



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

# State of Montana

## **Recovery Plan**

## **State and Local Fiscal Recovery Funds**

### 2025 Report

July 31, 2025

**State of Montana**  
**2025 Recovery Plan**

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## **GENERAL OVERVIEW**

### **Executive Summary**

ARPA became law in March of 2021, during the State of Montana 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, the executive branch departments recommended programs and projects to the Advisory Commissions, the Advisory Commissions made recommendations to the Governor, and the Governor approved final uses. Early in the reporting period, departments took public comment through a centralized web portal and call center. All Advisory Commissions met regularly during the first two reporting periods 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 met 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 convened routine internal working group meetings correlating to each of the Advisory Commissions to discuss issues and proposals and plan for Advisory Commission meetings.

House Bill 632 also required departments to 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.

As of the date of this report, all ARPA funds have been obligated and state agencies are well on their way completing the projects funded with the ARPA dollars by the required deadline.

### **Uses of Funds**

Many uses of State Fiscal Recovery ("SFR") Funds were allocated in the broad categories below. Specific Advisory Commissions, particularly the Economic and Workforce Advisory Commission broke down the funding into smaller more specific programs. HB 632 appropriated those SFR Funds and linked them to the respective Advisory Commissions as follows:

1. \$462,689,925 for water and sewer infrastructure projects (Infrastructure), including:
  - a. \$148,019,776 for minimum allocation grants to towns, cities, and counties.
  - b. \$247,229,183 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. \$190,964,215 for broadband infrastructure projects (Communications),
  3. \$153,000,000 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, auditing, and reporting.

*In 2023, the State of Montana shifted ARPA Capital Project Funds to broadband infrastructure projects and moved the offsetting State Fiscal Recovery Funds to other uses primarily under the revenue replacement eligibility category. The overall funding level for broadband infrastructure increased to \$319,142,662 (including administrative costs).*

*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 Montanan's return to the workforce. In addition, substantial investments in water and sewer infrastructure, broadband infrastructure, value-added agriculture, and business innovation were 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 used existing programs to deploy its funds. For example: Montana used 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 flowed through existing state programs. This approach 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 helped 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 included affordable housing, workforce development (including rapid retraining), and return-to-work bonuses for the unemployed. Underserved, marginalized, and/*

*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 ensure programs targeted identified populations. For example, HB 632 allocated nearly \$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. All tribal governments received their own direct allocation of ARPA funds, HB 632 broadened the definition of "local government" to include tribal governments to make tribes eligible to apply for competitive water and sewer grants. In the Communications area, HB 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 benefitted 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 ARPA 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 proactively communicated 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 provided wastewater services and clean drinking water to many communities.*

*In addition to uses funded with SFR funds, many other ARPA funding streams flowed through DPHHS to 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 that helped 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 helped address Montana's worker shortage. The healthcare provider rate study helped 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 have helped 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, included 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 ongoing positive 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.*

<i>Total Revenue Replacement Capacity</i>		\$189,745,947
	<i>Water and Sewer Infrastructure</i>	<i>(1,956,231)</i>
	<i>Workforce Training</i>	<i>(15,767,862)</i>
	<i>Agriculture Infrastructure Grants</i>	<i>(7,872,418)</i>
	<i>Address Crime Increases due to COVID and related economic impacts</i>	<i>(2,315,000)</i>
	<i>Healthcare Worker Recruitment</i>	<i>(3,577,822)</i>
	<i>Business Recovery Assistance Programs</i>	<i>(86,070,829)</i>
	<i>Capital Construction Projects</i>	<i>(62,685,785)</i>
	<i>Agriculture Transportation/Port Assistance</i>	<i>(2,000,000)</i>
	<i>Agriculture Hail Insurance</i>	<i>(7,500,000)</i>
<i>Balance remaining for allocation</i>		\$0

### **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 prior reporting period, Montana completed 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 ensure 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 the 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 worked with local non-profit organizations to help individuals apply for available resources.*

- d. Outcomes: Many programs identified during the reporting period helped close gaps in various identified equity aspects. However, SFR Funds were insufficient to reach universal levels of service.*

*The Water and Sewer Infrastructure program helped 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 has helped close the gap between frontier, unserved, underserved, and other communities. The Affordable Housing program, together with the non-SFR funded Emergency Rental Assistance program and Mortgage Assistance program, helped close the immediate and longer-term gap in housing between low-income and other Montanans. The workforce, value-added agriculture, and business innovation programs has provided additional good-paying jobs and helped workers develop the associated necessary skills. The healthcare provider rate study has helped 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 has addressed economic equity in several ways. Non-SFR Funds funded programs, included 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 have addressed economic equity across the breadth of Montana's broad and diverse geographic, economic, and demographic landscape. More affordable housing has provided more living opportunities for low-income individuals and families. Rapid retraining has helped those currently unemployed or underemployed quickly meet the qualifications for available jobs. Other workforce training programs have helped workers, including workers from disadvantaged groups, develop their skills for good paying jobs. Value-added agriculture and business innovation programs have helped create additional good-paying jobs in Montana. In fact, the Business Recovery Assistance Program specifically required the creation of additional jobs as an eligibility criterion.*

*Allocating nearly \$150M in water and sewer infrastructure grants to all towns, cities, and counties, in part based on road miles and not just population, ensured that rural communities, including Native American reservations, which tend to have a higher percentage of low-income individuals*

*than urban communities, are better able to address clean water and drinking water challenges. Even though tribal governments received their own ARPA allocations, HB 632 allowed 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, located in rural areas, 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 have helped provide opportunities to Native Americans.*

*Seniors were disproportionately impacted by COVID. In Montana, congregate care facilities serving seniors have taken substantial steps to keep residents safe, which increased their costs and, 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 were 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 allowed, 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 and referral services in northeastern/eastern Montana; to provide temporary child care assistance prioritized for certain health care sector employees; and to provide for direct workforce supports for staff in child care facilities.*

*Native Americans were disproportionately impacted by COVID. 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 include Native American reservations. In addition, departments proactively communicated with tribal governments encouraging participation in ARPA programs.*

*House Bill 632 required departments to develop plans to measure the effectiveness of programs they administer that are funded by ARPA funds. In addition, it required many project applicants to state the anticipated outcomes of their project and how they expected to achieve them. Accordingly, Departments are requiring 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 nearly \$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 were targeted at frontier, unserved, and underserved communities.*

## **Community Engagement**

*Montana conducted public outreach to 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. Thousands of Montanans were able to access information related to ARPA programs via both the web portal and the call center. 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 met multiple times during prior reporting periods. 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 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 their programs 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 offered 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 approached, staff specifically reached out to cities, towns, and counties who had not yet applied to help them identify eligible uses and develop successful proposals that met necessary criteria.

