



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

State of Montana

Recovery Plan

State and Local Fiscal Recovery Funds

2021 Report

August 31, 2021

State of Montana
2021 Recovery Plan

Table of Contents

General Overview.....	2
Executive Summary.....	2
Uses of Funds	3
Promoting Equitable Outcomes	6
Community Engagement	10
Labor Practices	12
Use of Evidence	13
Table of Expenses by Expenditure Category	14
Project Inventory.....	14
Project 1	14
Project 2	15
Ineligible Activities: Tax Offset Provision	17

GENERAL OVERVIEW

Executive Summary

In this section, provide a high-level overview of the jurisdiction's intended and actual uses of funding including, but not limited to the jurisdiction's plan for use of funds to promote a response to the pandemic and economic recovery, key outcome goals, progress to date on those outcomes, and any noteworthy challenges or opportunities identified during the reporting period.

When ARPA became law in March of 2021, the Montana Legislature, which meets 90 days every two years, was in session. The House Appropriations Committee and the Senate Finance Committee held joint public hearings and, working with the Governor's Office, drafted [HB 632](#) and [SB 297](#), which became law in Montana in late April and early May of 2021, respectively, after the legislature adjourned. House Bill 632 appropriated the ARPA funds that were to be distributed to the state, including the State Fiscal Recovery ("SFR") Funds, and both laws set forth a framework for their use, with Senate Bill 297 focusing on broadband infrastructure.

House Bill 632 established four advisory commissions ("Advisory Commissions") consisting of legislators from both chambers and political parties, and members appointed by the Governor: Infrastructure; Communications; Economic Transformation and Stabilization, and Workforce Development ("Economic and Workforce"); and Health. It further provided that for nearly all SFR funds, executive branch departments will recommend programs and projects to the Advisory Commissions, the Advisory Commissions will make recommendations to the Governor, and the Governor will approve final uses. Early in the reporting period, departments began taking public comment through a centralized web portal and call center. All Advisory Commissions began meeting during the reporting period, receiving public comment at each meeting.

House Bill 632 also requires departments to develop plans to measure the effectiveness of programs they administer funded with ARPA funds. In addition, it requires many project applicants to state the anticipated outcomes of their project and how they expect to achieve them.

The uses of the SFR Funds and the goals and outcomes of those uses will develop as the Advisory Commissions continue to meet and make recommendations over the months to come. Two noteworthy challenges have been: the time it has taken to receive guidance from the U.S. Department of the Treasury; and some of the provisions that have been contained in that guidance that were not anticipated at the time the Montana Legislature was considering HB 632 and SB 297.

Uses of Funds

Describe in further detail your jurisdiction's intended and actual uses of the funds, such as how your jurisdiction's approach would help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Given the broad eligible uses of funds and the specific needs of the jurisdiction, explain how the funds would support the communities, populations, or individuals in your jurisdiction.

Many uses of State Fiscal Recovery ("SFR") Funds have yet to be determined. Before the exact amount of Montana's share of SFR Funds was known, HB 632 appropriated those SFR Funds and linked them to the respective Advisory Commissions, in parentheses, as follows:

- 1. \$462,689,925 for water and sewer infrastructure projects (Infrastructure), including:
 - a. \$150,000,000 for minimum allocation grants to towns, cities, and counties;*
 - b. \$250,000,000 for competitive grants to local governments, including Tribal Governments;*
 - c. \$10,000,000 to regional water authorities; and*
 - d. The balance for administrative costs, and water and sewer infrastructure projects that were already before the legislature,**
- 2. \$275,000,000 for broadband infrastructure projects (Communications),*
- 3. \$150,000,000 for economic transformation and stabilization, and workforce development grants (Economic and Workforce),*
- 4. \$15,000,000 for nursing home and hospital-based swing bed payments (Health),*
- 5. \$2,750,000 for a provider rate study (Health); and*
- 6. \$944,721 to streamline the resolution of family law cases impacted by the pandemic (not linked to an advisory commission).*

During the reporting period, the \$15M appropriation for nursing facility payments was required to be distributed by HB 632. In addition, the Economic and Workforce Advisory Commission recommended, and Governor Gianforte approved, \$15M for unemployed workers who return to work. Finally, the Economic and Workforce Advisory Commission recommended the following categories for program development: affordable housing, workforce development, value-added agriculture, and business innovation.

