



RESPONSES TO COVID-19:

AGENCY OVERVIEWS, UPDATES, AND CHANGES IN SERVICE

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ECONOMIC AFFAIRS UPDATE

MONITORED AGENCIES

STATE AUDITOR'S OFFICE/COMMISSIONER OF SECURITIES & INSURANCE

The State Auditor's Office reports that all but six staff have been working at home since March 23 and that operations and customer service are working smoothly. The Commissioner has been in direct communications with insurance and securities industry representatives regarding developments, policy impacts, and industry response regarding COVID-19. The Commissioner's Office also has noticed an upswing in securities fraud related to COVID-19 and has warned the public to be alert to scams related to COVID-19.

The Commissioner of Securities and Insurance Website for COVID-19 listed notices or press releases:

- Encouraging [flexibility](#) by insurers and consumers. See [letter](#).
- Recognizing that 4 Montana health insurers were waiving certain fees related to [COVID-19 testing](#) and expanding [telemedicine options](#);
- Advising on [what to do](#) if a person loses health insurance because of job loss (COBRA, ACA options, non-ACA options) or wants to sign up for health insurance coverage.

In addition, the Office has:

- suspended issuing new insurance producer licenses because testing centers are closed and fingerprinting services are not available at this time; and
- noted that:
 - business income interruption coverage offered by insurers typically does not cover losses caused by pandemics or governmental directives; and
 - some insurers are voluntarily making accommodations for policyholders impacted by COVID-19, weighing options of deferring payment premiums or deferring policy cancellation for nonpayment.

DEPARTMENT OF ADMINISTRATION:

BANKING AND FINANCIAL INSTITUTIONS DIVISION

The Division has been actively communicating with federal financial officials and local bank and credit union officials plus working with the Attorney General's Office on mortgage default concerns. Among the activities:

- Making weekly calls with other state regulators and federal agencies regarding non-depository mortgage servicers and serious challenges that exist related to capital and liquidity of these servicers. Commissioner Melanie Hall says: "This is probably the most significant problem the financial services industry faces today." Has issued related [guidance](#).
- issued a March 12 [directive](#) in response to the Governor's emergency declaration that banks and credit unions may close offices but are to continue operations through ATMs, drive-throughs, phone, and mobile apps, and notify the banking division about the closure.
- [March 16 advisory letter](#) on what banks can do to help customers impacted by COVID-19, whether because of repayment difficulties or other problems. Includes options to rework loans, a situation immunized from examiner criticism. Noted importance of contacting the Commissioner's office if problems with reporting arise.



DEPARTMENT OF AGRICULTURE

Department of Agriculture Director Ben Thomas says about 70% of the staff is working from home, with staff that is in the office working staggered hours to limit social contact while still addressing the needs of the agriculture industry. He said staff is available at the central office in Helena to take phone calls and complete business as usual, including handling license applications, registrations and payments. Updates will be posted to the website. Both the Great Falls Grain Lab and the Bozeman Analytical Lab are working at full capacity although some routine sampling and testing has been temporarily suspended due to federal guidance.

Thomas reported that the department is cross-training employees to complete sampling and inspections to keep up with the workload and meet the needs of the industry even with limited public contact. "Our goal," Thomas said, "is to continue to protect our agricultural industry and those who work for the industry. "

As for industry impacts the COVID-19 pandemic has had less impact than weather and marketing. Thomas reported:

- ***[R]ecent snow events will likely push back planting by a few days or more. In some areas because of the wind, there will be winter wheat acres reseeded. Winter wheat acres are down so acres will be filled with spring wheat or barley. There will also be a fair amount of pulses going in with hopes of better markets. This as you know is all weather and market correlated.***
- ***Montana is showing a 17% increase in corn acres. Barley jumped 10% to the highest acres in 5-6 years. Hard Red Wheat is at 1.6 million acres, down from 2 million last year. Durum is up 4%, Red Spring wheat is showing 3.3 million acres which is a 14% increase. Canola is up 17%, Flax is down 19%. Chickpeas are down 30%, and dry beans are down 7%. Comments from the producers are that they anticipate a reduction in hemp acres related to difficult markets over the last couple of years. Many farmers were unable to plant fall crops due to the early heavy snow in September. Year to year fluctuations between crops are not uncommon and are unrelated to COVID-19.***

