State of Montana
Recovery Plan

State and Local Fiscal Recovery Funds
2022 Report
Table of Contents

General Overview ...................................................................................................................... 2
  Executive Summary .............................................................................................................. 2
  Uses of Funds .................................................................................................................... 2
  Promoting Equitable Outcomes ....................................................................................... 6
  Community Engagement ................................................................................................. 9
  Labor Practices ................................................................................................................. 12
  Use of Evidence ................................................................................................................. 12
  Performance Report ......................................................................................................... 13

Project Inventory .................................................................................................................. 13
  Projects ............................................................................................................................. 13
GENERAL OVERVIEW

Executive Summary

ARPA became law in March of 2021 during the Montana State Legislative session, which meets for 90 days every two years. The House Appropriations Committee and the Senate Finance Committee held joint public hearings and, in conjunction 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 focused on broadband infrastructure.

House Bill 632 established four advisory commissions ("Advisory Commissions") consisting of legislators from both chambers and political parties, as well as 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 regularly during the reporting period to consider agency recommendations and to receive public comment.

Montana also created an ARPA Executive Team including the state ARPA Director, state Budget Director, Deputy Budget Director, Legal Counsel, and a staff member from the state Department of Commerce. The Executive Team meets weekly to discuss all ARPA related issues, ensure project compliance, review timeline adherence, strategize effective communication and assure tracking, transparency, and accountability of all ARPA funds. The state ARPA Director also convenes routine internal working group meetings correlating to each of the above-mentioned Advisory Commissions to discuss issues and proposals and plan for Advisory Commission meetings.

House Bill 632 also required departments develop plans to effectuate performance metric analysis for all ARPA-funded programs. Correlated identification of anticipated outcomes and associated methodology was an application requirement for many project proposers.

The uses of the SFR Funds and the goals and outcomes of those uses have continued to develop as the Advisory Commissions continue to meet and make recommendations.

Uses of Funds

Many uses of State Fiscal Recovery ("SFR") Funds are allocated in the broad categories below. Specific Advisory Commissions, particularly the Economic and Workforce Advisory Commission have broken down the funding into smaller more specific programs. 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. $249,072,662 for competitive grants to local governments, including Tribal Governments.
c. $10,000,000 to regional water authorities.
d. $42,231,698 for other eligible water and sewer projects at the local and state level, and
e. the balance for administrative costs including technical assistance to local communities,

2. $155,100,000 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).
7. The balance of funding for administrative expenses including transparency website, ARPA call center, accounting, monitoring, and reporting.

Note: The State of Montana is going through internal administrative processes to shift ARPA Capital Project Funds to broadband infrastructure projects and move the offsetting State Fiscal Recovery Funds to other uses primarily under the revenue replacement eligibility category. This internal administrative process has not yet been completed. The overall funding level for broadband infrastructure will remain the same at a total of $275,000,000.

In the prior reporting period, the $15M allocation 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. This report reflects additional funding allocations including a reduction in the allocation of return-to-work payments to unemployed workers based upon actual applications.

The uses that have been identified were designed to help support a strong economic recovery. While Montana has posted strong employment recovery since the start of the pandemic, Montana faces a shortage of available workers and a smaller labor force in addition to a lack of housing. 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 funded with other ARPA funding and considered by the Health Advisory Commission have assisted Montanans’ return to the workforce. In addition, substantial investments in water and sewer infrastructure, broadband infrastructure, value-added agriculture, and business innovation are aimed at supporting a strong recovery in both the short and long terms.

The allocation framework employed by the state was designed to maximize programmatic impact while quickly and efficiently administering funds. To the extent possible, Montana has used 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. Likewise, 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.
This approach has reduced development time and bureaucratic redundancy as mature programs generally are administered more efficiently. In the areas of water and sewer infrastructure and broadband infrastructure, HB 632 and SB 297 incentivized local governments and other stakeholders’ contributions of matching funds to the projects which leveraged and maximized scarce federal resources. The Health Advisory Commission recommended funding a provider rate study to determine COVID impacts on medical providers, and determine rate adjustment recommendations, if necessary, to properly reimburse for costs. This will help Montana ensure that provider rates are optimal, which will increase retention of high-quality healthcare services for rural and disadvantaged areas while ensuring accountability and efficiency of federal funds.

Montana strategically implemented programs and uses to maximize equitable outcomes. These include affordable housing, workforce development (including rapid retraining), and return-to-work bonuses for the unemployed. Underserved, marginalized, and/or groups adversely affected by COVID were targeted by these programs, including low-income people, Native Americans, rural populations, developmentally disabled individuals, unemployed, underemployed, and seniors. Often, 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.

Throughout HB 632 and SB 297, language was incorporated to assure programs were implemented around this objective of targeting identified populations. For example, HB 632 allocated $150M to towns, cities, and counties for minimum allocation water and sewer infrastructure grants utilizing the state’s fuel tax allocation formula. This methodology resulted in an intentionally disproportionate and positive benefit to rural areas compared to allocating solely based on population, as the fuel tax formula includes 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 and assist local governments, with an emphasis on rural locations, of the water and sewer infrastructure opportunities. Though Tribal Governments received their own direct allocation of ARPA funds, HB 632 broadened the definition of “local government” to include Tribal Governments in order to make tribes eligible to apply for competitive water and sewer grants. In the Communications area, House Bill 632 and SB 297 emphasized frontier, unserved, and underserved areas for broadband service. The mapping process revealed that many of these program-emphasis areas were in rural Montana, including Native American reservations. Additionally, seniors were particularly adversely affected by COVID thus HB 632 allocated $15M to bolster the economic viability of senior care facilities.

Other ARPA funding streams 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 many of the other funding streams administered through the Montana Department of Public Health and Human Services ("DPHHS") which are eligible for low-income people.

In coordination with the Director of Indian Affairs, state agencies charged with administering the ARPA programs are proactively communicating with all Tribal Governments encouraging participation in these programs.

a. Public Health (EC 1)

Montana quickly and efficiently distributed $15M to nursing facilities which experienced
significant economic harm during the COVID pandemic as they worked to prevent and mitigate infections in their facilities.

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.

Montana provided funding to the state DPHHS to provide employment services to developmentally disabled individuals to assist them with attaining gainful employment.

b. Negative Economic Impacts (EC 2)

Beneficial outcomes of ARPA funding uses that help support a strong recovery, as set forth above, have corresponding and commensurate positive impacts that address negative economic impacts. These uses include nursing facility payments, return-to-work bonuses, affordable housing and workforce development, agriculture infrastructure grants, addressing specific areas of increased crime driven by the pandemic to sustain local economies and support local justice systems, port infrastructure enhancements, small business expansion loans, healthcare worker relocation assistance, 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. In addition, many of water and sewer infrastructure projects, broadband projects, and other projects listed under the revenue replacement category have significant impacts on disproportionately impacted communities.

d. Premium Pay (EC 4)

During the reporting period, no uses of SFR Funds for premium pay to any special class of employees occurred.
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 and are further broken out in the Project Inventory.

f. Revenue Replacement EC 6)

During the reporting period, Montana allocated revenue replacement expenses as outlined in the following table.