The uses that have been identified to date will help support a strong economic recovery. While Montana has posted the third best employment recovery among states since the start of the pandemic, Montana faces a shortage of available workers and a smaller labor force. One-time SFR Fund uses such as return-to-work bonuses, affordable housing, and workforce development (including rapid retraining mandated by HB 632), as well as childcare stabilization considered by the Health Advisory Commission will help Montanans return to the workforce. In addition, substantial investments in water and sewer infrastructure, broadband infrastructure, value-added agriculture, and business innovation will help support a strong recovery in both the short and long terms.

The uses that have been identified to date also employ certain strategies to maximize programmatic impact, and effective and efficient outcomes. To the extent possible, Montana is using existing programs to deploy its funds. For example: Montana is using the same programmatic framework to administer water and sewer infrastructure grants that it uses to administer Clean Water and Drinking Water Revolving Loan Funds; the Economic and Workforce

Advisory Commission recommended that affordable housing grant proposals focus on affordable housing projects already in the state's development pipeline; and the emergency rental assistance funding and numerous public health funding streams are flowing through existing state programs. Existing programs reduce development time and bureaucratic redundancy, and mature programs generally are administered more efficiently. In addition, in the areas of water and sewer infrastructure and broadband infrastructure, HB 632 and SB 297 incentivize local governments and other stakeholders to contribute matching funds to the projects, maximizing their impact. Using funds for a provider rate study to determine the impact of COVID on providers and make recommendations to adjust rates, if necessary, to properly reimburse for costs, will help Montana ensure that provider rates are high enough to be effective, but not so high as to be inefficient.

The uses that have been identified to date also employ certain strategies to maximize equitable outcomes, including an equitable recovery. Montana has several underserved, marginalized and/or groups adversely affected by COVID to be served by these uses, including low-income people, Native Americans, individuals in rural areas, unemployed and underemployed, and seniors. Many individuals in these groups overlap. For example, many Native Americans live on Montana's seven reservations which are predominantly rural, and which often experience higher rates of unemployment and poverty than other areas, and which were adversely affected by COVID. Those uses and strategies include affordable housing, workforce development (including rapid retraining), and return-to-work bonuses for the unemployed.

In addition, HB 632 allocated \$150M to towns, cities, and counties for minimum allocation water and sewer infrastructure grants based on the state's fuel tax allocation formula. The formula is more beneficial to rural areas than allocating solely based on population, because the fuel tax formula also considers the number of road miles in an area. House Bill 632 also allocated \$750,000 to create a Montana Department of Commerce ("DOC") technical assistance team to notify local governments, with an emphasis on rural local governments, of the water and sewer infrastructure opportunities even though Tribal Governments received their own allocation of ARPA funds, HB 632 broadened the definition of "local government" to include Tribal Governments to be eligible to apply for competitive water and sewer grants. House Bill 632 and SB 297 emphasize frontier, unserved, and underserved areas for broadband service. Many of those areas are in rural Montana, including Native American reservations. Seniors were particularly adversely affected by COVID. To address the economic needs of the facilities caring for many seniors, HB 632 allocated \$15M to those facilities.

Many of the uses and strategies of other ARPA funding streams will also benefit one or more of these groups to maximize equitable outcomes and support an equitable recovery. Those include use of the Emergency Rental Assistance funds and use of many of the funding streams administered through the Montana Department of Public Health and Human Services ("DPHHS") which are eligible to low-income people.

Departments administering the ARPA programs are proactively communicating with all Tribal Governments encouraging participation in these programs.

Address how you are promoting each of the following Expenditure Categories, to the extent they apply:

Uses and intended uses of SFR Funds identified during the reporting period for each Expenditure Category are set forth on the following page.

a. **Public Health (EC 1)**

Montana quickly distributed \$15M to nursing facilities which experienced economic harm during the COVID pandemic as they worked to prevent and mitigate infections in their facilities. Also, the water and sewer infrastructure program will provide wastewater services and clean drinking water to many communities.