DEPARTMENT OF COMMERCE

At the Department of Commerce 90% of the staff is teleworking. The Department is part of the joint task force. Director Tara Rice notes: "Given the nature of our work at Commerce, almost all of it can be done via telework and only very minimal presence is required on-site as we continue operations. "

Updates below for:

- **Census response.**
- **SBA loan eligibility.**
- **Tourism expectations.**

- **Census.** April 1 was "Census" Day, but self-reporting via the Internet can still take place. **Montana's response map** (<https://2020census.gov/en/response-rates.html>) shows 50.0% responding here compared to 58.7% nationally (as of May 11, 2020). Here's what Commerce sent in response to a question about how the governor's stay-at-home directive is affecting operations:

Census: It's never been easier for folks to self-respond to the Census. They can do so online, by phone, and by mail. You'll see this message more and more from the State Complete Count Committee as Montanans are home caring for children and social distancing.

We've pulled down our planned Census events for April but will be doing more virtually to promote the fact that Montanans can self-respond to the Census, which means a Census Bureau enumerator doesn't need to knock on their door.

For the last few months, we've been establishing "Be Counted" locations across the state to help folks who might not have internet or phone access self-respond to the Census. Many of those locations are public facilities – libraries, food banks, non-profits, etc. As most of those facilities have closed to protect against the spread of coronavirus, we won't be publicizing the locations. When those sites re-open, they'll still be able to assist in providing WiFi and phone connections.

In mid-March, the state's newest PSA launched on broadcast TV and radio. It's the fourth such PSA we've run on broadcast and radio. It'll remain on air through spring. In addition, you'll start seeing more digital PSAs from the state reminding Montanans that it's time to fill out their form.

Our weekly e-newsletter is still going out the door to about 6,000 partners. Our bi-weekly partner webinar is still on the calendar. We're still in constant communication with partners and constituents who have questions about the Census.

Montanans can respond to the Census today at my2020census.gov or by calling 1-844-330-2020 – and they don't need their official Census ID code in order to do so.

- **Housing Division**
 - Provides the Governor's executive order relating to evictions based on COVID-19 related nonpayment (updated to reflect clarifications regarding renters);
 - Advises that mortgages handled by the Board of Housing be paid online, by phone, or through the mail but not in person. Waives online and phone fees through April 30.
 - Has extended deadlines for applications, recertifications, site visits, and related activities.
- **Montana Facility Finance Authority** - The Governor has directed under emergency powers that the statutory prohibition on use of MFFA loans for operating and payroll costs is suspended during the declared emergency.
 - The MFFA also is offering forbearance terms for direct and trust fund loans for which current clients may apply. See the website: <https://mtfacilityfinance.com/Programs/Emergency-Forbearance-Program>.
 - MFFA has emergency loans available: <https://mtfacilityfinance.com/Programs/Emergency-Lending-Program>.
- **Small Business Assistance and Economic Development Assistance** - Link provided. A Business Recovery website provides links to grants that may help small businesses, including agriculture and wood industry businesses. **New guidelines made available April 15, 2020, indicate certain restaurants with some gaming are eligible applicants.**
 - **The U.S. Treasury is working on guidance for an employer tax credit, with differences in access dependent on whether the employer has 100 or more employees or fewer than that. See Montana Chamber notice.**
- **Tourism**