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 throughout the state to solicit input.

DPHHS received input from dozens of stakeholder organizations across the state on COVID-related issues and suggestions on how SFR and other ARPA funds could 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. Those 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](http://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 was also formed addressing health and human services related occupations and included affected parties.

Departments administering the ARPA programs proactively communicated with all tribal governments encouraging participation in these programs.

For the Broadband program (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 many times 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/events/archive>.

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

All sources of public input informed the Montana ARPA program on how Montana used 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) required information on project labor agreements as a reporting requirement for all subawards. DNRC and DOA also required information on community benefit agreements as a reporting requirement for all subawards.

Further, Montana incorporated the requirements of ARPA Sections 602 and 604 into all Broadband project contracts.

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 required departments administering programs funded by ARPA to develop plans to measure the effectiveness of the programs. In turn, departments required applicants to state what they intended to accomplish if selected to receive funding. To the extent that the departments were able to determine generally applicable outcomes to determine the effectiveness of proposals submitted by applicants, departments required applicants to state how they expected to achieve those outcomes. Departments also required some applicants to state the outcomes that should be used to determine the effectiveness of their proposals and how they expected to achieve those outcomes. However, individual applicants participating in certain training programs funded by SFR Funds were exempt from this requirement.

Departments required 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 allowed Montana to collect data and review the effectiveness of the programs and projects.

### **Performance Report**

Both ARPA and HB 632 required 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 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**

- a. 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 and closed out 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): 4.
  - All awarded projects are fully contracted 'obligated' with 2 exceptions: Phillips County Buffalo Trail WSD has returned/declined the award.
  - Likely to be minimal construction cash expenditures on several of these projects until late 2024 or more likely in 2025. Some engineering or grant administration funds, as budgeted, will be paid out as projects are making progress for on the ground activities.

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

Funding amount: \$148,019,776

Project Expenditure Category: 5: Infrastructure Water and Sewer

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

### Project Overview

HB 632 directed that nearly \$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 at <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, were transferred to the competitive grant program. House Bill 632, section 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 have used 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 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.

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: the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund investments.

“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>

DNRC is currently working with those local governments to oversee subaward agreements, reimburse eligible project expenses, and report on project deliverables.

DNRC compiled a monthly ARPA Water and Sewer Grant Book that described the project applications in detail including project goals and objectives, estimated costs, and community demographics. <https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications>.

Use of Evidence:

N/A for Water and Sewer. EC5 Infrastructure does not require Use of Evidence or Project Demographic Distribution

<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>  
page 42 - Appendix 1: Expenditure Categories.

\*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions (see Use of Evidence section above for details)

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities (see Project Demographic Distribution section above for details)

Performance Report:

To date, the Governor has awarded minimum allocation grants to 362 projects totaling \$148 million dollars in 56 of Montana’s 56 counties. Awards are published online at <https://arpa-mtdnrc.hub.arcgis.com/pages/minimum-allocation-grant-program>

<b>Project Type</b>	<b>Total Awards</b>	<b>Total Reimbursed</b>
Clean Water (EC 5.1 – 5.9)	\$59,604,444	\$32,622,699
Drinking Water (EC 5.10– 5.15)	\$88,415,332	\$59,954,874
<b>Grand Total</b>	<b>\$148,019,776</b>	<b>\$92,577,573</b>

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

Project [Multiple Identification Numbers]: Water and Sewer Competitive Grants

Funding amount: \$247,229,183

Project Expenditure Category: 5: Infrastructure Water and Sewer

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

Project Overview

HB 632 directed the coronavirus state fiscal recovery funds (ARPA section 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 was open to state and local governments as defined by HB 632 section 2(3) and applications were ranked and recommended to the Commission and Governor for approval. “Local government” meant 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 section 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 was also given to projects that provide a higher committed match rate. HB 632 section 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 was 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 aligned 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. [ARPA Water & Sewer Grant Application Guidelines – Appendix C Guidance for Ranking.](#)

The Infrastructure Advisory Commission reviewed the lists of recommended water and sewer infrastructure projects and issued a list of recommended projects to the governor. 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: <https://dnrc.mt.gov/docs/conservation/ARPA/Tools-and-Resources/ARPA-Grant-Application-Guidance-V5-2.27.22.pdf>

DNRC compiled two ARPA Water and Sewer Grant Books that described the project applications in detail including project goals and objectives, estimated costs, and community

demographics. ARPA Water and Sewer Infrastructure Grant Books [Volume 1 & 2](#) and [Volume 9](#).

Use of Evidence:

*N/A for Water and Sewer. EC5 Infrastructure does not require Use of Evidence or Project Demographic*

Performance Report:

*To date, the Governor has awarded minimum allocation grants to 166 projects for \$247 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 oversee subaward agreements, reimburse eligible project expenses, and report on project deliverables.*

<b>Project Type</b>	<b>Total Awards</b>	<b>Total Reimbursed</b>
Clean Water (EC 5.1 – 5.9)	\$131,610,974	\$81,293,748
Drinking Water (EC 5.10– 5.15)	\$105,958,752	\$70,626,017
<b>Grand Total</b>	<b>\$237,569,726</b>	<b>\$151,919,765</b>

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

Funding amount: \$9,659,457

Project Expenditure Category: 5.9 Clean Water: Nonpoint Source

Website: [arpa.mt.gov -> ARPA Water and Sewer Grants \(https://arpa-mtdnrc.hub.arcgis.com/\)](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 has helped improve Montana’s irrigation infrastructure while providing water quality benefits. Agricultural irrigation is the conveyance of water specifically for agricultural cropland including pasture, hay, and grass. Agricultural irrigation projects must provide a water quality benefit 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 was 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 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.