In addition to uses funded with SFR funds, many other ARPA funding streams flowing through DPHHS will promote public health in Montana.

b. **Negative Economic Impacts (EC 2)**

Uses and intended uses that respond to the negative economic impacts of COVID are similar to the uses that have been identified to date that will help support a strong recovery, set forth above. Those uses include nursing facility payments, return-to-work bonuses, affordable housing and workforce development (including rapid retraining mandated by HB 632), as well as other non-SFR ARPA funds such as childcare stabilization, all of which will help address Montana's worker shortage. The healthcare provider rate study will help ensure that service providers, in a post-COVID environment, are reimbursed appropriately for services provided to low-income and other groups. In addition, substantial investments in water and sewer infrastructure, broadband infrastructure, value-added agriculture, and business innovation will help support a strong recovery over the longer term.

In addition to uses funded with SFR funds, many other ARPA funding streams flowing through DPHHS, and funding streams flowing through DOC such as Emergency Rental Assistance, Homeless Assistance, Homeowner Assistance, and the State Small Business Credit Initiative will help respond to the negative economic impacts of COVID.

c. **Services to Disproportionately Impacted Communities (EC 3)**

Uses and intended uses that provide services to disproportionately impacted communities, such as low-income, senior, and unemployed Montanans, include affordable housing, nursing facility payments, and return-to-work bonuses as well as many other ARPA funding streams flowing through DPHHS and DOC.

d. **Premium Pay (EC 4)**

During the reporting period, no uses of SFR Funds for premium pay to any special class of employees were identified.

e. **Water, sewer, and broadband infrastructure (EC 5)**

The sizeable investments in HB 632 of SFR funds for water and sewer infrastructure, and broadband infrastructure are discussed earlier in this section.

f. Revenue Replacement EC 6)

During the reporting period, no uses of SFR Funds for revenue replacement were identified.

Where appropriate, include information on your jurisdiction's use (or planned use) of other federal recovery funds including other programs under the American Rescue Plan such as Emergency Rental Assistance, Housing Assistance, and so forth, to provide broader context on the overall approach for pandemic recovery. N/A

Promoting equitable outcomes

In this section, describe efforts to date and intended outcomes to promote equity. Each annual report to follow must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period.

Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Include how your jurisdiction will consider and measure equity at the various stages of the program, including:

- a. *Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve?*

Programs funded with SFR Funds identified during the reporting period will serve rural, Native American, low-income, unemployed, and senior groups.

- b. *Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF?*

During the reporting period, Montana took and will continue to take significant steps to make residents and businesses aware of the services funded by SFR Funds. In addition, steps were taken to make sure residents and businesses were aware of other ARPA programs available through other departments, including Emergency Rental Assistance and many programs administered by the DPHHS.

Many of those steps are set forth in the Community Engagement section of this report, below.

Regarding the two programs funded with SFR Funds during the reporting period: 1) the nursing facility payments were made directly to the eligible nursing homes and hospitals so those businesses are aware of the funding, and the senior residents of those facilities should all be benefiting from the services provided; and 2) those unemployed as of May 4, 2021 were made aware of the opportunity to receive a return-to-work bonus because of press accounts the previous week and emails sent to eligible individuals notifying them of this opportunity. Additionally, DLI is conducting phone call outreach to individuals in areas and demographics most difficult to reach or serve or which have high unemployment.

- c. *Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?*

Tribal Governments and some local governments were given additional notice of some SFR Fund funded program opportunities and assistance to enhance their access to program benefits, as set forth in the Community Engagement section of this report, below.

- d. *Outcomes: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?*

Many programs identified during the reporting period will help close gaps in various equity dimensions. SFR Funds are insufficient to reach universal levels of service.

The Water and Sewer Infrastructure Program will help close the gap in clean water and drinking water between communities with higher and lower needs by evaluating affordability in the competitive grant ranking process. The Broadband Program will help close the gap between frontier, unserved and underserved communities, and other communities. The Affordable Housing Program, together with the non-SFR funded Emergency Rental Assistance program and Mortgage Assistance program, will help close the immediate and longer-term gap in housing between low-income and other Montanans. The workforce, value-added agriculture, and business innovation programs will provide more good-paying jobs and help workers develop the skills necessary to do them. The healthcare provider rate study will help ensure that service providers, in a post-COVID environment, are reimbursed appropriately for services provided to low-income and other groups.