- [The Institute for Tourism and Recreation Research](#) reported to the April 9 EAIC meeting about surveys of stakeholders twice between March 11 and March 25. In that time, cancellations due to COVID-19 rose from 36% to 81% of all businesses contacted. The second quarter usually brings in 24% of nonresident spending and the third quarter (summer) provides 50% of nonresident spending, according to ITRR. The institute's surveys showed 57% of surveyed businesses having zero bookings in April and May, with 44% having zero in June.
- The VisitMT website provides a [travel advisory](#) regarding the COVID-19 quarantines and advises those 65 and older to consider postponing travel plans. A [website](#) advising community partners provides some additional information about stay-at-home directives and quarantine advice.
- Here's what [Commerce provided to the EAIC on April 9 regarding tourism](#) and additionally by email: *Tourism: We are tracking information from many different sources at this time. Trends in state, anecdotally, appear to be mirroring trends we are seeing at a national level. Trends initially indicated that the majority of trip cancellations due to concerns about COVID-19 were for near-term travels. According to Destination Analysts Weekly Traveler Sentiment Index Report, which analyzed 1200 completed surveys from March 27th-29th, there is an increase in travelers canceling trips further out, through June and July. The general sense, nationally, is that travelers are expecting the situation to get worse in April and are waiting for it to blow over before considering travel again. As of the survey dates, about 4 in 10 travelers do believe that travel will rebound by summer. Nearly 2-in-3 travelers have said they miss traveling and can't wait to travel again.*

Locally, the majority of regions, CVBs and the Department of Commerce have adjusted marketing strategies, such as delaying warm season promotions, until data show that consumers are starting to readily plan to book again. We are also tracking trends in travelers wanting to stay closer to home when they decide to travel. This traditionally is a critical planning and booking window for summer travelers. Many areas are reporting cancellations and declines in booking. Though conditions are changing so rapidly and we have no firm model to predict revenue decline, bed-tax-receiving entities are anticipating significant reductions in distributions for part of the calendar year's first quarter and for all of the second quarter (which is the final quarter of the state fiscal year). Lesser, yet still significant, impact is anticipated for Q3 and Q4. However, it's virtually impossible to come up with accurate numbers as to how much Covid-19 will impact the travel industry in Montana at this time.

Montana's Institute for Recreation Research is deploying surveys with travelers and travel-related businesses. They have begun posting results here and are expected to be posting updated results of their work shortly: <https://itr.r.umt.edu/files/COVID19BusinessSurvey.pdf>. These reports provide survey data on the impacts being experienced by travel-related businesses, including accommodations, outfitters and guides, and others.

DEPARTMENT OF LABOR AND INDUSTRY

Montana's Department of Labor and Industry [recorded](#) an April unemployment rate of 11.3%, up from 3.5% in March. The national rate for April was 14.7%.

5/22/2020 updates below for:

- Unemployment Info.

Week	Ending 5/16	Ending 5/9	Ending 5/2	Ending 4/18	Ending 4/11	Ending 4/4
Initial unemployment filing	4,432	4,638	5,674	13,668	17,332	26,457
Continued claim filings	56,120	59,306	60,060	66,175	60,853	> 50,000

This compared with the reporting date of 3/21/2020, captured April 2, 2020, of 15,349 initial claims, added to 9,818 people with continued claims or more than 25,000 claim filers.

The state has begun accepting filings for those not routinely eligible for unemployment insurance, including the self-employed, independent contractors, and some with COVID-19 specific reasons for not being able to work. That application portal is <https://mtpua.mt.gov/> PUA stands for Pandemic Unemployment Assistance. Those considered eligible for this form of unemployment insurance will get the additional \$600 a week from the federal government that is being made available to those typically eligible for unemployment insurance.

Acting Commissioner of Labor and Industry Brenda Nordlund moved 70 employees in Job Services and Employment Relations to help the unemployment division staff field calls and help with applications. She told the EAIC on April 9 that the self-employed or independent contractors who are eligible under new federal guidelines are being advised to file for unemployment and that when the Montana system is able to process them (after information technology updates online systems), they will be getting a check.(See above) She noted that the department continues to verify eligibility.

About half the Department of Labor and Industry staff is teleworking and half is in the office. The DLI website MontanaWorks.gov (which includes a link for filing unemployment) has a notice that, because of high call volume, only those required to call in should do so; general inquiries are directed to look at the <http://dli.mt.gov/employer-covid-19> website. Both websites go to the same place and both contain helpful links for employers and employees.