Use of Evidence:

N/A for Water and Sewer. EC5 Infrastructure does not require Use of Evidence or Project Demographic Distribution

Performance Report:

To date, the Governor has awarded grants to 37 projects for \$9.67 million in 23 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 oversee subaward agreements, reimburse eligible project expenses, and report on project deliverables.

<b>Project Type</b>	<b>Total Awards</b>	<b>Total Reimbursed</b>
Clean Water (EC 5.9)	\$9,659,457	\$7,335,464
<b>Grand Total</b>	<b>\$9,659,457</b>	<b>\$7,335,464</b>

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](https://arpa-mtdnrc.hub.arcgis.com/) -> ARPA Water and 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/cadd/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, McCone, 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.*

*North Central Montana Regional Water System's goal is to ensure a safe and sustainable rural, municipal, and industrial water supply for citizens residing in Chouteau, Hill, Liberty, Pondera, Teton, Glacier, and Toole counties. The Chippewa Cree Tribe of the Rocky Boy's water right's compact was ratified by the 1997 Montana Legislature and signed by President Clinton in December of 1999, provided a water allocation of 10,000-acre feet to the Tribe from Lake Elwell (Tiber Reservoir), south of Chester, Montana. In addition to providing a water supply for the Tribe, the project was also expanded to provide water service to residents of Chouteau, Hill, Liberty, Pondera, Teton, Glacier, and Toole counties in Montana. On December 12, 2002, President Bush signed S.2017, the Rocky Boy's/North Central Montana Regional Water System (NCRMWS) Act of 2002 (PL 107-331, 116 Stat. 2859) as the final step in the federal approval process and the beginning of a project to improve the quality of life for the Tribe and residents of north central Montana.*

Use of Evidence:

*N/A for Water and Sewer. EC5 Infrastructure does not require Use of Evidence or Project Demographic Distribution*

Performance Report:

*To date, DNRC has executed agreements for the \$10,000,000 allocated for the House Bill 11 funds and has executed agreements for Regional Water Authority (HB 632 Sec. 5) grants.*

<b>Subrecipient</b>	<b>Total Regional Water Authority Grant (HB 11) Awards \$5,000,000 total obligation</b>	<b>Total Regional Water Authority (HB 632 Sec. 5) Grant Awards</b>	<b>Total Grants</b>	<b>Total Reimbursed</b>
Central Montana Regional Water Authority	\$4,450,000	\$2,500,000	\$6,950,000	\$5,294,331
Dry Prairie Rural Water Authority	\$0	\$2,500,000	\$2,500,000	\$2,500,000
North Central Montana Regional Water System	\$250,000	\$2,500,000	\$2,750,000	\$2,725,621
Dry-Redwater Regional Water Authority	\$300,000	\$2,500,000	\$2,800,000	\$1,054,273
<b>TOTAL</b>	<b>\$5,000,000</b>	<b>\$10,000,000</b>	<b>\$15,000,000</b>	<b>\$11,574,225</b>

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

Project [Multiple Identification Numbers]: Renewable Resource Grants and Reclamation Development Grants

Funding amount: \$8,200,267 Project Expenditure Category: 5: Infrastructure Water and Sewer

*HB 632 authorized the use of ARPA Water and 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 verified eligibility of ARPA Water and 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.

**Performance Report:**

To date, grants have been awarded to 158 projects for \$8,200,267 in 47 of Montana’s 56 counties. DNRC is currently working with those local governments to oversee subaward agreements, reimburse eligible project expenses, and report on project deliverables.

<b>DNRC Grant Program</b>	<b>Total Awarded</b>	<b>Total Reimbursed</b>
RRG Emergency	\$88,500	\$88,500
RRG Irrigation Development Grant	\$160,333	\$130,333
RRG Planning	\$686,441	\$626,441
RRG Private	\$89,354	\$89,354
RRG Project	\$6,745,617	5,522,096
RRG Watershed Management	\$69,915	\$69,915
RDG Project	\$360,106	\$360,106
<b>Grand Total</b>	<b>\$8,200,267</b>	<b>\$6,886,746</b>

<b>Project Type</b>	<b>Total Awarded</b>	<b>Total Reimbursed</b>
Clean Water (EC 5.1 – 5.9)	\$5,462,136	\$4,335,031
Drinking Water (EC 5.10– 5.15)	\$2,738,131	\$2,551,715
<b>Grand Total</b>	<b>\$8,200,267</b>	<b>\$6,886,746</b>

*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>*

*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, addressed the most serious risks to human health, and assisted 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 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 has:

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

#### Use of Evidence

N/A for Water and Sewer

<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>  
page 42 - Appendix 1: Expenditure Categories.

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

#### Performance Report

HB 632 Section 27 required agencies administering programs funded by the American Rescue Plan Act to 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 required applicants to state how they will achieve those outcomes. Agencies also required 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 required 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 and 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 and Sewer grant programs: Minimum Allocation, Competitive, Competitive Irrigation, RRG and RDG. The project inventory is available for download at the ARPA Dashboard.*

*Project: TECH 2021 65010001: Technical Assistance*

*Funding amount: \$1,500,000*

*Project Expenditure Category: 7, Administrative*

*Project Overview*

- The Technical Assistance project provided 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 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*
  - *Number of incorporated cities and towns that have received technical assistance (output): 127*
  - *Number of tribal governments that have received technical assistance (output): 8*
  - *175 of 181 eligible applicants (Counties and Cities/Towns) applied for 98.92% of all available funding available through Montana’s Minimum Allocation Grant program.*

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 were 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 included, but were 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 were 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: *\$3,250,000*

Project Expenditure Category: *2.10-Assistance to Unemployed or Underemployed Workers*

### Project Overview:

*This program provided rapid retraining to individuals impacted by COVID-19 to obtain employment in in-demand occupations. The Montana Department of Labor and Industry (DLI) utilized existing WIOA providers to do outreach to individuals across the state that could benefit from rapid retraining programs to increase self-sufficiency and wages. This program targeted individuals who may not have been able to be assisted by traditional workforce programs; specifically, those individuals currently employed but not earning a self-sufficient wage. The*