<table>
<thead>
<tr>
<th>Total Revenue Replacement Capacity</th>
<th>$189,745,947</th>
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<tbody>
<tr>
<td>Water and Sewer Infrastructure</td>
<td>(2,484,388)</td>
</tr>
<tr>
<td>Workforce Training</td>
<td>(16,000,000)</td>
</tr>
<tr>
<td>Agriculture Infrastructure Grants</td>
<td>(7,875,418)</td>
</tr>
<tr>
<td>Address Crime Increases due to COVID and related economic impacts</td>
<td>(2,315,000)</td>
</tr>
<tr>
<td>Healthcare Worker Recruitment</td>
<td>(4,350,000)</td>
</tr>
<tr>
<td>Business Recovery Assistance Program</td>
<td>(37,000,000)</td>
</tr>
<tr>
<td>Agriculture Transportation/Port Assistance</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td><strong>Balance remaining for allocation</strong></td>
<td><strong>$117,721,141</strong></td>
</tr>
</tbody>
</table>

Promoting Equitable Outcomes

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

b. Awareness: During the reporting period, Montana implemented an information and awareness campaign to make residents and businesses aware of the services funded by SFR Funds. In addition, directed 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.

A more comprehensive description of these promotional steps is set forth in the Community Engagement section of this report, below.

Examples include:
1) the nursing facility payments were made directly to eligible nursing homes and hospitals thus increasing business awareness of the funding source and correlating benefits to senior residents of these facilities;
2) Eligible unemployed citizens (as of May 4, 2021) were directly contacted via email regarding the opportunity to receive a return-to-work bonus. This was augmented by
press accounts leading up to program enactment as well as targeted DLI telephone call outreach to individuals in areas and demographics most difficult to reach or serve or which have high unemployment; and

3) Targeted individuals including unemployed, TANF recipients, and developmentally disabled individuals (already on a waiting list for services) were individually contacted by state employees to ensure their knowledge of available services and to make initial contact for service enrollment.

c. Access and Distribution: Tribal Governments and some local governments were given additional notice of specific 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. In addition to traditional outreach methods including mailings, radio advertising, social media, and internet postings, several program managers have worked with local non-profit organizations to help individuals apply for available resources.

d. Outcomes: Many programs identified during the reporting period have helped close gaps in various identified equity aspects. However, 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 by evaluating and considering affordability as a criterion 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 additional good-paying jobs and help workers develop the associated necessary skills. 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.

Montana’s ARPA program addresses 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.

The large variety of uses of SFR Funds will address economic equity across the breadth of Montana’s broad and diverse geographic, economic and demographic landscape. 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 additional good-paying jobs in the Montana. In fact, the Business Recovery Assistance Program specifically required the creation of additional jobs as an eligibility criterion.

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 of which reside on the state’s seven reservations and are governed by Tribal Governments. These reservations are located in rural areas they tend to have more low-income and unemployed people impacted by COVID. Thus, the planned and current use of ARPA funds discussed heretofore that prioritize economic equity will also help provide opportunities to Native Americans.

Seniors were disproportionally impacted by COVID. In Montana, congregate care facilities serving seniors have taken substantial steps to keep residents safe, which increased their costs and, in order to ensure adequate social distancing, limited their number of occupants and associated revenue. House Bill 632 provided $15M to nursing homes and hospitals with swing beds to allow those facilities to continue to provide safe care of the state’s seniors.

Montana provided funding to the state DPHHS to provide employment services to developmentally disabled individuals to assist them with attaining gainful employment.

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 disproportionally impacted by COVID. 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.

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. Accordingly, Departments must require periodic reports from award recipients to provide information necessary, including quantifiable data, for the departments to confirm that awarded funds achieved intended outcomes.

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 American 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 direct ARPA allocations, HB 632 allowed them to apply for competitive water and sewer infrastructure grants, along with local governments. Broadband funds are targeted at frontier, unserved and underserved communities.

Community Engagement

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](http://www.arpa.mt.gov) and a call center to provide information about ARPA and to solicit and receive comments and questions. To date, over 25,000 contacts have been 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. During each meeting, public comments were 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:

- The Department of Commerce (“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. As application deadlines approach, staff has specifically reached out to cities, towns, and counties who have not yet applied to help them identify eligible uses and develop successful proposals that meet necessary criteria.

- 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 proactively communicated with all Tribal Governments encouraging participation in these programs.

For the Broadband Program (i.e., ConnectMT), the Montana Department of Administration (DOA) conducted multiple community engagement opportunities throughout the state. It hosted three tribal broadband workshops, five public engagement sessions and webinars on the mapping and application process, two technical webinars on the challenge process and application components and spoke at various events including co-sponsoring a broadband summit with the Montana Association of Counties. In addition to these efforts, DOA presented five times in the last 8 months to the Communications Advisory Commission to provide program updates and to receive feedback from the commission and stakeholders. Those workshops and webinar sessions were recorded and posted at https://connectmt.mt.gov/information/webinars

Montana also engaged a public relations firm to provide targeted public outreach to ensure Montanans are aware of the resources and programs available to them funded by SFR Funds and other ARPA funds. Outreach is targeted at all Montanans primarily through the internet and social media but has included some radio advertisements in areas where citizens may not have access to the internet or social media. Other outreach, through a wide range of mediums, targets
low-income and other disadvantaged Montanans and Montana communities and is informed by census, geographic, poverty, and other data to target potential program recipients.

All sources of public input have informed and continue to inform the Montana ARPA program on how Montana has used and will plan to use its SFR Funds.

**Labor Practices**

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**

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.

Performance Report

Both ARPA and HB 632 require performance metrics for funded projects. As a part of the vetting process through informal working groups, the ARPA Executive Committee, Advisory Commissions, and Governor approval, each project has identified goals and objectives. These goals and objectives, as well as output measures are being tracked by administering agencies as funds are expended and projects are completed. To the extent these outcomes and outputs are available, they have been identified in the project inventory that follows.

PROJECT INVENTORY

Project: MT-AWS-304 through MT-AWS-638: Montana Coal Endowment Program Water/Sewer
Funding amount: $24,577,698
Project Expenditure Category: 5, Infrastructure

Project Overview

- The Montana Coal Endowment Program (MCEP) is an existing Montana program that provides technical assistance and funding to communities for planning and constructing improvements to drinking water, sewer, and stormwater systems. In the past year, Montana Department of Commerce staff administered subawards to cities, towns, counties, tribal governments, and county water and sewer districts. Sub-awarded projects are in various stages, and all will be completed by the end of 2026. The intended outcome is Montana communities have the basic infrastructure needed to provide an adequate level of service and protect public health, safety, and welfare including economic wellbeing of citizens.
- Project Website: https://comdev.mt.gov/Programs-and-Boards/Montana-Coal-Endowment-Program/
- This project has contributed to addressing climate change by helping communities plan for and improve the basic infrastructure needed to protect health and safety of citizens and increase resiliency to changing conditions including climate.

Use of Evidence

The main goals of the project are to improve local drinking water, sewer, and stormwater systems and increase public health and safety. The department has not used SLFRF funds for evidence-
based interventions or rigorous program evaluation. However, MCEP is a long-standing program that since 1992 has relied on local governments to provide the evidence of program need through grant applications and public input. Additionally, the department, Governor’s Office, and the state legislature evaluate the need and MCEP’s effectiveness and efficiency in meeting that need through the budgeting and legislative process on a biennial basis.

**Performance Report**

- **Key Performance Indicators**
  - Number of sub-awarded planning projects (output): 62
  - Number of sub-awarded construction projects (output): 42
  - Number of completed drinking water, sewer, and stormwater system improvements (outcome): 0

*Project [Multiple Identification Numbers]: Water & Sewer Minimum Allocation Grants*

- **Funding amount:** $150,000,000
- **Project Expenditure Category:** 5: Infrastructure Water and Sewer
- **Website:** [arpa.mt.gov -> ARPA Water & Sewer Grants](https://arpa-mtdnrc.hub.arcgis.com/)

*Project Overview*

HB 632 directed that $150 million of the coronavirus state fiscal recovery funds be used to provide minimum allocation grants to local governments for water and sewer infrastructure projects eligible for funding under ARPA. The amount a local government is eligible to receive in water and sewer infrastructure grants is in the same proportion and using the same ratios provided for in §§ 15-70-101(2)(b), (2)(c), and (3), MCA. The Minimum Allocation Dashboard displays the grant amounts for each eligible local government [https://arpa-mtdnrc.hub.arcgis.com/pages/minimum-allocation-dashboard].