- **Unemployment** - Federal guidance became available April 6, 2020, for changes initiated under the CARES Act, including the \$600 a week additional federal payment and expansion of benefits for the self-employed and independent contractors. All eligible workers are encouraged to create an account (unless they already have one) and file for benefits. See [FAQ](#). The most expeditious way is online, but a call center is available. Acting Commissioner Nordlund says that with the availability of written federal guidance the department's information technology staff will update the application process and benefits associated with the CARES Act will be processed.
 - [FAQ](#) for employees. Highlights: those with reduced hours also can file for unemployment if they meet certain criteria. Applicants must register.
 - Illness-related unemployment. See [DLI chart](#) comparing old, new and paid leave options. Someone directed to quarantine because of infection is eligible, but someone self-quarantining might not be.
 - If denied benefits prior to guidance being issued, wait until news release is issued about guidance. If still denied, the unemployed worker may choose to appeal and receive a hearing. See [appeal form](#).
- **Licensing Boards** - The Business Standards Division, which oversees licensing boards has:
 - Developed an interstate [licensure recognition](#) registration process to expedite licensing of certain professionals so that an employer can more quickly hire across state lines for necessary personnel. **The governor also has issued a [directive](#) that suspends certain licensing requirements for health care providers working in Montana but with an unrestricted license issued elsewhere.**
 - Determined that all licensing board meetings will be conducted telephonically during this period.

- **Wage and Hour Division** – Federal law allows workers in businesses of 500 or fewer employees to get paid leave because they are ill with COVID-19 or have to care for someone with COVID-19. The local office can direct those eligible for paid leave to the provisions included in the first bill passed to address COVID-19.
- **Workers Compensation** - Some workers may be eligible for workers' compensation if they contract COVID-19 because of their job, in particular first-responders and medical personnel in contact with infected persons. Would go through regular workers' compensation claim filing. See DLI's [FAQ](#). The department is involved only to the extent of mediation. Contact the insurers.



DEPARTMENT OF LIVESTOCK

Mike Honeycutt, the executive officer for the Board of Livestock, says the Department of Livestock hasn't posted a COVID-19 addition to the Department's website because the livestock industry is considered an essential business. He said not much has changed in their operations. About 10 staff are working in the Helena office (leadership team and key support staff) with others working remotely. The Diagnostic Lab workforce is on site but social distancing, staying in their work areas. MDOL staff at the Livestock Commission companies remain in normal status to help conduct auctions and special livestock sales. About 50 staff (law enforcement and food safety inspection) telework on a regular basis. Keeping the livestock industry and meat/egg processing functions operating as normally as possible is a goal.

4/15 and 4/16 updates for:

- Milk emergency rule.
- Livestock markets.

The Board of Milk Control issued an [emergency rule](#) to address concerns about milk surpluses. With the temporary rule, any milk that is dumped will be recorded as part of a pool to avoid any particular producer being put at a disadvantage in a situation where reduced routine demand from schools and stores has led to surpluses.

In response to questions about the status of livestock markets and processing facilities, Mr. Honeycutt provided the following information on April 16:

- All protein markets including beef had already taken a cash hit from lost demand because of the slowdown.
- The issue is worsened by having processors shut down because of COVID clusters, we will probably notice it on the store shelves in the coming weeks.
- The entire supply chain gets backed up. If there is nowhere for fat cattle to go to get processed, then there is no room in the feed lot for new placements, then cattle and calves are not moving off the ranches, and so on. Beef is an industry that can wait a bit although it means whoever is holding the supply now has increased operational costs waiting for a market to open up. For pork and poultry which are most aligned to a just in time supply chain, and there is no way or value to hold on to the animals waiting for the processor to begin moving again, many of these animals may end up being euthanized. Hogs and poultry are already being euthanized because there is no where to go to get them processed in certain parts of the country.

