENHANCING EDUCATIONAL OPPORTUNITIES FOR PUBLIC SCHOOL STUDENTS:

- For the first time ever, GFPS was not able to fill all necessary teaching positions due to a lack of qualified applicants. Staff recruitment and retention are essential tasks. Therefore, GFPS supports:
 - ☑ Efforts to address teacher salaries and benefits, particularly the **cost of health insurance** that outpaces inflation and consumes an increasing and unsustainable percentage of the budget.
- GFPS understands that not all students learn at the same rate and in the same timeframes. That means some students need to stay in high school past age 18. Therefore, GFPS supports:
 - ☑ **Funding for 19-year-olds** would allow GFPS to ensure additional educational opportunity to students with special needs, young military wives and others with special circumstances beyond their control.
- GFPS supports dual credit opportunities and career pathway advising that results in more students going to college and certification programs. Therefore GFPS supports:
 - ☑ State funding support for **dual credit and career pathway advising**.
- The gifts and talents of our highest capable students require school districts to do more to capitalize on these students' intellectual capital.
 - ☑ GFPS supports programming for ongoing professional development so that all teachers can identify and differentiate instruction for **high-ability students** in order to provide adequate gifted and talented programming.
- GFPS supports public funds for public schools. Tax deductions or tax credits for paying tuition for private schools takes money away from educating students in public schools. Therefore, GFPS **does not support public dollars for private schools**.
- GFPS supports local control of its schools via local school board governance. Therefore, GFPS does not support charter or other kinds of schools funded with public money except for **public charter schools** already provided for in Montana Codes Annotated.

Mindy Kiser
Director, Human Resources
406-268-6010

Tom Moore
Assist. Superintendent 7-12
406-268-6008

Tom Moore
Assist. Superintendent 7-12
406-268-6008

Chris Olszewski
Dir. Curriculum & Assessment
Ruth Uecker, Asst. Supt. K-6
406-268-6021

Tammy Lacey
Superintendent
406-268-6001

PLEASE HELP GFPS ENSURE HEALTHY, SAFE AND SECURE SCHOOLS AND STUDENTS:

- GFPS just passed a \$98.8M bond levy which addresses building needs for the next 5 years. There is so much more work to do and more work that will be necessary in the future. Both require resources that go far beyond current and basic maintenance funding allocations. Facility upgrading is a responsibility that must be shared by the state and local communities. Therefore, GFPS supports:
 - ☑ New funding for **capital facility maintenance and construction**.
- Parents and students must be able to rely upon consistent and timely bus transportation to and from school. A severe bus driver shortage has made this very difficult. The current licensure process is a barrier to getting qualified drivers. Therefore, GFPS supports:
 - ☑ Modifications in **bus driver licensure laws** that enhance and differentiate bus driver preparation, but do not require skills beyond what is required for driving a bus.
- Student achievement is directly impacted by the economic circumstances of families and their children, addiction, and poor mental health. Therefore, GFPS supports:
 - ☑ Legislative efforts to enhance or add programs (and funding) that address the increasing numbers and intense needs of **at-risk students** in our schools.

Brian Patrick
Dir. Business Operation
406-268-6050

Brian Patrick
Dir. Business Operation
406-268-6050

Katy Nichols
CARE Coordinator
406-268-6771
Ruth Uecker, Asst. Supt. K-6
406-268-7444

MONTANA HAS A HOUSING CRISIS

LACK OF HOUSING HURTS MONTANANS: Montana needs 18,000 apartments and homes that are affordable to extremely low income families.

The homeownership rate in Montana has dropped from 70% to 66% since 2007 and the current Native American homeownership is less than 50%.

Rents have increased in Montana by more than 5% per year for the last three years

72% of very low income families pay more than 50% of their monthly income for housing.

The average fair market rent in Montana for a 2 bedroom apartment is \$724; but the rent that an extremely low income person can pay is only \$468.

Montanans cannot leave prisons, pre-release centers, hospitals and nursing homes because they do not have a suitable home to go to.

LACK OF HOUSING HURTS MONTANA BUSINESSES: Montana businesses growth is limited because there are not enough homes for new employees.

Lack of housing and excessive rental rates stifle our ability to provide essential services. Local governments, school districts and hospitals face serious challenges in working to attract and retain essential service workers, such as city/county employees, school teachers, and nurses.

The Montana Housing Fund was created 20 years ago, but it has NEVER received state funding.

Montana leaves Federal funding on the table because we lack a source of gap financing for 4% tax credit projects. With 4% tax credits, State funding appropriation can be effectively leveraged by 10 times. That is, a \$5 million State appropriation will bring \$50 million in outside equity and construction to Montana. A \$25 million appropriation will bring \$250 million of new money into Montana.

MONTANANS SUPPORT FUNDING FOR HOUSING: Key Industry Network of the Governor's Main Street Project recommended a "Homes for Montana" Champion in the Governor's office and \$25 million for the Housing Trust Fund to provide loans for housing development.

A recent Rural West study indicated that 61% of Montana respondents favored increasing government spending on housing.