Grant funds not applied for and awarded or in a pending status by January 1, 2023, are transferred to the competitive grant program. House Bill 632 § 4

The local government shall pledge the lesser of:
- one-to-one matching funds; or
- 25% of the amount that the local government received in coronavirus local fiscal recovery funds provided for in ARPA § 603. A local government may use coronavirus local fiscal recovery funds as matching funds.

DNRC reviewed grant applications as they were received and issued a list of recommended projects to the Infrastructure Advisory Commission (“IAC) by the dates established by the commission. DNRC certifies that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

The Infrastructure Advisory Commission reviewed the lists of recommended water and sewer infrastructure projects and issued a list of recommended projects to the Governor. The IAC certified that each project submitted was a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

Montana’s Governor considered the recommendations of the advisory commission and reviewed the projects to ensure compliance with the American Rescue Plan Act and all applicable guidance before making awards.
Applicants certify that each project submitted is a necessary investment in water or sewer infrastructure as defined in ARPA and all applicable guidance. A recipient may use funds to make investments in: Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments (SRFs).

“Necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. . . Necessary investments are designed to provide an adequate minimum level of service [that] are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change[.]”

“States may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines.”

Grant program guidelines and application materials are published online: [https://arpa-mtdnrc.hub.arcgis.com/pages/minimum-allocation-grant-program](https://arpa-mtdnrc.hub.arcgis.com/pages/minimum-allocation-grant-program)

To date, the Governor has awarded minimum allocation grants to 174 projects for $69.1 million dollars in 50 out of Montana’s 56 counties. Awards are published online [https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications](https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications). DNRC is currently working with those local governments to execute subrecipient agreements.

DNRC compiles a monthly ARPA Water & Sewer Grant Book that describes the project applications in detail including project goals and objectives, estimated costs, and community demographics. Awards are displayed geographically on the Dashboard featured on [https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications](https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications).

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Total Minimum Allocation Grant Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Water (EC 5.1 – 5.9)</td>
<td>$25,464,194</td>
</tr>
<tr>
<td>Drinking Water (EC 5.11 – 5.14)</td>
<td>$40,169,952</td>
</tr>
<tr>
<td>Drinking Water and Clean Water (EC 5.1 – 5.14)</td>
<td>$3,460,715</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$69,094,861</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Government</th>
<th>Total Minimum Allocation Grant Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$36,601,114</td>
</tr>
<tr>
<td>County</td>
<td>$26,193,273</td>
</tr>
<tr>
<td>Town</td>
<td>$6,300,474</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$69,094,861</td>
</tr>
</tbody>
</table>

Project [Multiple Identification Numbers]: Water & Sewer Competitive Grants
Funding amount: $249,072,662
Project Expenditure Category: 5: Infrastructure Water and Sewer

Website: arpa.mt.gov -> ARPA Water & Sewer Grants (https://arpa-mtdnrc.hub.arcgis.com/)

Project Overview

HB 632 directs that $249 million of the coronavirus state fiscal recovery funds (ARPA § 602) must be used to provide competitive grants to local governments for water and sewer infrastructure projects eligible for funding under ARPA. The Competitive Grant Program is open to state and local governments as defined by HB 632 § 2(3) and applications will be ranked and recommended to the Commission and Governor for approval. “Local government” means any city, county, consolidated city-county, school district, or other political subdivision or local government body of the state, including an authority as defined in 75-6-304, water district, sewer district, irrigation district, water users’ association*, conservation district, or tribal government. HB 632 § 2.

ARPA allows for State, local, and Tribal governments to make necessary investments in water and sewer infrastructure by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF). 86 FR 26786 Section II.D.1.

The U.S. Department of the Treasury issued the Final Rule (Final Rule) for the State and Local Fiscal Recovery Funds (SLFRF) program, enacted as a part of the American Rescue Plan Act (87 FR 4338).

For local government water and sewer infrastructure grants, preference may also be given to projects that provide a higher committed match rate. HB 632 § 3.

CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health standards. In administering these programs (CWSRF and DWSRF), states prioritize projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to state affordability criteria. 86 FR 26786 Section II.D.1

DNRC reviewed and ranked grant applications during two competitive rounds of applications and issued lists of recommended projects to the advisory commission. DNRC certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

ARPA Project Ranking for Necessary Water and Sewer Infrastructure Projects aligns with the federal guidance by using the two established ranking systems in the Montana SRF programs which prioritize health-based standards, readiness to proceed and address affordability. Depending on the project type, choose either Drinking Water SRF OR Water Pollution Control SRF Priority Ranking Criteria below. ARPA guidance states “Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change.” In addition to the health-based standards, the ranking considers affordability, water and energy conservation and preference for match.
The Infrastructure Advisory Commission reviewed the lists of recommended water and sewer infrastructure projects and issued a list of recommended projects to the governor. The advisory commission certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance. Montana’s Governor considered the recommendations of the advisory commission and reviewed the projects to ensure compliance with the American Rescue Plan Act and all applicable guidance before making awards.

Applicants certified that each project submitted is a necessary investment in water or sewer infrastructure as defined in ARPA and all applicable guidance. Recipients may use funds to make investments in: Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments (SRFs).

“Necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. . . Necessary investments are designed to provide an adequate minimum level of service [that] are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change[.]”

“States may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines.”

Grant program guidelines, ranking criteria and application materials are published online: http://dnrc.mt.gov/divisions/cardd/docs/arpa/arpa-grant-application-guidance-v5-2-27-22.pdf

To date, the Governor has awarded minimum allocation grants to 169 projects for $241.3 million in 48 of Montana’s 56 counties. Awards are published online https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications. DNRC is currently working with those local governments to execute subrecipient agreements.

DNRC compiled two ARPA Water & Sewer Grant Books that described the project applications in detail including project goals and objectives, estimated costs and community demographics. ARPA Water & Sewer Infrastructure Grant Books Volume 1 & 2 and Volume 9. Awards are displayed geographically on the Dashboard featured on https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Total Competitive Grant Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Water (EC 5.1 – 5.9)</td>
<td>$133,978,203</td>
</tr>
<tr>
<td>Drinking Water (EC 5.11 – 5.14)</td>
<td>$102,006,823</td>
</tr>
<tr>
<td>Drinking Water and Clean Water (EC 5.1 – 5.14)</td>
<td>$5,363,000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$241,348,026</td>
</tr>
</tbody>
</table>
## Local Government

<table>
<thead>
<tr>
<th>Local Government</th>
<th>Total Competitive Grant Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$104,331,957</td>
</tr>
<tr>
<td>County</td>
<td>$13,981,651</td>
</tr>
<tr>
<td>Regional Water Authority</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>School District</td>
<td>$1,325,737</td>
</tr>
<tr>
<td>State Government</td>
<td>$2,902,050</td>
</tr>
<tr>
<td>Town</td>
<td>$67,338,767</td>
</tr>
<tr>
<td>Tribal Government</td>
<td>$5,839,457</td>
</tr>
<tr>
<td>Water and/or Sewer District</td>
<td>$41,628,407</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$241,348,026</strong></td>
</tr>
</tbody>
</table>

**Project [Multiple Identification Numbers]: Water & Sewer Competitive Irrigation Grants**

- **Funding amount:** $10,000,000
- **Project Expenditure Category:** 5.9 Clean Water: Nonpoint Source

**Website:** arpa.mt.gov -> ARPA Water & Sewer Grants (https://arpa-mtdnrc.hub.arcgis.com/)

**Project Overview**

Recognizing that agriculture is an important part of Montana’s economy and has its own infrastructure needs, the Infrastructure Advisory Commission recommended that $10 million of Competitive Grants (described above) fund agricultural irrigation projects. This ARPA program will help improve Montana’s irrigation infrastructure while providing water quality benefits. Agricultural irrigation the conveyance of water specifically for agricultural cropland including pasture, hay, and grass. Agricultural irrigation projects must provide a water quality benefit in order to be eligible uses of ARPA funds.