*trainings were targeted to those that could be completed within three (3) months and no more than six (6) months.*

*In addition to training, enrolled individuals were eligible for supportive services and living assistance incentives if the individual had a documented offer of employment at the completion of the training. Businesses were also eligible for incentives if they committed to hiring an individual who was trained by this program.*

*This program ran through June 30, 2024.*

*Use of Evidence:*

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

*Performance Report:*

*Through June 2023, 863 individuals have been enrolled in the program, with 597 of those completing or otherwise ending their enrollments. Of these 681 have received (or are receiving) training. The most common training programs undertaken by participants are courses to obtain a Commercial Driver's License (CDL), with 149 individuals seeking CDLs. After CDLs, Certified Nurse Assistant (CNA) and Educator Empowerment trainings, with 92 and 69 trainees, respectively, are the most common programs. The incentives offered to trainees during participation have been received by 102 participants, while 27 businesses have received incentives for agreeing to hire a trainee upon program completion.*

*A total of \$2,070,964 of the program's funding was expended. Approximately \$1.2 million went directly to pay for trainings, with approximately \$300,000 towards supportive services, \$,000 towards participant and business incentives used in the ARPA Facility Recruitment 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 and Industry (DLI) in conjunction with the Montana Department of Health and 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:
  - i. VRBS Foundations*
  - ii. VR 101 through Interworks Institute at San Diego State University*
  - iii. Job Seeker Central through Montana Department of Labor and Industry*
  - iv. 2023 VRBS All-Staff*
  - v. WIOA Regional Planning sessions**
- 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. The Waiting List was cleared on Jan 20, 2023. Since the Waiting List was eliminated applications for the program have increased by 30% and the additional staff supported by this project has allowed the program to manage and serve a caseload that is historically higher than the eight years. 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 and 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 and Industry. The program 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):*
  - *Number of workers enrolled in sectoral job training programs: 160*
  - *Number of workers completing sectoral job training programs: 118 (74% completion rate)*
  - *Training by Type:*

Training by Type	SFY 2022	SFY 2023	SFY 2024	Combined Totals
<b>Subsidized Employment</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>4</b>
Dental Assistant	1	0	0	1
Medical Assistant	0	1	0	1
Certified Clinical Medical Assistant (CCMA)	0	1	0	1
Phlebotomy	0	1	0	1
<b>Short-term Training</b>	<b>17</b>	<b>81</b>	<b>63</b>	<b>161</b>
Accounting/Bookkeeping		2	2	4
Buisness Operation Specialist			1	1
Certified Clinical Medical Assistant (CCMA)	2	6	4	12
Certified Nursing Assistant (C.N.A.)	1	18	10	29
Computer Coding			2	2
Computer Security Training			2	2
Computer Skills(Basic)			1	1
Commercial Drivers License (CDL)	1	12	21	34
Job site readiness (construction)			1	1
Cosmetology special cerfications		12	1	13
Dental Assistant		1		1
Dog Grooming			1	1
Doula			1	1
Drone Pilot			1	1
EMDR Ttherapy certification		1		1
Emergency Medical Technician (EMT)		1	1	2
Grant Writing certificate		1		1
Home Inspector certification		1		1
Lineman Program	7	12		19
Medical Coding		2	2	4
NAADAC-SAP Counseling		1		1
OSHA Certs/Hazmat			1	1
Peer Support			1	1
Paralegal			1	1
Phlebotomy	6	4	3	13
Production Assistant		1		1
Realestate License		1	1	2
Remote/telework Certificate		4	1	5
Suicide Awarness ASIST-T4T Certificate		1		1
Welding			4	4
<b>Apprenticeship</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>18</b>	<b>84</b>	<b>63</b>	<b>165</b>

- Number of people participating in summer youth employment programs: N/A
- Number employed post-training: 65 (55%)
- Employment by Type:

Employment by Type
Administrative Assistant
Cashier
Certified Clinical Medical Assistant
Certified Nursing Assistant
Commercial Drivers License (CDL)/Truck driver
Construction
Cosmetology-self employed
Counseling
Dental Assistant
Groundman - Line program
Laborer - Line program
Meter Reader- Line program
Optometry Assistant
Phlebotomy
Restaurant business
Retail
Teachers Aide
Therapy
Warehouse worker - CDL program
Bookkeeping

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.*

<https://lmi.mt.gov/docs/Publications/LMI-Pubs/Special-Reports-and-Studies/ReturnToWorkReport.pdf>

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

*Montana Housing with the Department of Commerce has executed a contract with the Center for Children, Families, and Workforce Development (CCFWD) with the University of Montana to conduct an evaluation of the State and Local Fiscal Recovery Funds Affordable Housing Gap Financing Project. The project requires an evaluation to build evidence about the role that SLFRF funds play in improving outcomes for disproportionately impacted populations in Montana as a result of the COVID-19 pandemic. The CCFWD will complete the following as part of this evaluation:*

- *Research on previous and/or current housing development projects that were/are being evaluated will be conducted to assist in the Evaluation Plan. The focus of this initial research will be on best-practices to evaluate and assess the efficacy of providing housing to homeless populations to reduce adverse outcomes within this population.*
- *Conduct extensive literature reviews focused on assessing and evaluating social determinants of health (SDOH) after providing the intervention of stable housing to homeless individuals. Examples of the SDOH to be tracked in this project include, but are not limited to, crime rates, food insecurity, access to health and mental health, employment, poverty, childcare and school attendance/absenteeism.*
- *Engage key Stakeholders in the design of the Evaluation Plan that includes CCFWD staff outreach to and interviews with selected key of Stakeholders. Facilitate any needed Stakeholder meetings during the finalization of Evaluation Plan in the first quarter of Year 1; facilitate second Stakeholder meeting in the first quarter of Year 2 to update progress of the project; and facilitate third Stakeholder meeting in the final quarter of Year 3 to share evaluation findings and obtain feedback.*
- *Define in the Evaluation Plan the required Learning Agenda(s) in consultation with Stakeholders.*
- *Gathering of publicly available and publicly requested community-level data determined to be associated with the outcomes of the project as identified within the Evaluation Plan.*
- *Quantitative data analysis of the community level data gathered utilizing statistical methods identified within the Evaluation Plan.*
- *Collection of quantitative and qualitative data from the recipients of housing created through SLFRF funds to provide participant perspective. This may include surveys and/or focus groups to collect these data. Should in-person interviews and/or focus groups be part of the approved Evaluation Plan, CCFWD activities will further include:*
  - *Development of qualitative surveys and plans to collect these data.*
  - *Travel to housing location sites to conduct interviews and/or focus groups.*
  - *Participant incentives to incentivize interview and/or focus group participation.*
  - *Analysis of interview and/or focus group data, as designed within the Evaluation Plan.*

