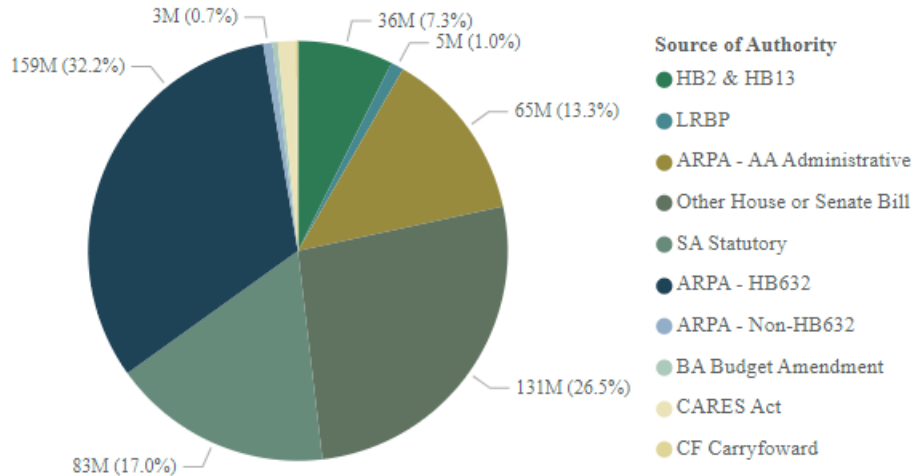


DEPARTMENT OF COMMERCE (COMM)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Commerce is shown in the pie chart below. HB 2 and HB 13 provide 7.3% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



| Source of Authority | Modified Budget | Expended Budget | % Expended |
|----------------------------|--------------------|--------------------|--------------|
| HB2 & HB13 | 36,150,817 | 26,458,888 | 73.2% |
| BA Budget Amendment | 2,087,826 | 970,861 | 46.5% |
| CF Carryforward | 798,905 | | |
| LRBP | 4,917,000 | 181,467 | 3.7% |
| Other House or Senate Bill | 130,578,758 | 3,553,412 | 2.7% |
| SA Statutory | 83,460,322 | 59,414,055 | 71.2% |
| CARES | 6,802,389 | 2,164,358 | 31.8% |
| ARPA | 227,303,241 | 50,835,981 | 22.4% |
| Total | 492,099,259 | 143,579,023 | 29.2% |

Budget Amendments

Budget amendments processed in FY 2024 for the Department of Commerce total approximately \$2.1 million in federal special revenue funds. Approximately \$1.1 million is for the State Trade Expansion Program (STEP), which supports small businesses who participate in foreign trade and markets. The remaining authority is for federal housing programs including the Project-Based Section 8 Housing, which provides housing to low-income households in privately owned and managed rental units and the Housing Choice Voucher Program which assists very low-income families, the elderly, and the disabled to afford housing in the private market. As

of the end of May 2024, the Department of Commerce had expended approximately \$971,000 or 46.5%, primarily for STEP. The remaining authority has various end dates as far out as October of 2025.

Carryforward

The Department of Commerce has approximately \$799,000 in carryforward authority from FY 2023. Approximately \$61,000 is in general fund in the Directors Office and \$738,000 is in federal special revenue for the Community MT Division. As of the end of May 2024, the agency has not made any expenditures from carryforward authority. However, this authority will remain available throughout FY 2025.

Long-Range Building Program

The Department of Commerce has Long-Range Building Program authority totaling \$4.9 million, granted through a budget amendment for replacement of lead service lines in drinking water systems. This budget amendment established federal authority that was awarded from the Infrastructure and Jobs Investment Act. As of the end of May 2024, the agency has expended \$181,000 or 3.7% of this authority.

Other Bills

Other house and senate bill authority for the Department of Commerce totals \$130.6 million in FY 2024. This authority accounts for 26.5% of the department's total expenditure authority. HB 819 provides the greatest expenditure authority, totaling \$63.0 million for affordable housing programs. Also notable is HB 11 and HB 12 that represent a significant portion of other bill authority totaling \$42.6 million. HB 11 and HB 12 authorize grant authority for the Montana Coal Endowment Program (MCEP) grants and the Montana Historic Preservation Grants (MHPG). As of May 31, 2024, \$3.6 million or 2.7% has been expended. The table below shows the budget, expenditures, remaining budget, and percent expended for the other house bill funds in FY 2024.