**Improvements include work that is to be done on existing irrigation infrastructure that includes the following AND provide a water quality benefit. Eligible projects are those that:**

- Repair, replacement, or reconstruction of existing structures, such as a structure designed to divert surface water, that will benefit temperature or sediment water quality.
- Provide upgrades to a system, such as adding an impermeable liner to an unlined irrigation canal and structures, vegetation, or managerial controls designed to prevent sediment, nutrient, or temperature pollution from irrigation tailwater; or
- Convert a system to a more efficient irrigation system to reduce or conserve for the benefit of nitrogen, phosphorus, sediment, temperature, or salinity.

**DNRC reviewed and ranked grant applications during two rounds of applications and issued lists of recommended projects to the advisory commission. DNRC certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.**

**Projects were ranked according to the Water Pollution Control SRF scores as established in the Competitive Grant Program above.**
The Infrastructure Advisory Commission reviewed the lists of recommended water and sewer infrastructure projects and issued a list of recommended projects to the governor. The advisory commission certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance. Montana’s Governor considered the recommendations of the advisory commission and reviewed the projects to ensure compliance with the American Rescue Plan Act and all applicable guidance before making awards.

To date, the Governor has awarded minimum allocation grants to 34 projects for $8.8 million in 21 of Montana’s 56 counties. Awards are published online https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications. DNRC is currently working with those local governments to execute subrecipient agreements.

<table>
<thead>
<tr>
<th>Local Government</th>
<th>Total Irrigation Grant Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$30,000</td>
</tr>
<tr>
<td>Conservation District</td>
<td>$2,130,823</td>
</tr>
<tr>
<td>County</td>
<td>$500,000</td>
</tr>
<tr>
<td>Irrigation District</td>
<td>$5,581,010</td>
</tr>
<tr>
<td>Water and/or Sewer District</td>
<td>$185,000</td>
</tr>
<tr>
<td>Water Users Association</td>
<td>$372,319</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,799,153</strong></td>
</tr>
</tbody>
</table>

Project [Multiple Identification Numbers]: Regional Water Authority Grants
Funding amount: $15,000,000
Project Expenditure Category: 5.10 – 5:15 Drinking Water

Website: arpa.mt.gov -> ARPA Water & Sewer Grants (https://arpa-mtdnrc.hub.arcgis.com/)

HB 632 authorized $10 million in grants to the four Regional Water Authorities (Rural Water Authorities) within Montana for necessary investments in drinking water infrastructure. HB 632 also authorized $5 million in Regional Water Authority funds under House Bill 11. http://dnrc.mt.gov/divisions/cardd/regional-water-systems

The Fort Peck-Dry Prairie Regional Water System is in the northeastern-most portion of the state. This system is the result of a successful joint venture between the Assiniboine and Sioux Tribes of the Fort Peck Reservation and nontribal individuals and communities adjacent to the reservation. The Assiniboine and Sioux Rural Water Supply Company partnered with the Dry Prairie Rural Water System to build a regional water system that is actively improving the quality of life for residents of northeast Montana.

Rocky Boy’s North Central Montana Regional Water System was authorized by Congress in November 2002. The system will serve an estimated population of 28,000, both on the Rocky Boy’s Reservation and in numerous non-Reservation systems located in six north central Montana counties.

The Central Montana Regional Water Authority was established in September 2005, with a board of directors representing each community to be served. The Authority was organized to help
towns and rural residents in Central Montana that have been plagued for decades by poor water quality and quantity. Communities along the Musselshell River drainage have long had difficulty in obtaining drinking water from reliable sources.

The Dry-Redwater Regional Water Authority was formed in 2005 to own and operate a regional water system that would provide household and livestock water to the proposed service area. The project was established due to interest from local officials and residents of the counties of Garfield, McCon, Richland, north Dawson and a portion of Prairie in Montana and McKenzie County in North Dakota. The System as planned would serve over 15,000 residents, primarily utilizing water from Fort Peck Reservoir on the Missouri River.

Currently, two of the Regional Water Authorities have received grant awards for $2.5 million each for eligible drinking water projects. Each of these Regional Water Authorities also received competitive grant awards to leverage funds.

<table>
<thead>
<tr>
<th>Subrecipient</th>
<th>Project Title</th>
<th>Total Competitive Grant Amount</th>
<th>Total Regional Water Authority Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Montana Regional Water Authority</td>
<td>Central Montana Regional Water Authority Musselshell Judith Rural Water Phase 2</td>
<td>$2,000,000*</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Dry Prairie Rural Water Authority</td>
<td>Dry Prairie Rural Water Authority Opheim Mainline Construction</td>
<td>$2,000,000*</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Central Montana Regional Water Authority</td>
<td>Musselshell-Judith Regional Water System-Phase 1-Ubet Wellfield to Harlowton</td>
<td>$2,802,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$4,000,000</strong></td>
<td><strong>$7,802,000</strong></td>
</tr>
</tbody>
</table>

*Competitive Grant amounts accounted for in the Competitive Grant Program above.

Project [Multiple Identification Numbers]: Renewable Resource Grants and Reclamation Development Grants
Funding amount: $10,923,258
Project Expenditure Category: 5: Infrastructure Water and Sewer

HB 632 authorized the use of ARPA Water & Sewer Grant funds for the Renewable Resource Grant Program in House Bill 6 and 14 and one Reclamation Development Grant project in House Bill 7. DNRC administers both existing grant programs.

The Montana Legislature established the Renewable Resource Grant and Loan Program (RRGL) to fund the conservation, management, development, and preservation of Montana’s renewable resources. Renewable Resource Grant Program projects conserve, manage, develop, or preserve Montana’s renewable resources. Numerous public facility projects including drinking water, wastewater and solid waste development and improvement projects have received funding through this program. Other renewable resource projects that have been funded include irrigation rehabilitation, soil and water conservation and forest enhancement.

The RRGL Program funds projects up to $125,000 and several smaller grant programs including emergency, irrigation development, private and planning grants.
The Reclamation and Development Grants Program (RDGP) is a legislatively appropriated grant program designed to fund projects that indemnify Montana citizens for the effects of mineral development of public resources and that meet other crucial state needs, serving the public interest and the total environment of the people of Montana. The purposes of the RDGP are (1) to repair, reclaim, and mitigate environmental damage to public resources from non-renewable resource extraction and (2) to develop and ensure the quality of public resources for the benefit of all Montana citizens.

DNRC staff verify eligibility of ARPA Water & Sewer funds for each RRGL and RDG grant. Project types include drinking water source, storage, transmission and distribution improvement projects, wastewater treatment and collection as well as various non-point source projects eligible under the DWSRF and CWSRF guidelines.

Grants have been awarded to projects in 46 out of Montana’s 56 counties.