It is Montana's intent that all citizens have equal access to available benefits and programs, if eligible, regardless of race, ethnicity, geographic location, income level, or other factors.

Describe how your jurisdiction's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale and articulates the strategies to achieve those targets. Explain how your jurisdiction's overall equity strategy translates into the specific services or programs offered by your jurisdiction in the following Expenditure Categories:

- a. *Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.*

The uses of ARPA funds identified by Montana during the reporting period addressed economic equity in several ways. Non-SFR Funds funded programs, planned and/or funded, include but were not limited to enhanced SNAP benefits, Commodity Supplemental Food benefits, enhanced childcare, Women, Infants and Children (WIC) voucher increase, Low Income Home Energy Assistance increase, Low Income Water Assistance increase, Pandemic Emergency Assistance, Emergency Food and Shelter assistance, Emergency Rental Assistance, Homeless Assistance, and Homeowner Assistance.

Identified uses of SFR Funds will also address economic equity. More affordable housing will provide more living opportunities for low-income individuals and families. Rapid retraining will help those currently unemployed or underemployed quickly meet the qualifications for available jobs. Other workforce training programs will help workers, including workers from disadvantaged groups, develop their skills for good paying jobs. Value-added agriculture and business innovation programs will help create more good-paying jobs in the Montana.

Allocating \$150M in water and sewer infrastructure grants to all towns, cities, and counties, in part based on road miles and not just population, will ensure that rural communities, including Native American reservations, which tend to have a higher percentage of low-income individuals than urban communities, will be better able to address clean water and drinking water challenges. Even though Tribal Governments received their own ARPA allocations, HB 632 allows Tribal Governments to apply for competitive water and sewer infrastructure grants, along with local governments. Providing funds to upgrade broadband service in frontier, unserved, and underserved communities will provide greater connectivity to rural communities, including Native American reservations, improving health, education, work, and economic opportunities.

Montana's largest minority group is Native Americans who make up about 7% of the state's population. Many Native Americans live on the state's seven reservations and are governed by Tribal Governments. The reservations are located in rural areas of the state and they tend to have more low-income and unemployed people impacted by COVID. Thus, the planned and current use of ARPA funds discussed in the paragraphs above to prioritize economic equity will also help provide opportunities to Native Americans.

Services to Disproportionately Impacted Communities (EC 3): *services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g., evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, child care).*

Seniors were disproportionately impacted by COVID. In Montana, congregate care facilities serving seniors have taken substantial steps to keep their residents safe, increasing their costs and, to ensure adequate social spacing, limiting their number of occupants and resulting revenue. House Bill 632 provided \$15M to nursing homes and hospitals with swing beds to allow those facilities to continue to provide safe care to the state's seniors.

During the reporting period, the Economic and Workforce Advisory Commission recommended affordable housing as a category for program development. Although not SFR Funds, the Health Advisory Commission recommended, and Governor Gianforte approved, ARPA childcare funds for childcare stabilization to include providing application assistance, building provider capacity, providing technical assistance, and offering business professional development. Additionally, subgrants will be administered by DPHHS to the extent allowable by federal guidance to:

- Prioritize subgrant funds to serve as enhanced payments for childcare businesses that expand hours or capacity to serve more children.*
- Prioritize subgrant funds as enhanced payments for childcare businesses, including Family, Friend, and Neighbor caregivers in childcare deserts.*
- Prioritize subgrant funds as enhanced payments for childcare businesses that serve unique populations such as children with disabilities, infants and toddlers, and low-income families.*
- If federal guidance allows, require applications to be accepted from those provider types that are not licensed under the state, but can assure that all federal health and safety requirements, including background checks, are met. This could include Family, Friend, and Neighbor caregivers and church based childcare programs.*
- Require childcare businesses to dedicate a higher percentage of their subgrant to personnel to support recruitment and retention bonuses, pursuant to federal guidance.*
- Assess opportunities for Montana to contract with childcare provider(s) to serve state employees, their families, and others depending on capacity, and utilize stabilization and recovery funding accordingly.*