| Department of Commerce | | | | |
|---|------------------------------|----------------------------|-------------------------------------|-----------------------------|
| Other House and Senate Appropriations and Expenditures | | | | |
| FY 2024 | | | | |
| | Appropriations | Expenditures | Remaining Appropriations | Percent Expended |
| General Fund | | | | |
| HB 355 - State-Local Infrastructure Partnership Act (BIEN) | \$ 20,000,000 | \$ - | \$ 20,000,000 | 0.0% |
| HB 819 - Planning Grants (BIEN) | 1,000,000 | 962 | 999,038 | 0.1% |
| HB 819 - Workforce Housing (BIEN) | 12,000,000 | - | 12,000,000 | 0.0% |
| HB 321 - Coal Board (BIEN) | <u>1,000</u> | <u>1,000</u> | <u>-</u> | <u>100.0%</u> |
| Total General Fund | \$ 33,001,000 | \$ 1,962 | \$ 32,999,038 | 0.0% |
| State Special Revenue | | | | |
| HB 12 - Montana Historic Preservation Grants (BIEN) | \$ 11,368,044 | \$ 1,878,131 | \$ 9,489,913 | 16.5% |
| HB 12 - MCEP Grants (BIEN) | 30,209,713 | 1,409,831 | 28,799,882 | 4.7% |
| HB 11 - MCEP Emergency Grants (BIEN) | 100,000 | 30,000 | 70,000 | 30.0% |
| HB 11 - MCEP Planning Grants (BIEN) | 900,000 | - | 900,000 | 0.0% |
| HB 5 - Emergency Shelter (BIEN) | 5,000,000 | 233,488 | 4,766,512 | 4.7% |
| HB 819 - Community Reinvestment Organization (OTO/BIEN) | <u>50,000,000</u> | <u>-</u> | <u>50,000,000</u> | <u>0.0%</u> |
| Total State Special Revenue | \$ 97,577,758 | \$ 3,551,450 | \$ 94,026,308 | 3.6% |
| Total Other Bill Appropriations | <u>\$ 130,578,758</u> | <u>\$ 3,553,412</u> | <u>\$ 127,025,346</u> | <u>2.7%</u> |

Statutory Appropriations

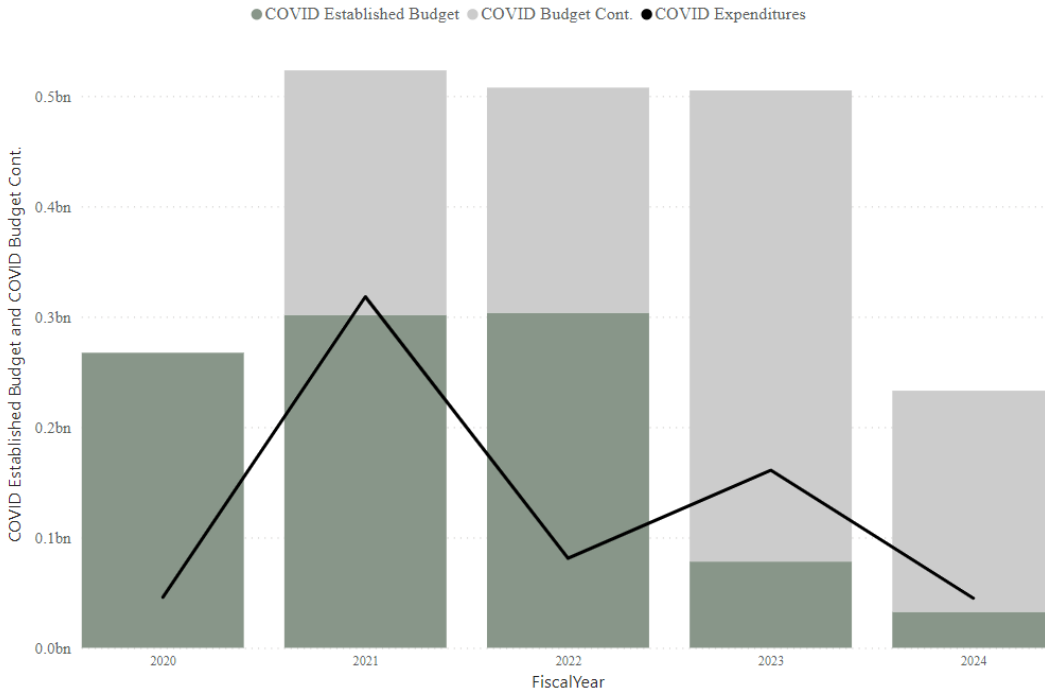
Statutory appropriations account for 17.0% of the Department of Commerce’s total FY 2024 budget. Statutory appropriation authority consists of \$1.8 million general fund, \$75.7 million state special revenue, \$1.0 million federal special revenue, and \$4.9 million proprietary funds. Since the March IBC meeting, proprietary funds authority increased by \$1.3 million due to greater expenditures in the Board of Investments debt services program. The lodging facility use tax makes up the greatest portion of statutory authority with \$67.9 million appropriated in FY 2024. Of the \$67.9 million budgeted in FY 2024, \$49.0 million, or 72.1% has been expended. The table below shows appropriations, expenditures, remaining appropriations, and the percent expended for individual statutory appropriations in the Department of Commerce.