To meet the housing needs of all Montanans, we need to adopt a more coherent housing policy. We recognize the importance of housing and home ownership through our longstanding policy of providing for income tax deductions for mortgage interest and real estate property taxes, which have helped many families improve their quality of life and their economic future. We can build on that success with new resources to build homes and apartments for working families, seniors, and Montanans with disabilities.



www.mthousingcoalition.org

mthousingcoalition@yahoo.com

Peggy Trenk 406-461-9945

Draft Bill LC 377 tentatively sponsored by Senator Mark Blasdel

Summary by Great Falls International Airport

Proposal: increase in 4% tax on rental car contract to 5% generates \$800,000 annually to be used for airline incentives for new Montana air service.

Talking Points:

- Montana Office of Tourism estimates tourism results in \$3.7 billion in commerce each year.
- There is historically a direct correlation between airport boardings and rental car and hotel revenue in Montana's airport communities.
- The Montana Department of Transportation, Aeronautics Division would administer the airline incentive program each year.
- All Montana commercial airports currently support this effort.

Montana State Air Service Enhancement Effort-DRAFT by MT Airport Community

Background: It is generally agreed upon that the expansion of existing air service or addition of new air service to a community has direct economic benefit to that community and to the State of Montana as a whole. Unfortunately, the acquisition of new air service by airports and their corresponding communities has become more challenging as airlines have learned that they can require those seeking new or expanded service to provide an incentive for that service. Airlines view this "incentive" as a sharing of the risk and the expense of starting or expanding service.

Additionally, because of the limited resources of the airlines (aircraft, pilots, available flying time, etc.), airports and communities have become more aggressive and generous in providing incentives in an effort to outbid competing communities for these limited resources. As a result of this competition, a number of states and the Federal Government have created programs to help individual communities fund various incentives.

While there can be many types of incentives, the two most common are marketing assistance and minimum revenue guarantees. Marketing assistance can take many forms but its primary purpose is to advertise the new or expanded service to help ensure its success. Minimum revenue guarantees are designed to ensure that the new or expanded route is profitable for the air carrier. Typically, with the revenue guarantee the community will guarantee that a minimum amount of revenue (profit) will be generated by the new service thus insuring that it is immediately profitable. Other less common types of incentives may include travel banks (placing money in escrow to guarantee the purchase of minimum number of tickets), subsidizing ground handling and fuel discounts.

Proposal: Recognizing this new dynamic in air service development, the Montana airports/communities with commercial air service are proposing the following:

- The State of Montana develop a state based Air Service Development Program.
- This program would be similar in structure to the federal Small Community Air Service Development program.
- State air service development program funds could be used as a standalone incentive program; however, priority will be given to proposals that combine state funds with other local and federal programs as determined by the administering agency.

- The State of Montana provides approximately \$800,000 annually (dependent on collections) to fund the air service development program. The source of this funding would be as follows:
 - The 4% tax on a rental car contract would be increase to 5%. This 1% increase would generate approximately \$800,000 annually which would be dedicated to funding this program
- All communities with commercial air service (including Essential Air Service communities) would be eligible to apply to the state program. However, the EAS communities would be limited to uses that would not jeopardize their eligibility in the federal EAS program.
- Specific uses of the state air service development funds would include the following:
 - Minimum revenue guarantee for communities with air service other than EAS service.
 - Marketing by any community with commercial air service for the support of expanded existing or proposed new air service. However, it would be acceptable for EAS markets to market their existing EAS service.
 - While priority would be given to minimum revenue guarantees and to marketing efforts, other uses as determined by the administering agency may be acceptable. These uses may include subsidizing the cost of ground handling, fuel subsidies, true market studies, leakage studies, etc.
- The maximum amount that could be awarded to a community/airport in a single grant would be \$500,000.
- A community/airport would only be allowed to receive one grant at a time. That community would not be eligible to apply for a new grant until an existing grant is closed out.
- Communities/airports applying to the program would be required to provide a minimum match as follows:
 - For a grant up to \$100,000 the minimum match required would be 10%. Local share = \$10,000 (for a maximum of grant of \$100,000).
 - For a grant of \$100,001 - \$200,000, the match is \$10,000 plus 20% on amounts over \$100,000. Local share = \$30,000 (for a maximum grant of \$200,000).

- For a grant of \$200,001 - \$300,000 the match is \$30,000 plus 30% on amounts over \$200,000. **Local share = \$60,000 (for a maximum grant of \$300,000).**
- For a grant of \$300,001 - \$400,000 the match is \$60,000 plus 40% on amounts over \$300,000. **Local share = \$100,000 (for a maximum grant of \$400,000).**
- For a grant of \$400,001 - \$500,000 the match is \$100,000 plus 50% on amounts over \$400,000 up to the maximum \$500,000 grant amount. **Local share = \$150,000 (for a maximum grant of \$500,000).**
- **The Department of Transportation, Aeronautics Division would administer the program.**
- **The process to apply for and receive a portion of the available funds will be a competitive process. Things to be considered during the selection would include:**
 - **air fares in a given community that are higher than the average air fares for all United States communities;**
 - **improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited;**
 - **a specific plan and time table for using the grant funds in a timely manner to be provided by the community applying for the grant funds**
- **Any grant funds not consumed in the period of 3 years would be required to be returned to the grant program. All unused funds from a successful application would be returned to the program.**
- **Time extensions beyond the 3 year limit above would be considered on a case by case basis by the administering agency.**
- **Funds to be set aside for this program would not be allowed to grow beyond \$3,000,000. Should the funds grow to that level, excess funds would flow back to the originating account.**
- **The air service development program would sunset after 6 years unless reauthorized by the legislature.**