Finally, childcare funds were authorized to expand childcare and development block grant uses to fund innovative solution grants; to provide targeted business specialized training, professional development, and technical support to early childhood small businesses; to implement business process and regulation improvement recommendations; to pilot Childcare Resource & Referral services in northeastern/eastern Montana; to provide temporary child care assistance prioritized for certain health care sector employees; and to provide for direct workforce supports for staff in child care facilities.

Native Americans were disproportionately impacted by COVID. Accordingly, Governor Gianforte prioritized Native Americans for vaccination in Phase 1B of the state vaccination rollout, following frontline healthcare workers. Strong efforts through funding and personnel have continued to be made to increase the number of vaccinations, and those efforts have intensified with the passage of ARPA and implementation of HB 632. Governor Gianforte approved the recommendations of the ARPA Health Advisory Commission for funding of programs aimed at improving the vaccination rate, especially in the state's disproportionate areas of impact, which includes Native American reservations. In addition, departments are proactively communicating with Tribal Governments encouraging participation in ARPA programs.

Describe your jurisdiction's efforts to date and intended outcomes to promote equity using qualitative and quantitative data on how the jurisdiction's approach achieved or promoted equitable outcomes or progressed against equity goals. Describe any constraints or challenges that impacted project success in terms of increasing equity.

House Bill 632 requires departments to develop plans to measure the effectiveness of programs they administer funded by ARPA funds. In addition, it requires many project applicants to state the anticipated outcomes of their project and how they expect to achieve them. Departments must

require periodic reports from the applicants to provide information necessary, including quantifiable data, for the departments to confirm that applications achieved the intended outcomes.

Describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.

The two largest allocations of SFR Funds in HB 632 targeted high-need and frontier, unserved, and underserved communities which tend to be rural communities, including Native Americans reservations. The Montana Legislature allocated \$150M to towns, cities, and counties, in part based on road miles as well as population. Even though Tribal Governments received their own ARPA allocations, HB 632 allows Tribal Governments to apply for competitive water and sewer infrastructure grants, along with local governments. Broadband funds are targeted at frontier, unserved and underserved communities.

The two programs funded during the reporting period also targeted groups with specific needs. Nursing facility payments were distributed based on the number of Medicaid patient days each facility had during 2020, to ensure funds were distributed to where the greatest need for care for poor seniors exists. Return-to-work bonus payments were targeted at those who were unemployed on May 4, 2021.

Community Engagement

Describe how your jurisdiction's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups.

Montana conducted and will continue to conduct public outreach and seek public input to determine uses for SFR Funds.

During the 2021 legislative session, multiple subcommittees of the Montana Legislature conducted days of hearings on ARPA and HB 632 inviting public comment. Public comment continued during hearings before the full House Appropriations and Senate Finance Committees.

House Bill 632 required the Secretary of State to provide a copy of the law to every federally recognized tribe in the state.

Within weeks of the passage of HB 632 and SB 297, Montana created an integrated web portal at www.arpa.mt.gov and a call center to provide information about ARPA and to solicit and receive comments and questions. During the reporting period, 17,345 contacts were made. All questions were responded to and comments were reviewed by the administering department, and, if related to the work of one of the four ARPA Advisory Commissions, were shared with that Advisory Commission.

Advisory Commissions have met, most multiple times, during the reporting period. At each meeting, public comment was solicited generally and on each program proposal. The Economic and Workforce Advisory Commission, which has the broadest scope of purpose, put forth broad

use concepts and specifically solicited public comment up to and during the next meeting where those concepts were again discussed.