| Department of Commerce | | | | |
|--|-----------------------------|-----------------------------|-------------------------------------|-----------------------------|
| Statutory Appropriations and Expenditures | | | | |
| FY 2024 | | | | |
| | Appropriations | Expenditures | Remaining Appropriations | Percent Expended |
| Business MT Division | | | | |
| Coal Severance Tax | \$ 1,800,000 | \$ 1,749,568 | \$ 50,432 | 97.2% |
| Distressed Wood Products State Special Revenue | 2,595,440 | 2,094,161 | 501,279 | 80.7% |
| Distressed Wood Products Federal Special Revenue | 1,049,120 | 252,386 | 796,734 | 24.1% |
| Big Sky Economic Development Program | <u>4,188,223</u> | <u>934,140</u> | <u>3,254,083</u> | <u>22.3%</u> |
| Division Total | \$ 9,632,783 | \$ 5,030,255 | \$ 4,602,528 | 52.2% |
| Brand MT Division | | | | |
| Promotion Accommodation Tax Account | \$ 55,656,623 | \$ 36,946,313 | \$ 18,710,310 | 66.4% |
| Regional Accommodation Tax Account | 12,277,203 | 12,028,613 | 248,590 | 98.0% |
| Lewis & Clark Bicentennial Plate Fund | 8,550 | 5,610 | 2,940 | 65.6% |
| Film Credit | <u>15,795</u> | <u>7,000</u> | <u>8,795</u> | <u>44.3%</u> |
| Division Total | \$ 67,958,171 | \$ 48,987,536 | \$ 18,970,635 | 72.1% |
| Community MT Division | | | | |
| Hard Rock Mining | <u>\$ 584,368</u> | <u>\$ 184,367</u> | <u>\$ 400,001</u> | <u>31.5%</u> |
| Division Total | \$ 584,368 | \$ 184,367 | \$ 400,001 | 31.5% |
| Board of Investments | | | | |
| Debt Services | <u>\$ 4,900,000</u> | <u>\$ 4,826,897</u> | <u>\$ 73,103</u> | <u>98.5%</u> |
| Division Total | \$ 4,900,000 | \$ 4,826,897 | \$ 73,103 | 98.5% |
| Board of Horse Racing | | | | |
| Operation Fund | <u>\$ 385,000</u> | <u>\$ 385,000</u> | <u>\$ -</u> | <u>100.0%</u> |
| Division Total | \$ 385,000 | \$ 385,000 | \$ - | 100.0% |
| Total Statutory Appropriations | <u><u>\$ 83,460,322</u></u> | <u><u>\$ 59,414,055</u></u> | <u><u>\$ 24,046,267</u></u> | <u><u>71.2%</u></u> |

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



The agency received approximately \$366.5 million in the Coronavirus Aid, Relief, and Economic Security (CARES) Act I. The majority of funding provided to the agency was for business stabilization grants. Additional funding was provided for small business development center grants, community development block grants, rental assistance, and loan deferments. Of the established CARES I budget, the agency has expended \$359.8 million, or 98.2%. Approximately \$4.6 million remains available for expenditure until January 2026, while approximately \$1.8 million was reverted back to the Treasury.