*As of July 18, 2025, CCFWD has established relationships with all of the sites, completed multiple site visits, and held stakeholder engagement meetings. The following table provides a timeline and deliverables.*

Timeline													
Please note, this timeline is an estimate only. Estimated time for project activities depend on receipt of information from DOC, housing project timelines; and in relation to surveys and interviews, the availability of housing recipients. Due to the start date in Q2 of 2023, one year equates to Q2 through the following calendar year's Q1.													
Activities	2023			2024				2025				2026	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Monthly Meetings with Montana Housing	X	X	X	X	X	X	X	X	X	X	X	X	X
Research on Housing Development and Best Practices	X	X											
Literature Reviews on Evaluation Methodologies of Social Determinants of Health	X	X											
Stakeholder Engagement/Meetings	X	X			X							X	X
Evaluation Planning and Finalization	X	X											
Survey/Interview Tool Development	X	X											
Gather Community-level Data		X	X							X	X		
Surveys/Interviews – Data Collection Including Any Associated Travel			X	X	X	X	X	X	X	X	X		
Quantitative and Qualitative Data Analysis Including GIS Mapping and Analysis				X		X		X		X	X	X	
Summary Evaluation Report												X	X

The CCFWD will provide a summary Evaluation Report to include the findings of the evaluation to be submitted to Montana Housing on or before April 30, 2026. 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

- *Projects are either: 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 are recipients of HOME or HTF funds, or another qualifier in accordance with the Final Rule.*
- *Key Performance Indicators*
  - *Number of units completed and under lease: 680*
  - *Number of units under construction: 20*
- *The expected completion for the units still under construction is December 31, 2026.*

Project: *Broadband Infrastructure (ConnectMT Program)*

Funding amount: \$190,964,215

Project Expenditure Category: *EC 5.19-5.21; Broadband Projects*

### Project Overview

*The 2021 Montana Legislature passed, and the Governor signed MT Senate Bill 297 creating the ConnectMT Act to establish the Broadband Infrastructure Deployment Program. The Department of Administration (DOA) was charged with 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. Prior to award, applications were reviewed by the Communications Advisory Commission which was created by HB632 to oversee Montana's American Rescue Plan Act dollars. The*

Communications Advisory Commission meetings were noticed on the [ConnectMT](#) website. On December 14, 2022, the Governor approved 61 projects recommended for funding, covering 61,887 serviceable locations across Montana. Of these locations 38,631 are unserved communities, 21,956 are underserved communities, and 1,300 are frontier communities.

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 in order 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 were either currently served or where other federal funding sources were 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 were scored by the department. The department presented initial award recommendations to the Communications Advisory Commission (CAC) on August 8, 2022. The CAC made the decision prior to advancing the awards to the Governor, to establish a newly created ARPA Broadband Independent Review Group (ABIRG) that reviewed the application documentation and scoring. The results of the ABIRG review and revise award recommendations were presented at the December 8, 2022, CAC meeting and subsequently forwarded to Governor Gianforte for review and approval. The Governor accepted the CAC's recommendations on December 14, 2022. Subsequent to the Governor's approval, the Department worked with awardees to execute grant agreements, which incorporated the federal and state grant terms and conditions. As of June 30, 2025, the department has obligated \$190,405,644.39 for 33 fiber-to-the-premises (FTTP) projects.

See [connectmt.mt.gov](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 goals for ConnectMT were to achieve broadband development projects located in unserved or underserved areas that were 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 20 megabits per second

with low latency. An underserved area means an area of Montana in which households or businesses do not 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 basis for evaluation of goal achievement was 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). The map will provide a visual representation of goal achievement.

Appendix 1 – Expenditure Category

<i>5. Infrastructure</i>	<i>EC</i>	<i>Amount</i>
<i>Broadband “Last Mile” projects</i>	<i>5.19</i>	<i>\$190,405,644.39</i>
<i>Broadband: IIJA Match</i>	<i>5.20</i>	<i>N/A</i>
<i>Broadband: Other projects</i>	<i>5.21</i>	<i>N/A</i>

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 and Energy was hired as the main consulting firm for technical expertise and infrastructure monitoring with two subcontracted partners (McKinsey and Company for strategy baseline; Summit Consulting for additional public engagement).

All obligated projects were designed to, upon completion, reliably meet or exceed symmetrical 100Mbps download and upload speeds or the project has documented that 100 Mbps download and upload speeds are currently impracticable; therefore, the project was designed, upon completion to meet or exceed 100Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed, and will be scalable to a minimum of 100 Mbps download speed and 100Mbps upload speed in the future. All service providers for the project will participate in the Federal Communications Commission (FCC)’s Affordable Connectivity Program (ACP). The obligated projects, upon completion, will provide reliable internet service to enable work, education, and health monitoring to residential, businesses and community anchor institutions, if any, that were previously unserved or underserved. In addition, to receive additional points in the application scoring, some subrecipients made commitments to support open access and provide free internet service to community centers for five years. Subrecipients that received these points have additional performance requirements outlined in the respective grant agreements.

In order to ensure the obligated projects meet the performance requirements outlined in the respective grant agreements, subrecipients are required to submit monthly, quarterly, and

annual reports. The Department or its consultants will review the subrecipients reports to monitor the progress of project commitments. In addition, the Department plans to monitor performance through desktop and on-site visits. At Project Completion and Closeout, subrecipients will submit a Project Closeout Report for the Department's review. The Project Closeout Report will be supported by location data, speed test results and other documentation to meet the open access and community center requirements (where applicable). The Department will review and approve the Closeout Report prior to the end of the performance period.