<table>
<thead>
<tr>
<th>DNRC Grant Program</th>
<th>Grants</th>
<th>Total Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRG Emergency</td>
<td>2</td>
<td>$20,000</td>
</tr>
<tr>
<td>RRG Planning</td>
<td>48</td>
<td>$673,000</td>
</tr>
<tr>
<td>RRG Project</td>
<td>55</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>RRG Watershed Management</td>
<td>3</td>
<td>$82,000</td>
</tr>
<tr>
<td>RDG Project</td>
<td>1</td>
<td>$429,000</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>109</td>
<td><strong>$8,204,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Total RRG and RDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Water (EC 5.1 – 5.9)</td>
<td>$5,813,000</td>
</tr>
<tr>
<td>Drinking Water (EC 5.11 – 5.14)</td>
<td>$2,391,000</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$8,204,000</strong></td>
</tr>
</tbody>
</table>

Climate Change - water and sewer projects will upgrade or improve delivery of clean drinking water and collection of wastewater and reduce the energy demands on water and wastewater systems. Water demand management encompasses both water efficiency and conservation practices and can occur on the supply side (increase efficiency of delivering water to customers) and wastewater side (increase efficiency of collection of wastewater and stormwater from customers). Water conservation is a cost-effective method that can help meet water needs in a sustainable manner. Measuring and managing water and wastewater efficiently will help local governments provide safe and reliable drinking water and wastewater collection in communities facing drought or flooding.

Protecting water quality, periods of extreme heat and low precipitation can degrade surface water quality, necessitating seasonal or episodic requirements for alternate sources or more advanced treatment. Turbidity and pollutant loads following storms and high flow events may also drive utilities to alter their source or treatment following events.

Justice 40 Initiative – 71 communities in Montana (Census Tracts) are identified as “Disadvantaged” by the methodology created by the Justice 40 Initiative. Generally, the communities that are “disadvantaged” in Montana are low income and are not higher education non-enrollment. [https://screeningtool.geoplatform.gov/en/methodology#5.31/45.919/-112.792](https://screeningtool.geoplatform.gov/en/methodology#5.31/45.919/-112.792)
The Minimum Allocation Grant Program was established to ensure that all communities including those that are marginalized, underserved, and overburdened by pollution had access to funds for necessary investments in clean water and wastewater infrastructure by distributing funds to all counties and cities and towns based on an allocation formula that factors in population and road miles.

The Competitive Grant Program established a ranking criterion that gave the most weight to projects that ensured compliance with health and safety requirements, address the most serious risks to human health and assist communities most in need based on affordability which is a ratio of water and user rates and the area’s median household income. ARPA Water and Sewer grant funds will address critical infrastructure improvements in Montana lessening the impact of water and sewer user rates to residents in these communities. Within these communities, development of critical clean water infrastructure will:

- Replace lead service lines
- Increase access to safe drinking water and sanitary sewer services
- Reduce raw sewage discharge
- Increase community water systems that meet applicable health-based standards
- Reduce waterborne illnesses

Use of Evidence

N/A for Water & Sewer


page 42 - Appendix 1: Expenditure Categories.

EC5 Infrastructure does not require Use of Evidence or Project Demographic Distribution

Performance Report

HB 632 Section 27 requires agencies administering programs funded by the American Rescue Plan Act shall develop plans to measure the effectiveness of the programs by requiring grant applicants to state what they intend to accomplish if selected to receive funding. To the extent that the agencies are able to determine generally applicable outcomes to determine the effectiveness of proposals submitted by applicants, agencies shall require applicants to state how they will achieve those outcomes. Agencies 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.

Water and sewer grant applications including the competitive grants, minimum allocation grants and competitive irrigation grants require applicants to define the overall project goal, list the objectives to achieve that goal and define the measurements of success or project effectiveness. These performance measures vary depending on the project type and the amount of funding available.

DNRC requires subrecipients to define those measurable objectives to be defined in subaward agreements and requires quarterly progress reports that subrecipients must complete in order to receive reimbursement for eligible expenses.

Project effectiveness measures vary by project type, drinking water vs. clean water project types, but will continue to demonstrate common metrics. DNRC also tracks project effectiveness by
monitoring project milestones such as anticipated/actual date of construction and anticipated/actual date of initiation of operations.

Examples:
   Drinking Water Source: New well
   Drinking Water Treatment: New water treatment system
   Drinking Water Transmission or Distribution: Feet of mains or service connections, feet of lead service line replaced, new or replaced hydrants.
   Clean Water Centralized Treatment: Feet of lagoon wall repair, units of lagoon liner replaced, etc.
   Clean Water Collection: Feet of collection main replaced
   Clean Water Nonpoint Source: Feet of streambank restored, feet of irrigation canal lined.

Performance indicators will be summarized as projects are completed or subaward agreements are finalized and closed out.

DNRC maintains a project inventory of all Water & Sewer grants awarded and reports that data, monthly, to the ARPA Dashboard (https://gov.mt.gov/arpadashboard/) which is a summary of all State of Montana ARPA funds distributed statewide. The water and sewer funded projects are grouped by the different Water & Sewer grant programs: Minimum Allocation, Competitive, Competitive Irrigation, RRG and RDG. The project inventory is available for download at the ARPA Dashboard.

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Project: TECH 2021 65010001: Technical Assistance
Funding amount: $750,000
Project Expenditure Category: 7, Administrative

Project Overview

- The Technical Assistance project provides outreach and technical assistance to help local governments identify high priority water and sewer projects eligible for ARPA funding and develop funding applications. In the last year, Montana Department of Commerce staff have created outreach materials and trainings, met with local governments and other applicants, and assigned engineering consultants to assist local governments with the technical elements of improving drinking water, sewer, and stormwater systems. This project will be completed by the end of 2026. The intended outcome is an increased number of high-quality applications to ARPA water and sewer funding programs.
- Project Website: https://arpa-mtdnrc.hub.arcgis.com/
- This project has contributed to addressing climate change by helping communities plan for and improve the basic infrastructure needed to protect health and safety of citizens and increase resiliency to changing conditions including climate.

Use of Evidence

- The main goal of the project is to help local governments leverage ARPA funds to improve drinking water, sewer, and stormwater systems. The department has not used SLFRF funds for evidence-based interventions or rigorous program evaluation. However, Montana Department of Commerce staff are working with other state agencies to evaluate
the remaining ARPA funding in combination with local capacity to target outreach and technical assistance to communities in greatest need.

Performance Report

- Key Performance Indicators
  - Number of counties that have received technical assistance (output): 56

Project: NFP 2021 69010 001: Nursing Facility Payments
Funding amount: $15,000,000
Project Expenditure Category: 1.4-Prevention in Congregate Settings

Project overview

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.

Use of Evidence

The goal was to ensure nursing homes and hospitals with swing beds had 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.

Performance Report

The goals of the Nursing Facility Payments will be measured in terms of occupancy ratios, staff retention, and infection control.

Project: RR 2021 66020 001: Rapid Retraining – Department of Labor and Industry
Funding amount: $2,000,000
Project Expenditure Category: 2.10-Assistance to Unemployed or Underemployed Workers

Project Overview:

This program provides rapid retraining to individuals impacted by COVID-19 to obtain employment in in-demand occupations. The Montana Department of Labor & Industry (DLI) is utilizing current WIOA providers to do outreach to individuals across the state that can benefit from rapid retraining programs to increase self-sufficiency and wages. This program targets individuals who may not be able to be assisted by traditional workforce programs; specifically, those individuals currently
employed but not earning a self-sufficient wage. The trainings are targeted to those that can be completed within three (3) months and no more than six (6) months.