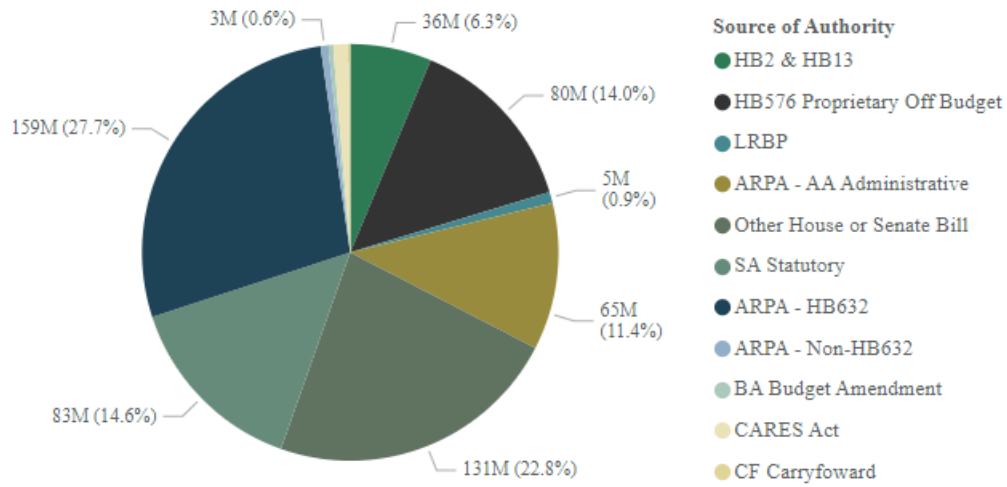
In CARES Act II funding, the Department of Commerce was appropriated \$183.0 million in HB 630 for emergency rental assistance payments. Additionally, HB 3 appropriated \$17.0 million to fund administration costs and 28.00 modified FTE to administer the Emergency Rental Assistance Program. This authority expired on June 30, 2023. At that time, approximately \$57.4 million was expended, and \$142.6 million was returned to the Treasury. Due to federal guidance, the uses of those funds were limited, and expenditures were dependent on the number of applications received and the number of eligible applicants.

HB 632 established authority from the American Rescue Plan Act (ARPA) for the Department of Commerce. This authority included \$50.0 million for mortgage assistance, approximately \$11.5 million for the Home Investment Partnerships Program (HOME), \$152.4 million for emergency rental assistance (ERA II), and \$65.0 million for the state small business credit initiative (SSBCI). These appropriations were signed into law on April 30, 2021. Appropriations for housing or rental assistance programs will remain available through the 2025 biennium, and the SSBCI appropriation will remain available through June 30, 2033, per HB 632, Section 14. To date, approximately \$241.7 million has been expended.

TOTAL EXPENDITURE AUTHORITY

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart, as the expenditures are not appropriated.

Modified Budget & Expended Budget by Source of Authority



| Source of Authority | Modified Budget | Expended Budget | % Expended |
|------------------------------|--------------------|--------------------|--------------|
| HB2 & HB13 | 36,150,817 | 26,458,888 | 73.2% |
| BA Budget Amendment | 2,087,826 | 970,861 | 46.5% |
| CF Carryforward | 798,905 | | |
| HB576 Proprietary Off Budget | 80,135,913 | 67,174,573 | 83.8% |
| LRBP | 4,917,000 | 181,467 | 3.7% |
| Other House or Senate Bill | 130,578,758 | 3,553,412 | 2.7% |
| SA Statutory | 83,460,322 | 59,414,055 | 71.2% |
| CARES | 6,802,389 | 2,164,358 | 31.8% |
| ARPA | 227,303,241 | 50,835,981 | 22.4% |
| Total | 572,235,172 | 210,753,595 | 36.8% |

Non-budgeted Proprietary Fund Authority

The Department of Commerce has approximately \$80.1 million in non-budgeted proprietary funding for FY 2024, of which \$67.2 million or 83.8% was expended. Approximately \$67.4 million is appropriated to the Housing MT Division, which utilizes funds for Section 8 housing projects, Board of Housing projects, Emergency Housing Vouchers, and the Mainstream Housing Choice Voucher Program (HCVP). The table below shows the budget, expenditures, remaining budget, and percent expended for each of the non-budgeted proprietary funds for FY 2024.