As of June 30, 2025, one obligated Project was complete. The following table includes a summary of the obligated projects.

Projects Inventory

<b>Subrecipient Name</b>	<b>Application Title/Project Name</b>	<b>Award</b>	<b>Project Summary (Exhibit B SOW)</b>
<i>Blackfoot Telephone Cooperative, Inc.</i>	<i>Plains Riverside - Blackfoot Telephone Cooperative, Inc. - FTTP Project</i>	<i>\$ 9,934,250.00</i>	<i>127.9 miles of Fiber (100Mbps/100 Mbps) to 652 Locations: including 639 Housing Units, 11 Businesses and 2 Community Anchor Institutions the Service Area in Sanders County</i>
<i>Blackfoot Telephone Cooperative, Inc.</i>	<i>Potomac Valley - Blackfoot Telephone Cooperative, Inc. - FTTP Project</i>	<i>\$ 7,083,140.00</i>	<i>75.7 miles of Fiber (100Mbps/100 Mbps) to 609 Locations including 595 Residential, 11 Businesses, and 3 Community Anchor Institutions in the Service Area in Missoula County</i>
<i>Blackfoot Telephone Cooperative, Inc.</i>	<i>Philipsburg Rock Creek - Blackfoot Telephone Cooperative, Inc. - FTTP Project</i>	<i>\$ 9,931,090.00</i>	<i>125.4 miles of Fiber (100Mbps/100 Mbps) to 389 Locations including 366 Housing Units and 23 Businesses in the Service Area in Granite County</i>
<i>Blackfoot Telephone Cooperative, Inc.</i>	<i>Philipsburg Valley - Blackfoot Telephone Cooperative, Inc. - FTTP Project</i>	<i>\$ 8,724,760.00</i>	<i>96.1 miles of Fiber (100Mbps/100 Mbps) to 1,044 Locations including 965 Housing Units, 59 Businesses and 20 Community Anchor Institutions in the Service Area in Granite County</i>
<i>Blackfoot Telephone Cooperative, Inc.</i>	<i>Drummond - Blackfoot Telephone Cooperative, Inc. - FTTP Project</i>	<i>\$ 9,996,660.00</i>	<i>112.4 miles of Fiber (100Mbps/100 Mbps) to 722 Locations including 680 Residential, 31 Businesses and 11 Community Anchor Institutions in the Service Area in Granite County</i>
<i>Blackfoot Telephone Cooperative, Inc.</i>	<i>Potomac Blackfoot River - Blackfoot Telephone Cooperative, Inc. - FTTP Project</i>	<i>\$ 7,436,270.00</i>	<i>54.6 miles of Fiber (100Mbps/100 Mbps) to 502 Locations including 478 Residential, 17 Businesses and 7 Community Anchor Institutions in the Service Area in Missoula County</i>
<i>Blackfoot Telephone Cooperative, Inc.</i>	<i>Darby - Blackfoot Communications, Inc. - FTTP Project</i>	<i>\$ 7,121,850.00</i>	<i>63.7 miles of Fiber (100Mbps/100 Mbps) to 914 Locations including 913 Residential and 1 Business in the Service Area in Ravalli County</i>
<i>Grizzly Broadband LLC</i>	<i>Grizzly Broadband</i>	<i>\$ 9,829,767.00</i>	<i>58 miles of 144-Count Fiber (100Mbps/100 Mbps) to 1,826 Locations including 1,809</i>

	<i>Ravalli County FTTH Project (GBRC 1)</i>		<i>Housing Units and 17 Businesses in the Service Area in Ravalli County</i>
<i>Grizzly Broadband LLC</i>	<i>Grizzly Broadband Ravalli County FTTH Project 4 (GBRC 4)</i>	<i>\$13,093,791.00</i>	<i>79 miles of 144-Count Fiber (100Mbps/100 Mbps) to 2,513 Locations including 2,350 Housing Units, 154 Businesses and 9 Community Anchor Institutions in the Service Area in Ravalli County</i>
<i>Visionary Communications, Inc.</i>	<i>VCN Fiber Whitehall and Three Forks</i>	<i>\$ 2,230,975.23</i>	<i>13 miles of Fiber (100Mbps/100 Mbps) to 543 Locations including 464 Housing Units, 59 Businesses and 20 Community Anchor Institutions in the Service Area in Jefferson County</i>
<i>Grizzly Broadband LLC</i>	<i>Grizzly Broadband Ravalli County FTTH Project 2 (GBRC 2)</i>	<i>\$16,666,440.00</i>	<i>88 miles of Fiber (100Mbps/100 Mbps) to 3076 Locations including 3055 Housing Units and 21 Businesses in the Service Area in Ravalli County</i>
<i>Grizzly Broadband LLC</i>	<i>Grizzly Broadband Ravalli County FTTH Project 3 (GBRC 3)</i>	<i>\$ 5,320,618.00</i>	<i>58 miles of 144-Count Fiber (100Mbps/100 Mbps) to 591 Locations including 589 Housing Units and 2 Businesses in the Service Area in Ravalli County</i>
<i>Tri County Telephone Association Inc.</i>	<i>Tri County Telephone Association - South Central Fiber Broadband Project</i>	<i>\$8,554,427.00</i>	<i>72.35 miles of fiber (100Mbps/100Mbps) to 679 locations including 459 residential locations (472 Housing units), 193 businesses, 13 community anchor institutions, and 1 community center in the service are in Carbon and Yellowstone Counties</i>
<i>Southern Montana Telephone Company</i>	<i>Southern Montana Telephone Butte-Silver Bow County Expansion Project</i>	<i>Project Complete \$ 2,123,979.00</i>	<i>36.65 miles of buried fiber (100Mbps/100 Mbps) to 103 Locations including 90 Housing Units and 13 Businesses in the Service Area in Silver Bow County</i>
<i>Nemont Telephone Cooperative</i>	<i>NTC Wolf Point FTTP</i>	<i>\$ 4,682,725.00</i>	<i>82 miles of Fiber (100Mbps/100 Mbps) to 235 Residential Locations including 226 Housing Units in the Service Area in Roosevelt County</i>
<i>Visionary Communications, Inc.</i>	<i>VCN Fiber Butte</i>	<i>\$ 136,609.30</i>	<i>3 miles of Fiber (100Mbps/100 Mbps) to 10 Locations including 10 Businesses in the Service Area in Silver Bow County</i>
<i>Visionary Communications, Inc.</i>	<i>VCN Fiber Hardin</i>	<i>\$ 4,478,403.89</i>	<i>28 miles of Fiber (100Mbps/100 Mbps) to 2,077 Locations including 1,651 Housing Units, 400 Businesses, 26 Community Anchor Institutions in the Service Area in Big Horn County</i>
<i>Qwest Corporation</i>	<i>Qwest Corporation - Conrad FTTP</i>	<i>\$ 1,129,900.00</i>	<i>23.3 miles of Fiber (100Mbps/100 Mbps) to 1,417 Residential Locations including 1,288 Housing Units and 129 Businesses in the Service Area in Pondera County</i>
<i>Grizzly Broadband LLC</i>	<i>Grizzly Broadband Ravalli County</i>	<i>\$ 3,260,865.77</i>	<i>25 miles of 144-Count Fiber (100Mbps/100 Mbps) to 624 Locations including 544</i>

