



# MONTANA DEPARTMENT OF COMMERCE

*Effectively and efficiently deliver programs and resources through technical assistance, funding/investments, training/consulting, promotion, research, reporting, and outreach to provide affordable housing, create sustainable business and economic growth to enhance community vitality to benefit the citizens of Montana.*

ANNUAL REPORT

FY2025

The Montana Department of Commerce works with statewide and local partners, private industry, and small businesses to enhance and sustain economic prosperity in Montana. The Department works to improve the state's economy through business creation, expansion, retention, and diversification of the state's economic base; provides direct technical assistance, grants and loans for Montana's entrepreneurs, businesses and their employees; strengthens the economy through the promotion of tourism development, promoting and protecting historic sites, and marketing Montana as a travel and filmmaking destination; promotes access to new markets, both foreign and domestic, for Montana goods and services; provides financing for homeownership and rental assistance opportunities for Montana families; and develops and improves public infrastructure and housing for Montana citizens by providing grants and technical assistance to Montana communities and counties.

## **DESTINATION MT DIVISION**

The marketing, communications, film and tourism programs are all part of a versatile and cohesive Destination MT team that works to sustain and grow Montana's economy. The programs develop and use communications, advertising, development and promotional campaigns to showcase Montana and create awareness about the state as a place to visit and do business. Through data-driven strategies and grant programs, the team aims to preserve and promote the genuine character of Montana and partners to achieve a sustainable economic future for all.

## **BUSINESS MT DIVISION**

Business MT's goal is to be the lead business development division for the State of Montana by supporting business growth and the prosperity of Montana communities. Our mission is to retain, expand and attract businesses that provide an economic impact for Montana communities through public/private partnerships, leveraged funding and support of economic opportunities for Montana businesses and entrepreneurs. The Business MT Division administers programs that provide technical assistance (finance, marketing, export, planning) and financial assistance (grants and loans) to Montana's businesses with specific emphasis on projects that have business development, growth of revenue and job creation opportunities.

## **COMMUNITY MT DIVISION**


The Community MT Division helps Montana communities offer safe, efficient and quality public facilities, including streets, water and sewer services, schools, excellent health care facilities and social services, a vibrant economy, and job opportunities. The Community MT Division has resources, including financial and technical assistance, to help your community attain its goals.

## **HOUSING MT DIVISION**

The Housing MT Division strengthens our vibrant communities by supporting access to safe, affordable and sustainable homes for Montanans whose housing needs are not met by the market. Our professional and courteous staff work to create a variety of housing opportunities for Montanans by partnering with local organizations across the state and leveraging federal housing funds available to Montana. Housing staff can assist with buying a home, down payment assistance, mortgage servicing, reverse annuity mortgages, rental housing assistance, and multifamily rental development.


## **DIRECTOR'S OFFICE – CENTRALIZED SERVICES**

The Commerce Director's Office provides centralized finance, budget, communications, marketing, legal, IT and HR services and resources for the Department Divisions and attached boards.

  <b>Strategic Outcome</b>  <b>#1</b>	<b>IMPROVE CUSTOMER SERVICE, ACCOUNTABILITY AND EFFICIENCIES</b>	
	<b>Improve stakeholder and customer knowledge of our programs, timelines and guidelines through improved communications, marketing, and roll-out of new programs for tourism, economic development, infrastructure and affordable housing.</b>	
	<b>Key Measures</b>	<ul style="list-style-type: none"> <li>• Tourism Grant &amp; Loan Programs: complete second year of funding for Regional Assistance Program, Tourism Event Grants, Montana Film Grants and Pilot Communities; complete first year of funding for Emergency Services Grants, Revolving Loan Grants and Agritourism Grants. Increase number of applicants year over year and fully expend all grant/loan dollars.</li> <li>• Community MT Grant Programs: increase applicant numbers for all programs and fully expend all grant dollars.</li> <li>• Proactive community assistance for grant, planning and loan programs managed within Community MT. Utilize outreach coordinator and specialist positions to proactively reach at least 95% of eligible communities and improve application numbers over LY by 5%.</li> <li>• Rebrand of consumer brand (Visit MT, Made in Montana, Film Office, etc.) completed by June 30, 2025.</li> </ul>