| Department of Commerce | | | | |
|--|-----------------------------|-----------------------------|-------------------------------------|-----------------------------|
| Proprietary Appropriations and Expenditures | | | | |
| FY 2024 | | | | |
| | Appropriations | Expenditures | Remaining Appropriations | Percent Expended |
| Facility Finance Authority Division | | | | |
| Facilities Finance Authority | \$ 922,703 | \$ 687,851 | \$ 234,852 | 74.5% |
| C-PACE Commercial Property Asset | <u>61,673</u> | <u>4,989</u> | <u>56,684</u> | <u>8.1%</u> |
| Division Total | \$ 984,376 | \$ 692,840 | \$ 291,536 | 70.4% |
| Housing MT Division | | | | |
| Board of Housing Financial Programs | \$ 3,727,420 | \$ 2,714,405 | \$ 1,013,015 | 72.8% |
| Housing Trust Fund | 10,000 | 335 | 9,665 | 3.4% |
| Board of Housing Mortgage Loan Servicing | 2,258,820 | 1,758,199 | 500,621 | 77.8% |
| Montana Affordable Housing Revolving Fund | 10,000 | - | 10,000 | 0.0% |
| TANF - Revolving Loan Fund | 10,000 | 490 | 9,510 | 4.9% |
| Section 8 Project Based | 30,288,169 | 26,972,186 | 3,315,983 | 89.1% |
| Section 8 Housing Assistance Payment (HAP) | 23,196,793 | 19,796,845 | 3,399,948 | 85.3% |
| Section 8 Moderate Rehabilitation HAP | 2,383,583 | 1,132,777 | 1,250,806 | 47.5% |
| Section 8 Tenant Based Vouchers | 3,888,095 | 3,025,646 | 862,449 | 77.8% |
| Section 8 Moderate Rehabilitation | 310,827 | 120,252 | 190,575 | 38.7% |
| Mainstream HCVP Administration | 75,000 | 17,734 | 57,266 | 23.6% |
| Mainstream HCVP HAP | 400,000 | 221,766 | 178,234 | 55.4% |
| Emergency Housing Vouchers Administration | 152,500 | 61,885 | 90,615 | 40.6% |
| Emergency Housing Vouchers HAP | <u>720,000</u> | <u>626,653</u> | <u>93,347</u> | <u>87.0%</u> |
| Division Total | \$ 67,431,207 | \$ 56,449,173 | \$ 10,982,034 | 83.7% |
| Board of Investments | | | | |
| Economic Development Bond | \$ 676,985 | \$ 555,394 | \$ 121,591 | 82.0% |
| Investment Division | <u>7,744,981</u> | <u>6,527,661</u> | <u>1,217,320</u> | <u>84.3%</u> |
| Division Total | \$ 8,421,966 | \$ 7,083,055 | \$ 1,338,911 | 84.1% |
| Director's Office | | | | |
| Centralized Services | <u>\$ 3,298,364</u> | <u>\$ 2,949,504</u> | <u>\$ 348,860</u> | <u>89.4%</u> |
| Division Total | \$ 3,298,364 | \$ 2,949,504 | \$ 348,860 | 89.4% |
| Total Proprietary Appropriations | <u>\$ 80,135,913</u> | <u>\$ 67,174,572</u> | <u>\$ 12,961,341</u> | <u>83.8%</u> |

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from March 1, 2024, through May 31, 2024. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

| Agency Name | HB 2 Budget | Modified Budget | Net Modifications |
|---|-------------------|-------------------|-------------------|
| <input type="checkbox"/> Department of Commerce | 36,150,817 | 36,150,817 | 0 |
| <input type="checkbox"/> 51 BUSINESS MT | 6,336,185 | 6,336,185 | 0 |
| <input type="checkbox"/> 52 BRAND MT | 268,542 | 268,542 | 0 |
| <input type="checkbox"/> 60 COMMUNITY MT | 15,038,243 | 15,038,243 | 0 |
| <input type="checkbox"/> 74 HOUSING MT | 10,122,596 | 10,122,596 | 0 |
| <input type="checkbox"/> 78 BOARD OF HORSE RACING | 458,674 | 458,674 | 0 |
| <input type="checkbox"/> 80 MONTANA HERITAGE COMMISSION | 2,500,181 | 2,500,181 | 0 |
| <input type="checkbox"/> 81 DIRECTORS OFFICE | 1,426,396 | 1,426,396 | 0 |
| Total | 36,150,817 | 36,150,817 | 0 |