	<i>FTTH Project 5 (GBRC 5)</i>		<i>Housing Units and 80 Businesses in the Service Area in Ravalli County</i>
<i>Qwest Corporation</i>	<i>Qwest Corporation - Dutton</i>	<i>\$ 223,500.00</i>	<i>4.03 miles of Fiber (100Mbps/100 Mbps) to 437 Locations including 395 Residential and 42 Businesses in the Service Area in Teton County</i>
<i>Qwest Corporation</i>	<i>Qwest Corporation - Hungry Horse</i>	<i>\$ 753,400.00</i>	<i>17.6 miles of Fiber (100Mbps/100 Mbps) to 615 Locations including 583 Housing Units and 32 Businesses in the Service Area in Flathead County</i>
<i>Qwest Corporation</i>	<i>Qwest Corporation - Bridger FTTP</i>	<i>\$ 556,900.00</i>	<i>3.72 miles of Fiber (100Mbps/100 Mbps) to 487 Locations including 453 Housing Units and 34 Businesses in the Service Area in Carbon County</i>
<i>Range Telephone Cooperative, Inc.</i>	<i>Colstrip Phase 1 Project</i>	<i>\$ 8,014,221.00</i>	<i>30 miles of Fiber (100Mbps/100 Mbps) to 577 Locations including 508 Housing Units, 63 Businesses, 6 Community Anchor Institutions in the Service Area in Rosebud County</i>
<i>Range Telephone Cooperative, Inc.</i>	<i>Forsyth FTTP Project</i>	<i>\$ 6,121,738.00</i>	<i>20 miles of Fiber (100Mbps/100 Mbps) to 961 Residential, including 848 Housing Units, 109 Businesses, 4 Community Anchor Institutions in the Service Area in Rosebud County</i>
<i>MontanaSky Networks</i>	<i>MontanaSky's East Flathead Valley 206 Corridor Expansion</i>	<i>\$ 418,601.19</i>	<i>16.23 miles of Fiber and Fixed wireless (100Mbps/100 Mbps) to 144 Housing Units in the Service Area in Flathead County</i>
<i>3 Rivers Telephone Cooperative Inc.</i>	<i>3 Rivers Telephone Cooperative, Inc. - Neihart FTTH</i>	<i>\$ 2,603,900.00</i>	<i>86.55 miles of Fiber (100Mbps/100 Mbps) to 559 Locations including 546 Housing Units, 10 Businesses, 3 Community Anchor Institutions in the Service Area in Cascade and Meagher Counties</i>
<i>3 Rivers Telephone Cooperative Inc.</i>	<i>3 Rivers Telephone Cooperative Inc. - Rural Sheridan and Ennis FTTH</i>	<i>\$ 8,372,800.00</i>	<i>296.96 miles of Fiber (100Mbps/100Mbps) to 898 Locations including 875 Housing Units, 22 Businesses, 1 Community Anchor Institutions in the Service Area in Madison County</i>
<i>3 Rivers Telephone Cooperative, Inc.</i>	<i>3 Rivers Telephone Cooperative Inc. - Big Sky FTTH</i>	<i>\$ 558,570.62</i>	<i>5.68 miles of Fiber (100Mbps/100 Mbps) to 63 Residential Locations including 98 Housing Units in the Service Area in Madison County</i>
<i>InterBel Telephone Cooperative Inc.</i>	<i>InterBel - Flathead County West Valley Northwest</i>	<i>\$ 4,008,992.00</i>	<i>57 miles of Fiber (100Mbps/100Mbps) to 368 Locations including 360 Housing Units, 7 Businesses, 1 Community Anchor Institutions in the Service Area in Flathead County</i>
<i>Charter Communications</i>	<i>Charter Communications - Jefferson County FTTP</i>	<i>\$3,429,786.00</i>	<i>50 miles of Fiber (100Mbps/100Mbps) to 400 Locations including 382 Housing Units, 5 Businesses, and 5 Community Anchor Institutions in the Service Area in Jefferson County</i>
<i>Charter Communications</i>	<i>Charter Communications - Lewis &amp; Clark County 2 FTTP</i>	<i>\$6,645,446.00</i>	<i>97 miles of Fiber (100Mbps/100Mbps) to 615 Locations including 596 Housing Units, 5 Businesses, and 14 Community Anchor Institutions in the Service Area in Lewis &amp; Clark County</i>

Charter Communications	Charter Communications – Lewis & Clark County 4 FTTP	\$10,000,000.00	152 miles of Fiber (100Mbps/100Mbps) to 1,589 Locations including 1,473 Housing Units, 94 Businesses, and 22 Community Anchor Institutions in the Service Area in Lewis & Clark County
Charter Communications	Charter Communications – Gallatin County 4 FTTP	\$4,473,134.00	46 miles of Fiber (100Mbps/100Mbps) to 1,129 Locations including 1,099 Housing Units, 3 Businesses, and 27 Community Anchor Institutions in the Service Area in Gallatin County
Charter Communications	Charter Communications – Gallatin County 5 FTTP	\$3,046,705.00	43 miles of Fiber (100Mbps/100Mbps) to 331 Locations including 323 Housing Units, 3 Businesses, and 5 Community Anchor Institutions in the Service Area in Gallatin County

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) conducted 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 were originally from November 1, 2021 to October 31, 2022 but was extended until December 31, 2024 to enable further support in implementing the provider rate increases approved by the 2023 Legislature. The department link for this provider rate study is as follows: [Provider Rate Study \(mt.gov\)](https://mt.gov/provider-rate-study)

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 and 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.