Departments have also reached out to and received comments from the public, including specific stakeholders, to provide information, technical assistance, and receive input. To implement the substantial water and sewer infrastructure program:

- DOC, the Department of Natural Resources and Conservation (“DNRC”), and the Department of Environmental Quality (“DEQ”) notified local governments, with an emphasis on rural local governments and Tribal Governments, of the program with outreach led by the technical assistance team at DOC. Those departments advertised the program at training events such as the Montana Rural Water Conference, the Midwest Assistance Program, and the American Water Resources Association. They also worked with the Montana League of Cities and Towns and the Montana Association of Counties to distribute information about the program to their members and through large distribution lists that included: communities, engineering firms that represent communities, and conservation districts. The departments also specifically reached out to communities plagued by safe drinking water and wastewater violations to make them aware of the program.*
- The DOC is offering local governments limited engineering assistance and DOC, DNRC, and DEQ assisted local governments with the application process. They also provided direct training to members of the Montana Association of Conservation Districts and the Montana Water Resources Association.*
- Beyond the reporting period, DOC, DNRC, and DEQ will continue providing trainings and targeted outreach to communities across the state, particularly those that are traditionally underserved and/or have a history of noncompliance with the Safe Drinking Water Act or Clean Water Act to encourage and assist them to apply through the program.*

The Department of Agriculture participated in listening sessions across the state to better understand the negative economic conditions facing agricultural producers. Staff attended eight Summer Field Days at the Montana Agricultural Experiment Stations and conducted Value-Added Roadshow visits in different production regions to solicit input.

DPHHS has received input from dozens of stakeholder organizations across the state on COVID-related issues and suggestions on how SFR and other ARPA funds can be used to address them.

For the Emergency Rental Assistance program, DOC consulted with the Montana Landlord Association, Montana Legal Services Association, NeighborWorks Montana, the Montana Housing Coalition, and numerous other partner organizations for input on program design. In addition, DOC executed a contract with NeighborWorks Montana to deploy a technical assistance and outreach network of approximately a dozen community-based organizations throughout the state to assist renters and landlords with the online application process and conduct outreach for the program. A marketing firm was engaged for robust marketing efforts, including social media, radio, TV, and digital marketing. Advertising included targeted ad placements in rural markets with smaller circulation newspapers and higher concentrations areas of potentially eligible low-income renters. These marketing efforts were amplified with DOC earned media and social media efforts with the NeighborWorks Montana technical assistance and outreach network.

For the Homeowner Assistance Fund program, DOC worked with the state Banking Division to engage Montana non-depository mortgage servicers for needs assessment data and to inform them of the open public comment period for the draft Homeowner Assistance Fund plan. DOC also reached out to mortgage servicer contacts made during administration of the 2020 CARES Act CRF Emergency Housing Assistance Program, the NeighborWorks Montana Homeownership Counseling Network, and the Montana Legal Services Association. A homeowner survey was deployed at www.arpa.mt.gov for direct consumer feedback.

The Department of Labor and Industry (“DLI”) formed a workforce working group made up of representatives from various sectors of business, educational, and employee organizations to receive input on workforce development programs. A second workforce working group has also been formed addressing health and human services related occupations, and includes affected parties.

Departments administering the ARPA programs are proactively communicating with all Tribal Governments encouraging participation in these programs.

Montana has also engaged a public relations firm to provide both general and targeted public outreach to ensure Montanans are aware of the resources and programs available to them funded by SFR Funds and other ARPA funds. General outreach will go to all Montanans, primarily through internet and social media, to promote awareness of www.arpa.mt.gov. Other outreach through a wide range of mediums will target low-income and other disadvantaged Montanans and Montana communities. That outreach will be informed by census, geographic, poverty, and other data to target potential program recipients.

All this public input has and continues to inform how Montana has used and will plan to use its SFR Funds.

Labor Practices

Describe workforce practices on any infrastructure projects being pursued (EC 5). How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.

The Montana Procurement Act, Title 18, Chapter 4- part 1, MCA, requires fairness and transparency in awarding state contracts. Additionally, projects that are public works contracts must contain prevailing wage requirements and a preference for local hiring under the contract. Section 18-2-403, MCA.