In addition to training, enrolled individuals are eligible for supportive services and living assistance incentives if the individual has a documented offer of employment at the completion of the training. Businesses are also eligible for incentives if they commit to hiring an individual who will be trained by this program.

This program started in December 2021 and is slated to run through June 30, 2023.

Use of Evidence:

The goal of the program is to train individuals in rapid training programs designed for in-demand occupations.

Performance Report:

Through May 2022, 256 individuals have been enrolled in the program. Of these 40 have received (or are receiving) training for Commercial Driver’s License training, 24 for Certified Nursing Assistant, and 10 each for Dental Assistant, Medical Assistant and Nursing Science.

Twelve (12) individuals and nine (9) businesses have received incentives under this program.

Project: – EE 2021 69010 001: Individuals with Disabilities Employment engagement
Funding Amount: $2,000,000
Project Expenditure Category: 2.10-Assistance to Unemployed or Underemployed Workers

Project Overview:

The Montana Department of Labor & Industry (DLI) in conjunction with the Montana Department of Health & Human Services (DPHHS) has implemented the Individuals with Disabilities Employment Engagement Program.

DPHHS Vocational Rehabilitation (VR) provides services to individuals with disabilities to obtain, regain, maintain, and advance in employment and Montana’s workforce. Individuals with disabilities have specifically been negatively impacted by the pandemic as pandemic-related layoffs have disproportionately impacted the disability community. From March to April 2020, the number of employed working-age people with disabilities fell by 20 percent (950,000 people), while the number of employed working-age people without disabilities decreased by 14 percent.

This Program augments current counseling staff by temporarily adding 10 qualified full-time rehabilitation staff. This has allowed the VR program to invite nearly 1,000 additional individuals with disabilities in for services that intend to lead to employment over the next biennium.

There are approximately 1,300 individuals with disabilities currently waiting for such an invitation, the primary barrier being funding to support staff to offer engagement and assistance.
Individuals with disabilities are prioritized via ARPA as an underserved and underrepresented group in the current labor force. This program is using ARPA funds to hire staff and expand service capacity, thereby engaging more individuals and ultimately fill more jobs with skilled workers.

Ten temporary staff have been employed with assignments that conclude no later than December 31, 2023. Staff have been hired in locations nearest the individuals they are serving in existing and underserved communities.

Use of Evidence:
These funds are not being used for evidence-based interventions at this time.

Performance Report

- Montana Vocational Rehabilitation and Blind Services (VRBS) has onboarded ten Vocational Rehabilitation Technicians throughout the state to support Rehabilitation Counseling staff since Jan 2022.
- The ten technicians have participated in the following trainings since being onboarded:
  - VRBS Foundations
  - VR 101 through Interworks Institute at San Diego State University
  - Job Seeker Central through Montana Department of Labor and Industry
- Through these efforts the work that is being conducted by the technicians has allowed VRBS to invite over 800 individuals with disabilities in for employment plan services that had been on the Order of Selection Waiting list. These individuals are currently receiving services to prepare for training services or to directly enter the workforce.

Project RR 2021 69010 001: Rapid Retraining – Department of Public Health & Human Services
Funding Amount: $2,000,000
Project Expenditure Category: 2.10-Assistance to Unemployed or Underemployed Workers

Project Overview:
The Rapid Retraining Program is an effort between The Montana Department of Public Health and Human Services and the Department of Labor & Industry. The does the following:

Utilizes the existing state network of contracted workforce program operators to quickly disperse money to local communities. These funds are being used to conduct and support short term training needs and offer Montana citizens impacted by the COVID-19 Pandemic the opportunity to reestablish their self-sufficiency.

Targeted and demand industries and occupations are those that have high labor or technical skill demands, that offer expanded career opportunities, that provide self-sustaining wages, and/or that were negatively impacted by the pandemic.

Funding is focused on (but not limited to) short term worker training for jobs in targeted and demand industries and occupations. Preference will be given to underserved and underrepresented labor pools and/or individuals with arranged employment commitments.
The department has begun distribution to eligible clients and has amended contracts for both the SNAP and TANF providers that fall within the scope of these services.

Use of Evidence:

These funds are not being used for evidence-based interventions.

Performance Report

- Assistance to Unemployed or Under Employed Workers (EC 2.10) and Community Violence Interventions (EC 1.11):
  - Number of workers enrolled in sectoral job training programs: 19
  - Number of workers completing sectoral job training programs: 19
  - Training by Type:

<table>
<thead>
<tr>
<th>Training</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dental Assistant</td>
<td>1</td>
</tr>
<tr>
<td>Line Program</td>
<td>7</td>
</tr>
<tr>
<td>Certified Nursing Assistant (C.N.A.)</td>
<td>1</td>
</tr>
<tr>
<td>Phlebotomy</td>
<td>6</td>
</tr>
<tr>
<td>Commercial Drivers’ License (CDL)</td>
<td>1</td>
</tr>
<tr>
<td>Certified Clinical Medical Assistant (CCMA)</td>
<td>2</td>
</tr>
</tbody>
</table>

- Number of people participating in summer youth employment programs N/A
- Number employed post-training: 8 (42%)
- Employment by Type:

<table>
<thead>
<tr>
<th>Employment</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundman - Line program</td>
<td>2</td>
</tr>
<tr>
<td>Certified Nursing Assistant</td>
<td>1</td>
</tr>
<tr>
<td>Laborer - Line program</td>
<td>1</td>
</tr>
<tr>
<td>Meter Reader</td>
<td>1</td>
</tr>
<tr>
<td>Warehouse worker</td>
<td>1</td>
</tr>
<tr>
<td>Dental Assistant - Phlebotomy</td>
<td>1</td>
</tr>
<tr>
<td>Optometry Assistant</td>
<td>1</td>
</tr>
</tbody>
</table>

Project: R2W 2021 66020 001: Return-to-Work Bonus Program
Funding amount: $3,664,800
Project Expenditure Category: 2.10-Assistance to Unemployed or Underemployed Workers

Program Overview:

This program was developed to encourage Montanans to reenter the workforce and increase worker availability for businesses, Governor Gianforte announced the state would be the first in the nation to terminate federal supplemental unemployment benefits and launch a Return-to-Work
bonus program. Recommended unanimously by the bipartisan Economic Transformation and Stabilization and Workforce Development Advisory Commission, the program offered a $1,200 bonus to active UI claimants who obtained jobs and resumed working. It assisted workers as they transitioned off government support and supported Montana businesses by encouraging workers to apply for unfilled positions around the state. The Return-to-Work bonus program was offered to the approximately 24,000 Unemployment Insurance (UI) claimants who were actively utilizing UI benefits at the beginning of May 2021.


Use of Evidence:

The goal of the program was to incentive individuals to return to work. Over the course of the program, 3,054 people returned to work and no longer received Unemployment Insurance benefits.

Performance Report:

In total, 3,054 people received the incentive after accepting and maintaining employment at Montana businesses. Some highlights of the program include:

- Applications were received from 6,175 individuals, with 3,054 applicants (49%) being approved to receive the $1,200 bonus.
- A total of $3,664,800 in Return-to-Work Bonuses were distributed across the state.
- The program incentivized claimants to return to work all over Montana. The 3,054 recipients of the bonus represented 50 of Montana’s 56 counties.
- While nearly 60% of recipients earned wages less than $30,000 per year prior to unemployment, 60% of the jobs obtained by recipients earned $15 or more per hour, suggesting a significant increase in earnings.
- Over 14% of incentive recipients obtained work in Food Preparation and Serving Occupations, a sector of significant labor scarcity.
- Most applicants who were not approved to receive the bonus were ineligible for the program (29%) or failed to provide verification of reemployment (35%).