**FY 25 ACCOMPLISHMENTS**

1. Regional Assistance Program, Tourism Event Grants, Montana Film Grants and Pilot Communities all successfully went through second round of funding. Each program received a higher number of applications than the previous cycle with the exception of RAP, which was expected as only new regions or CVBs would be applying since the first cycle was a two-year contract for funding.  
Funding for Montana Emergency Tourism Assistance Program, Tourism Revolving Loan Fund and Agritourism was all allocated for their first cycle. We saw much larger interest in all three programs than initially anticipated.
2. Community MT saw increased application flow for all grant programs. All funding was able to be allocated in FY25.
3. Community MT tracked their proactive outreach and technical assistance. They were able to reach more than 95% of eligible communities and, due to this outreach, saw higher application numbers and overall more well written applications.
4. The Montana Brand launched in May 2025 at the Bucking Horse Sale in Miles City. Over the summer, the Montana Tour occurred, showcasing the brand to Montanans at summer events across the state.

 <b>Strategic Outcome</b> <b>#2</b>	<b>PROGRAM PROCESS IMPROVEMENTS</b>	
	<b>Improve application processes for housing, economic development, infrastructure, planning and tourism grant and loan programs through a digitized process. Review internal processes to determine viability for moving specific tasks and workload to third-party vendors.</b>	
	<b>Key Measures</b>	<ul style="list-style-type: none"> <li>• Third-party mortgage servicing vendor roll-out. Begin moving new mortgages to third-party vendor in winter 2024-2025.</li> <li>• Release and award RFP for third-party vendors to complete project-based Section 8 Housing vouchers. Release RFP fall 2024, award winter 2025 and begin the project-based vouchers spring 2025.</li> <li>• Enhancements of ServiceNow online grants and loans application process. Financial reporting, progress reporting and improving customer and employee experience completed by summer 2025.</li> <li>• Centralized Services improvements – implement contracts lifecycle management software, improve time-to-fill metric for job postings, improve turnover year over year.</li> </ul>

#### FY 25 ACCOMPLISHMENTS

1. Successfully implemented contract with new third-party mortgage servicing vendor. New mortgages are being serviced through this vendor.
2. Awards made and the project-based voucher program has seen greater interest since working with new contractors.
3. Enhancements for the Grants and Loans Portal in FY25 include improvements to the customer facing portal, adding in rank and review functionality and beginning work on reporting and financial reporting mechanisms within the portal for grant recipients.
4. Due to procurement centralization, we did not prioritize the contracts lifecycle management software. However, we may look at software in FY 26 for grant management, if the Grants and Loans portal is unable to meet that need. Both time-to-fill vacant positions and turnover improved over last fiscal year.



## Strategic Outcome

# #3

### BUSINESS ATTRACTION & ECONOMIC DEVELOPMENT

Enhance the Montana economy through business growth, job creation and business attraction.

#### Key Measures

- Minimum of 6 Red Carpet visits per quarter.
- Minimum of 20 press announcements on businesses moving to or expanding in Montana.
- Continued roll-out of funding opportunities within Big Sky Trust Fund. Goal to open applications by December 31, 2024, for all programs. Expend all grant dollars by June 30, 2025.

#### FY 25 ACCOMPLISHMENTS

1. Exceed goal of 24 Red Carpet visits by completing 30 visits.
2. We were unable to meet our goal of 20 businesses, although we did meet 15, which exceeds our prior best year by 3. We will retain the goal of 20 in FY26.
3. Rolled out Opportunities in Rural Economies suite of programs, including planning grants, capacity building grants and loan participation program.