| Expenditure Type | HB 2 Budget | Modified Budget | Net Modifications |
|--|-------------------|-------------------|-------------------|
| <input type="checkbox"/> 61000 Personal Services | 5,777,491 | 5,777,491 | 0 |
| <input type="checkbox"/> 62000 Operating Expenses | 7,665,666 | 14,365,666 | 6,700,000 |
| <input type="checkbox"/> 63000 Equipment & Intangible Assets | 150,000 | 150,000 | 0 |
| <input type="checkbox"/> 64000 Capital Outlay | 300,000 | 300,000 | 0 |
| <input type="checkbox"/> 65000 Local Assistance | 46,000 | 46,000 | 0 |
| <input type="checkbox"/> 66000 Grants | 21,917,004 | 15,217,004 | -6,700,000 |
| <input type="checkbox"/> 68000 Transfers-out | 1,124 | 1,124 | 0 |
| <input type="checkbox"/> 69000 Debt Service | 293,532 | 293,532 | 0 |
| Total | 36,150,817 | 36,150,817 | 0 |

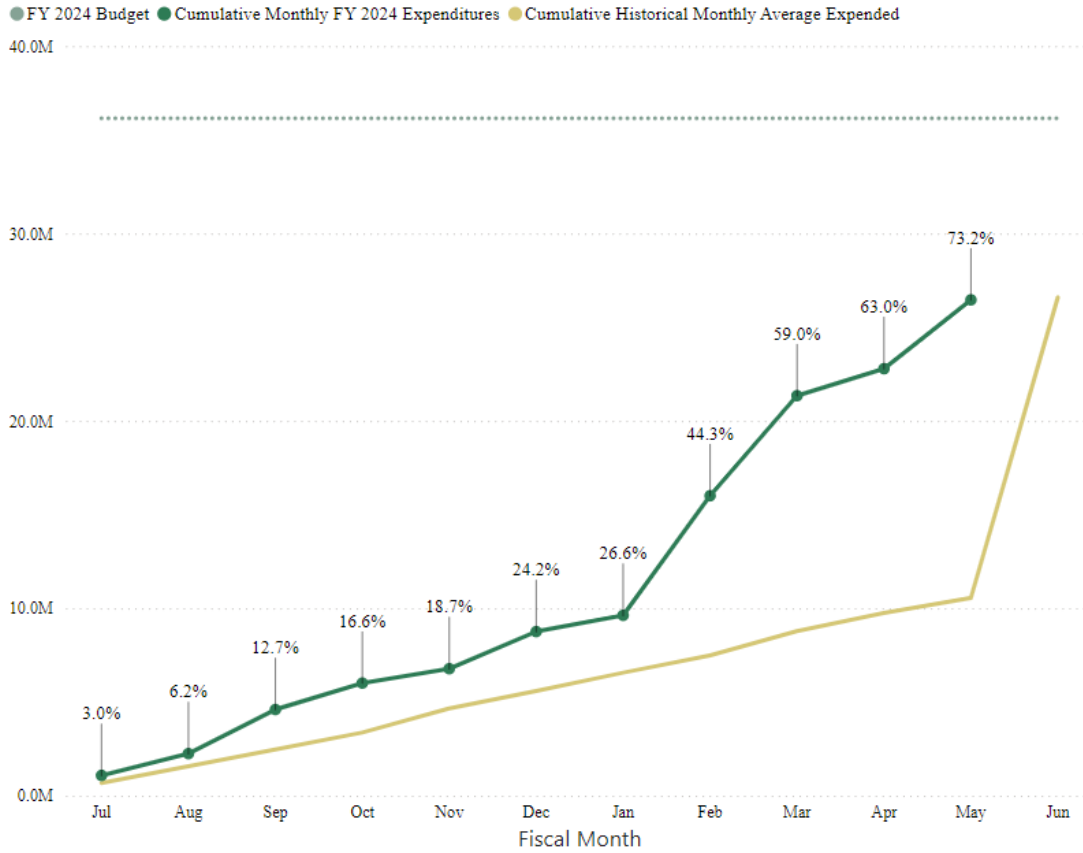
| Fund Type | HB 2 Budget | Modified Budget | Net Modifications |
|--|-------------------|-------------------|-------------------|
| <input type="checkbox"/> 01 General | 6,077,740 | 6,077,740 | 0 |
| <input type="checkbox"/> 02 State/Other Spec Rev | 10,282,643 | 10,282,643 | 0 |
| <input type="checkbox"/> 03 Fed/Other Spec Rev | 19,790,434 | 19,790,434 | 0 |
| Total | 36,150,817 | 36,150,817 | 0 |

The Department of Commerce made one budget modification between March 2024 and the end of May 2024. The agency had one operating plan change which transferred \$6.7 million in grants expenditure authority to operating expense authority within the Housing Division. This transfer was done to properly record loans made under the Housing Trust Fund and HOME Program funds.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2024.