Montana’s economy grew throughout 2021, adding a total of 8,900 payroll jobs from May to December. By providing incentives to obtain employment, the Return-to-Work bonus program facilitated the transition back to work for thousands of UI claimants and provided relief to employers seeking to fill positions across Montana.

Project: GAP 2021 65010 001 Affordable Housing Gap Financing
Funding amount: $15,000,000
Project Expenditure Category: 2.15-Long-Term Housing Security: Affordable Housing

Project Overview

The Montana Housing Division within the Department of Commerce has directed $15 million of ARPA State Fiscal Recovery funds to ensure affordable housing in the development pipeline that has already received federal funding awards or Housing Credit allocations in prior years will be
successfully completed. These funds will provide critical gap financing for projects experiencing significant development cost increases due to COVID-19 related worker shortages, supply chain disruptions, and price escalations in key building materials like lumber. These cost escalations have jeopardized the financial feasibility of these projects, and gap funding is critically needed to ensure affordable housing developments that the state of Montana has already invested in will be successfully completed and placed in service.

https://housing.mt.gov/Multifamily-Development/Multifamily-Funding-Sources

Use of Evidence

The Department of Commerce will be working with the Office of Evaluation Sciences (OES) to identify evidence building opportunities to shape evidence about the role of the SLFRF program in improving outcomes for disproportionately impacted populations in Montana. OES partnered with Treasury to identify and recommend data sources and evaluation opportunities to build evidence about the ARPA funds spent through the SLFRF program. OES reviewed SLFRF guidance and conducted a systematic review of research reports on SLFRF to identify data that can be used to monitor and assess the program. OES then designed descriptive and impact evaluations options to assess a range of important economic and equity outcomes.

This partnership will result in a study that demonstrates that the funds were used to contribute to an equitable recovery by making investments that support long-term growth and opportunity.

Performance Report

- 918 units of deed restricted affordable housing units will be created or preserved
- Projects will either: be physically located in Qualified Census Tract (QCT); Primary intended beneficiaries live within a QCT; Eligibility criteria of intended beneficiaries earn less than 60 percent of median income; Projects will be recipients of HOME or HTF funds, or another qualifier in accordance with the Final Rule.

Project: [Identification Number TBD]: Broadband Infrastructure (ConnectMT Program)
Funding amount: $155,100,000
Project Expenditure Category: EC 5.19-5.21; Broadband Projects

Project Overview

As stated in the August 2021 report, MT SB 297 created the ConnectMT Act to establish the broadband infrastructure deployment program. The Department of Administration (DOA) is responsible for establishing and administering ConnectMT through receiving and reviewing responsive proposals and awarding contracts in compliance with federal guidance/criteria and in accordance with established scoring measures in order to meet the needs of unserved and underserved Montanans. Before awarding any contracts, contracts will be reviewed by the Department of Administration pursuant to the requirements set forth in SB 297 and the Communications Advisory Commission created by HB632 to oversee Montana's American Rescue Plan Act dollars. The Governor will then approve any proposal recommended for funding
by the department. The Communications Advisory Commission meetings are public and are archived and noticed on the ConnectMT website (Home (mt.gov)).

DOA launched the statewide broadband map and the application portal on February 7th, 2022, for ConnectMT. The ConnectMT application window closed on April 29, 2022, for allocations and awards from the American Rescue Plan Act. ConnectMT received 80 requests from 24 applicants in 30 counties to serve 158,019 locations. Applicants requested a total of $521,488,380 to fund $715,507,870 in projects. There were $182,584,410 in matching funds for the proposed projects. Proposals included 74 fiber-to-the-premises projects for over $470 million in requests, 6 fixed wireless projects for over $37 million in requests, and 2 combination (fixed wireless and fiber) projects for over $13 million in requests.

As part of the evaluation process to ensure compliance with federal funding, the state provided an opportunity to challenge the applications to prevent over-building infrastructure in the same locations. ConnectMT received 59 challenge applications. The challenge application window was open from May 6, 2022, through June 4, 2022, for applicants to provide information on requested funding regarding locations that are either currently served or where other federal funding sources are already committed to provide service to proposed locations in an application. The results of challenges were issued on June 24, 2022, and applicants were given until June 30, 2022 to revise their applications.

All original/unchallenged and revised applications are presently under review and scoring by the department and results are anticipated to be presented to the Communications Advisory Commission and subsequently to the Governor for approval of awards and contracts, in August 2022.

See https://connectmt.mt.gov/ for additional information.

After review of OMB Memo M-21-28, the ConnectMT Program (i.e., a broadband infrastructure initiative) is not a “covered program” or “covered investment” subject to the Justice40 initiative.

Use of Evidence

Program evaluation goal for ConnectMT is to achieve broadband development projects located in unserved or underserved areas that are eligible based upon the requirements of SB 297. An unserved area means an area of Montana in which at least 10% of delivery points have no access to broadband service or have no access to services operating with a download speed of at least 25 megabits per second and upload speed of at least 10 megabits per second with low latency. An underserved area means an area of Montana in which households or businesses do receive service at or above the FCC threshold of 25 Mbps down and 3 Mbps up, have no access to broadband service offered with a download speed range of less than 100 megabits per second and an upload speed of 20 megabits per second or less with low latency.

Program evidence base for evaluation of goal achievement is through the award of installation/infrastructure grants via the parameters identified in the documents and the process information on the ConnectMT website (https://connectmt.mt.gov/). Data and performance collection for grant awards will be collected and monitored per ARPA guidance and will be incorporated into the Statewide Broadband Map (available at the ConnectMT website above). The map will provide a visual representation of goal achievement.

Appendix 1 – Expenditure Category
Performance Report

Performance management is achieved through Montana’s hiring of consulting firms to work with the state in tandem to assess the current broadband infrastructure, assist with the development of program criteria, awards, and monitoring over the full duration of the ARPA performance period requirements. CTC Technology & Energy has been hired as the main consulting firm technical expertise and infrastructure monitoring.

As demonstrated by documents and the process information on the ConnectMT website (https://connectmt.mt.gov/), all performance and data collection for all grant awards under ConnectMT will include the requirements of the Coronavirus State and Local Fiscal Recovery Funds, Compliance and Reporting Guidance. Refer specifically to the “Forms & Guidance” section of the ConnectMT website.

The following shows the requirements contained in both the ConnectMT materials and the SLFRF guidance. All projects are still under active review and have not been approved by DOA or the Communications Advisory Commission or the Governor so details cannot be provided at this time. These specifics will be included in the next report once award determinations have been made.

Overall Project Information
- Confirm that the project is designed to, upon completion, reliably meet or exceed symmetrical 100 Mbps download and upload speeds
  - If the project is not designed to reliably meet or exceed symmetrical 100 Mbps download and upload speeds, explain why not, and
  - Confirm that the project is designed to, upon completion, meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.
- Confirm that the service provider for the project has, or will upon completion of the project, either participated in the Federal Communications Commission (FCC)’s Affordable Connectivty Program (ACP) or otherwise provided access to a broad-based affordability program that provides benefits to households commensurate with those provided under the ACP to low-income consumers in the proposed service area of the broadband infrastructure (applicable only to projects that provide service to households).