### Scope of Services

- 1115 HEART Waiver
  - MHC services
  - SUD services
  - Additional services
- \*SDMI Waiver services discussed in SLTC workgroup

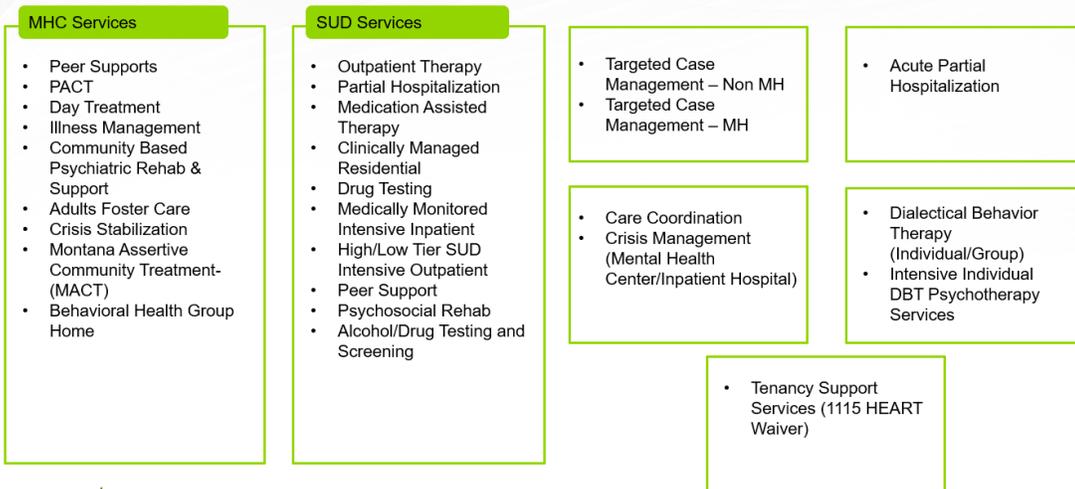
### Purpose of Rate Study

- 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

### Key Deliverables

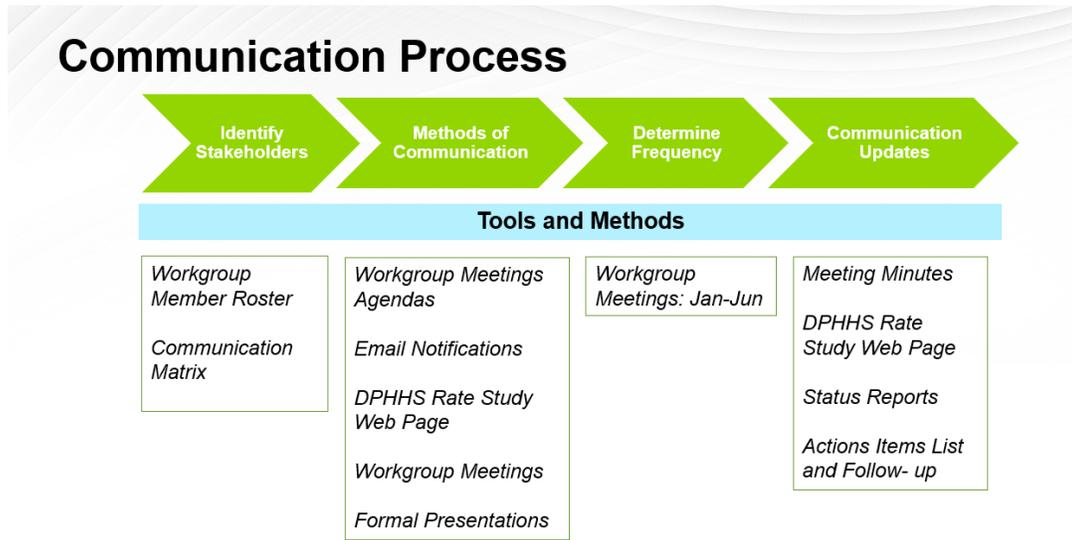
- Peer State Comparisons
- Service Definition Review & Recommendations
- Regulatory/Statutory Review
- Rate Models
- Fiscal Impact Analysis
- Final Report of Rate Recommendations

## Adult Behavioral Health Rate Study – Service Detail





The overall monitoring process can be best presented in the following slides:



## 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

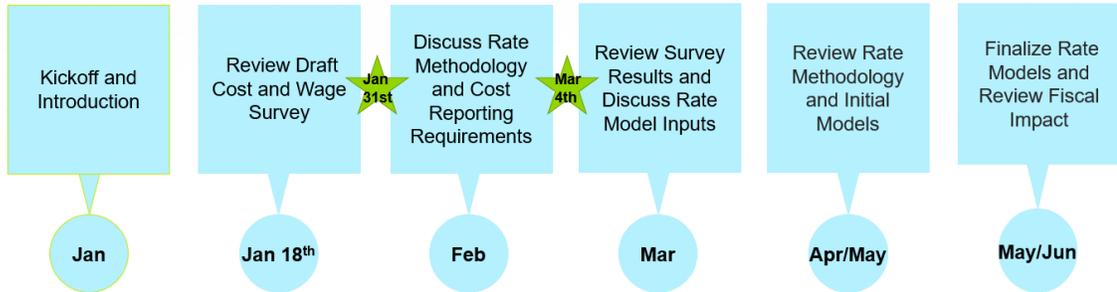
- Comprehensive Provider Cost and Wage Survey ("Full" Survey)
- Service Specific Cost Surveys (as needed)
- Survey Instructions
- Provider Communications and Support
- Cost Analysis
- Provider Trainings

*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.*