The intent of the Montana Prevailing Wage law is to:

- protect local labor markets,*
- maintain the general welfare of Montana workers on public works projects,*
- eliminate wage cutting as a method of competing for public contracts,*
- maintain wages and rates paid on public works at a level to attract highly skilled laborers performing quality workmanship, and*
- prevent the rate of wages from adversely affecting the equal opportunity of Montana contractors to bid on public works.*

To ensure compliance with the law, DNRC and the Montana Department of Administration (DOA) will require information on project labor agreements as a reporting requirement for all subawards. DNRC and DOA will also require information on community benefit agreements as a reporting requirement for all subawards.

Further, Montana requires that contracts for public works projects include provisions for posting prevailing wages through a certified payroll. A certified payroll is a copy of the weekly payroll which the employer has signed to affirm that:

- 1. The payroll is correct and complete;*
- 2. The job classifications conform with the work performed by the worker; and*
- 3. Wages paid are not less than the applicable rates contained in the wage rate schedule.*

Montana will require prevailing wages and certified payroll reporting for all subawards.

Projects that are state construction projects funded by state or federal funds must ensure under the contract that at least 50% of the workers on the project will be bona fide Montana residents in accordance with 18-2-409, MCA. DNRC and DOA will require certification and reporting on local hiring for all subawards. Further, public works contracts must include a provision requiring the contractor to give preference to Montana residents in hiring per 18-2-403, MCA.

Use of Evidence

Identify whether SLFRF funds are being used for evidence-based interventions and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. Specifically, in this section, recipients should describe their overall approach for using evidence and evaluation, including how a Learning Agenda (either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda) could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction. However, detailed evidence information for each project should be included in the Project Inventory.

House Bill 632 requires departments administering programs funded by ARPA to develop plans to measure the effectiveness of the programs. In turn, departments must require applicants to state what they intend to accomplish if selected to receive funding. To the extent that the departments are able to determine generally applicable outcomes to determine the effectiveness of proposals submitted by applicants, departments must require applicants to state how they will achieve those outcomes. Departments may also require applicants to state the outcomes that should be used to determine the effectiveness of their proposals and how they will achieve those outcomes. However, individual applicants participating in certain training programs funded by SFR Funds are exempt from this requirement.

Departments must require periodic reports from the applicants to provide information, including quantitative data, necessary for the departments to confirm that applicants achieved the intended outcomes. These steps will allow Montana to collect data and review the effectiveness of the programs and projects.

Table of Expenses by Expenditure Category

In this section, list the amount of funds used in each Expenditure Category. The table should include cumulative expenses to date within each category, and the additional amount spent within each category since the last annual Recovery Plan.

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2	Expenditure Category: Negative Economic Impacts		
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers	\$163,200	\$163,200
2.12	Aid to Other Impacted Industries	\$15,000,000	\$15,000,000
7	Administrative and Other		
7.1	Administrative Expenses	\$74,108	\$74,108
7.4	Transfers to Nonentitlement Units (States and Territories only)	\$43,056,980	\$43,056,980

Project Inventory

In this section, jurisdictions should provide a description of each project undertaken. Incorporate project details as well as evidence and performance measure information outlined in the relevant sections above. This information should be replicated for all the jurisdiction's projects.

Project 1

[Project \[1\]: Return-to-Work Bonus Initiative](#)

[Funding amount: \\$15,000,000](#)

[Project Expenditure Category: \[2.6, Unemployment Benefits or Cash Assistance to Unemployed Workers\]](#)

Project overview

- A description of the project that includes an overview of the main activities of the project, the approximate timeline, primary delivery mechanisms and partners, if applicable, and intended outcomes.

The Return-to-Work bonus initiative offers \$1,200 payments to individuals receiving unemployment benefits as of May 4, 2021, who subsequently accept employment and complete at least four weeks of work by no later than October 31, 2021. The intended outcome is for workers to reenter the workforce.

- Link to the website of the project if available <https://montanaworks.gov/rtw>
- How project contributes to addressing climate change (for infrastructure projects under EC 5) *N/A*

Use of Evidence

- Briefly describe the goals of the project, and whether SLFRF funds are being used for evidence-based interventions, the evidence base for the interventions, and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. If a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, they must describe the evaluation design.