Detailed Project Information
- Project technology type(s) (Planned/Actual)
  - Fiber
  - Coaxial Cable
  - Terrestrial Fixed Wireless
  - Other (specify)
- Total miles of fiber deployed (Planned/Actual)
- Total number of funded locations served (Planned/Actual)
  - Total number of funded locations served, broken out by speeds:
    - Pre-SLFRF Investment:
- Number receiving 25/3 Mbps or below
- Number receiving between 25/3 Mbps and 100/20 Mbps
  - Post-SLFRF Investment (Planned/Actual):
    - Number receiving minimum 100/100 Mbps
    - Number receiving minimum 100/20 Mbps and scalable to minimum 100/100 Mbps
      - Total number of funded locations served, broken out by type (Planned/Actual):
        - Residential
        - Total Housing Units
        - Business
        - Community anchor institution
- Speed tiers offered, corresponding non-promotional prices, including associated fees, and data allowance for each speed tier of broadband service (required starting October 2022).

Location-by-Location Project Information
For each location served by a Project, the recipient must collect from the subrecipient or contractor and submit the following information to Treasury using a predetermined file format that will be provided by Treasury on the SLFRF website (required starting October 2022):
- Latitude/longitude at the structure where service will be installed
- Technology used to offer service at the location
- Location type
  - Residential
    - If Residential, Number of Housing Units
    - Business
    - Community anchor institution
- Speed tier at the location pre-SLFRF investment
  - 25/3 Mbps or below
  - Between 25/3 Mbps and 100/20 Mbps
- Speed and latency at the location post-SLFRF investment
  - Maximum download speed offered
  - Maximum download speed delivered
  - Maximum upload speed offered
  - Maximum upload speed delivered
  - Latency

Project RATE 2021 69010 001: Provider Rate Study
Funding Amount: $2,750,000
Project Expenditure Category: 1.14 Other Public Health Services

Project Overview:
The Department of Public Health and Humans Services (DPHHS) is conducting a detailed provider rate methodology study for home and community-based services. The provider rate study focused on two outcomes. The first outcome, a provider cost and wage survey, along with
other program and data analysis, to establish benchmark provider rates that would ensure reimbursement would cover costs of services review. The second outcome was to develop a cost reporting plan to allow the department to gather and maintain cost/reimbursement benchmark information and make recommendations on methodologies to adjust provider rates, if necessary, in an effort to maintain services. The rate study is focused on the significant impact COVID-19 has had on service delivery, the costs to sustain high-quality services, and address workforce shortages. The department hired a contractor to perform the rate study. Within this process the contractor is engaged with providers as they execute the study in the following ways:

- Designate a Provider Rate Steering Committee
- Designate three population-focused workgroups (behavioral health, developmental disabilities, senior and long-term care)
- Encourage stakeholder engagement (providers, members, family, health care workers, etc.)
- Develop and implement a Provider Cost and Wage Survey
- Provide analysis of the data submitted from the Provider Cost and Wage Survey
- Develop benchmark rate recommendations with transparent methodologies
- Develop a Provider Rate Cost Plan and rate methodologies for the department to implement in future years to keep the benchmark information and reimbursement rates current.

The project effective dates are from November 1, 2021, to October 31, 2022. The department link for this provider rate study is as follows: Provider Rate Study (mt.gov)

Use of Evidence:

This project is not implementing direct services or interventions. Rather, the focus of this project is to ensure reimbursement rates for evidence based direct services or interventions were covering the cost of those services and what impact Covid had on costs of services. The methodologies and sources used industry standards to perform the development, analysis, and recommendations for this project. The final rate recommendations will include considerations for implementation of evidence-based interventions and Covid impacts.

The evaluation design and monitoring focused on three populations: Senior & Long-Term Care, Behavioral Health, and Developmental Disabilities. Each population has specific programs identified for this provider rate study and detailed outcomes such as can be seen for Adult Behavioral health below:
Adult Behavioral Health Rate Study

The scope of this study would encompass mental health and substance abuse programs, spanning Medicaid state plan and waiver services.

**Purpose of Rate Study**
- Establish/confirm rates for new services (mobile crisis teams, ASAM, etc.)
- Evaluate alignment with rates for similar services established by other divisions
- Evaluate rate equity for TCM vs. other services
- Support greater needs at MHCs vs. other community providers
- Examine potential need for rate differentials among frontier/rural/suburban areas
- Analyze direct care wage assumptions and comparability to hospital salaries
- Absorb direct care wage add-on into base rate assumptions
- Establish service-specific productivity assumptions

**Scope of Services**
- 1115 HEART Waiver
- MHC services
- SUD services
- Additional services

*SUD Waiver services discussed in STAIC workshop*

**Key Deliverables**
- Peer State Comparisons
- Service Definition Review & Recommendations
- Regulatory/Statutory Review
- Rate Models
- Fiscal Impact Analysis
- Final Report of Rate Recommendations

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**Adult Behavioral Health Rate Study – Service Detail**

**MHC Services**
- Peer Supports
- PACT
- Day Treatment
- Illness Management
- Community Based Psychiatric Rehab & Support
- Adults Foster Care
- Crisis Stabilization
- Montana Assertive Community Treatment (MACP)
- Behavioral Health Group Home

**SUD Services**
- Outpatient Therapy
- Partial Hospitalization
- Medication Assisted Therapy
- Clinically Managed Residential
- Drug Testing
- Medically Monitored Intensive Inpatient
- High/Low Tier SUD Intensive Outpatient
- Peer Support
- Psychosocial Rehab
- Alcohol/Drug Testing and Screening

- Targeted Case Management – Non MH
- Targeted Case Management – MH
- Care Coordination
- Crisis Management (Mental Health Center/Inpatient Hospital)
- DBT Psychotherapy Services
- Tenancy Support Services (1115 HEART Waiver)
- Acute Partial Hospitalization
- Dialectical Behavior Therapy (Individual/Group)
- Intensive Individual

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State of Montana 2022 Recovery Plan Performance Report 34
The overall monitoring process can be best presented in the following slides:

### Communication Process

- **Identify Stakeholders**
- **Methods of Communication**
- **Determine Frequency**
- **Communication Updates**

#### Tools and Methods

- **Workgroup**
  - Member Roster
  - Communication Matrix

- **Workgroup Meetings**
  - Agendas
  - Email Notifications
  - DPHHS Rate Study Web Page
  - Workgroup Meetings
  - Formal Presentations

- **Workgroup Meetings Jan-Jun**

- **Meeting Minutes**
  - DPHHS Rate Study Web Page
  - Status Reports
  - Actions Items List and Follow-up

### Provider Cost and Wage Survey

*Guidehouse will develop and administer a Provider Cost and Wage Survey to collect provider costs across multiple services and programs. Cost survey data will serve as the basis for approved rate studies.*

#### Providers Included

- Adult Behavioral Health
- Children's Mental Health
- DDP Providers
- SLTC Providers

#### Purpose of Cost and Wage Survey

- Capture provider cost data to provide cost foundation for rate studies
- Receive uniform inputs across all providers to develop standardized rate model components
- Measure inflationary impact on direct care worker wages
- Establish baseline cost assumptions for comparing and standardizing services operating in different divisions and waiver authorities
- Determine cost basis for evaluating rate equity for services
- Gather needed data to understand billable vs non-billable time per service
- Investigate differences in costs among frontier/rural/suburban areas
- Solicit general feedback from providers to explore service delivery improvements and efficiencies

### Key Deliverables

- Comprehensive Provider Cost and Wage Survey ("Full" Survey)
- Service Specific Cost Surveys (as needed)
- Survey Instructions
- Provider Communications and Support
- Cost Analysis
- Provider Trainings

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Project Management Professionals are managing detailed work plans and timelines to support the identified outcomes in the above slides.

$0.00 were allocated to direct service evidence-based interventions.
Performance Report

Key Performance Indicators are deliverables to be provided and are best reflected below in the timeline illustrated below:

This project does not include any mandatory performance indicators for project in relevant areas.