

Big Sky Economic Development Trust Fund (BSTF) Economic Benefits Summary Report

(Current as of November 2012)

The Big Sky Economic Development Trust Fund (BSTF) provides state funds¹ for the creation of good paying jobs and promotes long-term economic growth. The BSTF was created by the 2005 Montana Legislature to build partnerships between the state, local governments, and development organizations with the goal of providing greater economic prosperity for future Montana generations.

The BSTF program provides two types of financial assistance:

Category I: 75% of Trust Fund earnings shall be awarded to local governments and tribal governments for economic development job creation projects.

Category II: 25% of Trust Fund earnings shall be awarded to CRDCs, Tribes and other eligible economic development organizations for development planning and capacity building

Big Sky Trust Fund – All Category I Projects

Awards & Leverage

Total Funds Awarded Based on Job Projections (since FY2006)	\$6.98 million
Leveraged Funds (non-Commerce debt, equity, etc.)	<u>\$617.5 million</u>
Leverage Ratio (non-Commerce to BSTF awarded dollars)	88 to 1

Investment of Leveraged Funds

Construction	\$289.5 million
Other Investment Activity (equipment purchase, training, etc.)	<u>\$328.0 million</u>
Total Investment	\$617.5 million

Jobs

Proposed BSTF Eligible Direct Jobs Created ²	1,187 jobs
Other Jobs Supported by BSTF Workers	<u>1,041 jobs</u>
Total Jobs	2,228 jobs

Wages Earned

Annual Wages & Benefits Paid to BSTF Workers	\$51.4 million
Annual Wages Paid to Supported Workers ³	<u>\$37.6 million</u>
Total Annual Wages & Benefits	\$89.0 million

Income Tax

Annual Increased Income Tax Revenue (State General Fund Impact) ⁴	\$3.5 million
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¹ State funding for BSTF is a sub-trust fund within the Coal Severance Tax Trust Fund. Investment earnings (interest only; not principal) are appropriated per MCA§17-5-703.

² Eligible jobs are full time jobs that are new to the company and meet the program's wage requirements.

³ Estimated using an input/output economic modeling software, Implan (www.implan.com).

⁴ Estimated using the respective project year's annual effective income tax rate as calculated by the MT Department of Revenue.