Asked what successful department adaptations had occurred, Mr. Honeycutt listed the following:

- putting cross-trained personnel at the Diagnostic Lab in a position where operations are not disabled if one person is in quarantine (by having them work separate shifts); and
- using a multi-call line to allow expeditious handling of animal imports while staff works remotely.

DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL DIVISION

The Alcoholic Beverage Control Division reports that compliance and licensing staff are teleworking and that fingerprinting is not occurring in all markets currently. The Department of Revenue [website](#) also lists several other modification in effect regarding reporting and financing. News reports indicate some distilleries are making hand sanitizers (see Department of Revenue [notice](#)) and that relaxation of regulations is allowing home ordering and delivery of alcohol. The Department of Revenue [website](#) debunks a rumor about agency liquor stores' status.

The Department of Revenue COVID-19 website shows that those who purchased higher volumes of alcohol for parades and events that were canceled due to COVID-19 related reasons, can return the product without penalty.

MONTANA STATE FUND

Montana State Fund's [website](#) notes that most staff are working from home. Business/policyholders are being told:

4/15 updates below for:

- Premium payments.

- Between March 18, 2020, and June 30, 2020, there will be no cancellations for inability to pay premiums.
- Policyholders who pay wages to employees who are not working (gratuitous payments) will not be charged workers' compensation premiums on that portion of payroll.
- If payroll changes, a revised payroll estimate may be made.

Claimants are told that their cases are still being handled remotely and MSF is making more use of telemedicine. To speed claims processing, certain paperwork (recorded statements for certain conditions) also has been suspended.

Montana State Fund had received 4 claims for workers' compensation related to COVID-19 as of March 30 and had created a small team specialized for dealing with those claims. MSF also donated 1,500 N95 masks to the Montana Department of Health and Human Services.

Future impacts are expected as payrolls are cut and policies canceled, but MSF's Chief Executive Officer Laurence Hubbard says the effort will be to help customers undergoing economic displacement without impairing MSF's overall financial health. He says, "I am confident we can manage through this crisis by leveraging MSF's equity and cashflow."

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

Of the Governor's Office of Economic Development staff, four are working at home and one is in the office. The GOED reports that 100% of staff time is dedicated to supporting the business community in dealing with COVID-19 and is managing the business help line for COVID-19, fielding hundreds of calls daily about a broad variety of issues. In addition, GOED recruited 11 Americorps workers whose assignments were changed due to COVID-19 to help handle the high call volume on the business assistance 800 number. For more information, visit the GOED website [here](#). No special COVID-19 notices are on that website.

BUSINESS ASSISTANCE

Paycheck Protection Program -- Although demand outpaced the supply of \$349 billion made available in the CARES Act for the Paycheck Protection Program, a second tranche is to be made available starting at 8:30 a.m. April 27 of roughly \$310 billion. The implementing agency provided rules for the new release. These rules also are intended to prevent access by larger (rather than small businesses) that had been able to participate because the large business operated in separate locations that employed fewer than 500 workers. According to the [Washington Post](#), accessed April 24, 2020, about 80 publicly traded companies received money from the PPP. The information was accessible through filings with the Securities Exchange Commission.

The new program also can be accessed through the federal [Small Business Administration](#) and local bankers. The Montana SBA Director provided an update to the Economic Affairs Interim Committee posted [here](#).

Small Business Administration Loans, April 9 through May 17, in Montana (number of loans, amount)

	Paycheck Protection Program	Economic Injury Disaster Loans	Economic Injury Advances 5/8
5/ 16-17	Total 21,703 \$1,732,243,726	853 Loans \$70,626,600	13,018 Advances \$40,025,000
4/26-5/1	7,227 loans \$277,260,266	114 loans \$20,068,200	
Thru 4/13	10,372 loans \$1,293,105,048		

- Montana's SBA District reported May 2, that as of April 16, 2020, Montana had 17,599 approved PPP loans, valued at more than \$1.57 billion.