The goal of the project is to ease a critical labor shortage across Montana. Montana's unemployment rate was down to 3.8% in March, and the state's workforce is more than 10,000 smaller than it was pre-pandemic. Montana will use the New Hire database and quarterly wage reporting records to verify that employees returned to work. The state will capture statistics regarding the number of individuals who return to work through the program from unemployment as well as statistical and demographic information related to the individuals.

Through July 2021, approximately 3,000 individuals had applied for the bonus and approximately 2,000 appear to be eligible to receive the benefit. Other factors may impact the effectiveness of the bonus, including the rise in COVID variants may impact safety perceptions while at the same time, the return of children to school may offer a solution to the childcare dependency that limited some individuals' ability to work.

- Identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories. \$0

Project 2

Project [2]: Nursing Facility Payments

Funding amount: \$15,000,000

Project Expenditure Category: [2.12, Aid to Other Impacted Industries]

Project overview

- A description of the project that includes an overview of the main activities of the project, the approximate timeline, primary delivery mechanisms and partners, if applicable, and intended outcomes.

The Nursing Facility Payments will be paid to nursing homes and hospitals with swing beds to respond to reduced revenue from fewer residents and the additional costs associated with the COVID public health emergency. Funding was allocated to existing facilities based on the number of Medicaid bed days in calendar year 2020.

- Link to the website of the project if available N/A
- How project contributes to addressing climate change (for infrastructure projects under EC 5) N/A

Use of Evidence

- Briefly describe the goals of the project, and whether SLFRF funds are being used for evidence-based interventions, the evidence base for the interventions, and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. If a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, they must describe the evaluation design (see Reporting Guidance for additional details that should be included).

The goal is to ensure nursing homes and hospitals with swing beds have the financial resources to continue to provide quality care for the state's most vulnerable citizens. Measurable outcomes include, but are not limited to, increasing occupancy ratios, increasing average star rating of Montana nursing homes, ensuring nursing home payments from DPHHS remain under cost, reporting monthly data by all participating nursing homes, and ensuring all infection control tags receive technical assistance from the state's quality assurance organization.

- Identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories. \$0

Performance Report

- For the Project Inventories in Section 8, include key performance indicators for your jurisdiction's major SLFRF funded projects. Report key performance indicators for each project, or group projects with substantially similar goals and the same outcome measures. Jurisdictions may choose to include some indicators for each individual project as well as crosscutting indicators. Include both output and outcome measures.

The key performance indicators for the two individual projects are set forth in their inventories above. The goal of incentivizing Montanans to return to the workforce by providing financial incentives will be measured by the number of individuals returning to the workforce both by those who were unemployed and those who had previously exited the workforce. The goals of the Nursing Facility Payments will be measured in terms of occupancy ratios, staff retention, and infection control.

- In addition, you must include the mandatory performance indicators if your jurisdiction has projects in the relevant areas (this information may be included in each recipient's Recovery Plan as they determine most appropriate). Provide data disaggregated by race, ethnicity, gender, income, and other relevant factors, if possible. Data should be presented in a table and each annual report should include updated data for the performance period as well as prior period data.
 - a. Household Assistance (EC 2.2 & 2.5) and Housing Support (EC 3.10-3.12):
 - Number of people or households receiving eviction prevention services (including legal representation) N/A
 - Number of affordable housing units preserved or developed N/A

- b. *Negative Economic Impacts (EC 2):*
 - *Number of workers enrolled in sectoral job training programs N/A*
 - *Number of workers completing sectoral job training programs N/A*
 - *Number of people participating in summer youth employment programs N/A*
- c. *Education Assistance (EC 3.1-3.5):*
 - *Number of students participating in evidence-based tutoring programs N/A*
- d. *Healthy Childhood Environments (EC 3.6-3.9):*
 - *Number of children served by childcare and early learning (pre-school/pre-K/ages 3- 5) N/A*
 - *Number of families served by home visiting N/A*

Ineligible Activities: Tax Offset Provision (States and territories only)

For the initial reporting year, States and territories will report the following items related to the Tax Offset Provision 31 CFR 35.8. Baseline revenue or revenue-increasing covered charges are not required at this time.

Item	Amount
a. Revenue-reducing Covered Changes	\$0