- Guidelines are available at the [US Department of Treasury](#). An eligible entity (businesses with fewer than 500 employees. Includes nonprofits, veterans organizations, and tribal businesses described in the Small Business Act) can get one PPP loan. **New guidance allows certain entities with gaming revenues. See U.S. Treasury website.**
- \$10 million "ask" per 500-employee business, based on location (so if a business has multiple locales, each can ask up to \$10 million).
- Initial interest rate of 1.0%; initial deferred payment.
- 100% guaranteed federally with the loan forgiven if business protects payrolls. Nonpayroll use limited to 25% for the forgivable criteria to apply to whole loan.
- Banks can rely on borrower certification to determine eligibility and use of proceeds.

As of late May 2, 2020, approved PPP loans in Montana (from initial funding) numbered 17,599 valued at more than \$1.57 billion.

- Participating banks get handling/servicing fees ranging from 1% (\$2 million loans) to 5% for loans of less than \$350,000 per business. (Based on Washington Post [article](#) 4/1/2020.
- Overview: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>. Information for lenders: <https://home.treasury.gov/system/files/136/PPP%20Lender%20Information%20Fact%20Sheet.pdf>
- Two start dates: April 3 for all but sole proprietorships and independent contractors and April 10 for those two.
- **Economic Injury Disaster Loans** - Although in mid-April SBA reported that the EIDLs were no longer available, having more demand than available appropriations. Congress appropriated additional funds for the EIDLs. New [guidance](#) suggested the money be channeled to agricultural assistance.
- The U.S. Treasury Department has a refundable [tax credit program](#) available to help employers affected by COVID-19.
- Department of Commerce (see above) has website for business assistance loans and grants.

HOUSING ASSISTANCE

- The Governor issued an [executive order](#) declaring a moratorium on evictions from residences until April 10, 2020, as well as prohibition on cancellation of utility, water, or internet service for nonpayment related to COVID-19. A [separate executive order](#) addresses [renters](#). The moratorium and prohibitions are not in effect for other nonpayment activities. In addition, the new federal legislation prevents evictions for renters for COVID-19 related nonpayment for 120 days if the property's mortgage is federally backed, according to a 4/1/2020 Washington Post [article](#).
- For mortgage loans with a connection to Fanny Mae or Freddie Mac, the advisories are to contact a mortgage servicer to alert them to payment problems. Federal Deposit Insurance Corp. has [advice](#) that if notifications are provided as being related to COVID-19, the lender is not to treat the loan as a troubled asset. Not clear as to how long those conditions apply.
- The Consumer Finance Protection Bureau also advises those who cannot pay a mortgage to contact their mortgage servicer immediately and be prepared for a long phone wait. See [website](#). CFPB notes that the Cares Act contains, for federally backed mortgages, a moratorium on foreclosures and a right to "[forbearance](#)" (delayed payments, among other options to be determined by the servicer) if unable to pay because of COVID-19 related payment constraints. Contact the servicer.
- U.S. Department of Agriculture Rural Housing Service has a variety of programs ranging from a moratorium on foreclosures and noneviction assurances for single-family residences in the direct and guaranteed loan programs to possible payment assistance. Contact USDA at sfhgld.program@usda.gov.



WORKER ASSISTANCE

- Employees at companies with fewer than 500 workers are to be eligible for paid sick leave up to 80 hours either because the employee is sick from COVID-19 and quarantined (or seeking to determine if sick from COVID-19) or has to care for a sick relative or meets other factors outlined by the U.S. Department of Labor [FAQ](#).
- Workers who lose health insurance through their job can sign up for insurance either to retain for one year their job-related insurance under COBRA (the Consolidated Omnibus Budget Reduction Act) at 102% of premiums or to sign up under the Affordable Care Act exchanges or obtain separate non-ACA insurance. The State Auditor's Office has information (see above). A word to the wise: hospitalization for COVID-19 is likely to cost more than the simple pneumonia case listed at the Montana Hospital Association [website](#).

- The CARES Act included an extra \$600 a week from the federal government for those on unemployment through July 31, 2020. Guidance was issued April 2. The Montana Department of Labor and Industry has begun paying out those additional funds on behalf of the federal government. Claims are to be dated as of the filing date.