Monthly Expenditures Compared to Historical Average



| Program Name | Modified Budget | Expended Budget | % Expended |
|--------------------------------|-------------------|-------------------|--------------|
| 51 BUSINESS MT | 6,336,185 | 4,003,014 | 63.2% |
| 52 BRAND MT | 268,542 | 162,301 | 60.4% |
| 60 COMMUNITY MT | 15,038,243 | 9,458,221 | 62.9% |
| 74 HOUSING MT | 10,122,596 | 9,129,877 | 90.2% |
| 78 BOARD OF HORSE RACING | 458,674 | 337,852 | 73.7% |
| 80 MONTANA HERITAGE COMMISSION | 2,500,181 | 2,318,970 | 92.8% |
| 81 DIRECTORS OFFICE | 1,426,396 | 1,048,654 | 73.5% |
| Total | 36,150,817 | 26,458,888 | 73.2% |

| Expenditure Type | Modified Budget | Expended Budget | % Expended |
|-------------------------------|-------------------|-------------------|--------------|
| Personal Services | 5,777,491 | 4,092,970 | 70.8% |
| Operating Expenses | 14,365,666 | 10,342,070 | 72.0% |
| Equipment & Intangible Assets | 150,000 | 0 | 0.0% |
| Capital Outlay | 300,000 | 716,927 | 239.0% |
| Local Assistance | 46,000 | | |
| Grants | 15,217,004 | 11,021,364 | 72.4% |
| Transfers-out | 1,124 | | |
| Debt Service | 293,532 | 285,558 | 97.3% |
| Total | 36,150,817 | 26,458,888 | 73.2% |

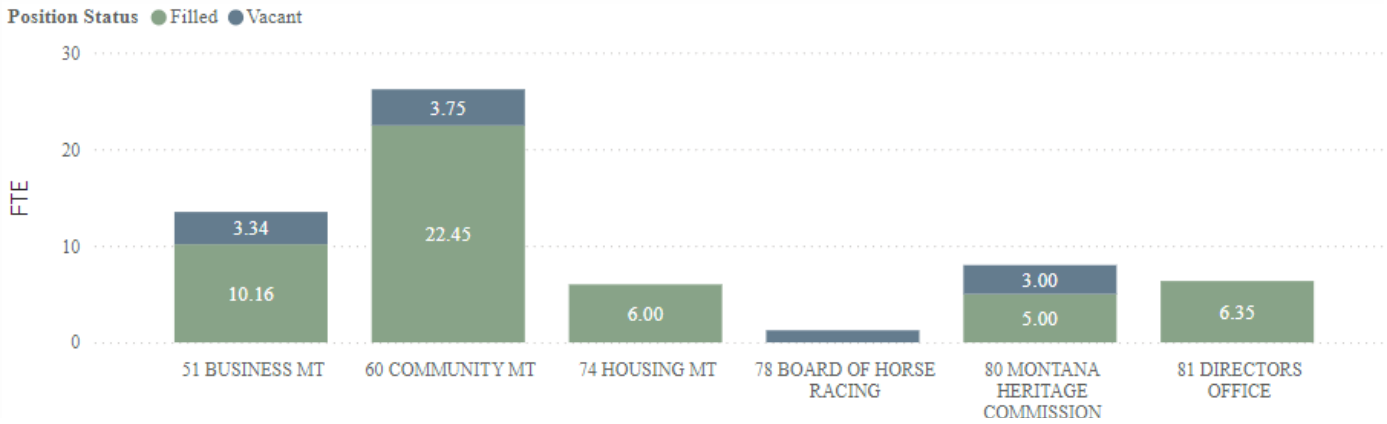
| Fund Type | Modified Budget | Expended Budget | % Expended |
|-------------------------|-------------------|-------------------|--------------|
| 01 General | 6,077,740 | 4,016,549 | 66.1% |
| 02 State/Other Spec Rev | 10,282,643 | 7,051,992 | 68.6% |
| 03 Fed/Other Spec Rev | 19,790,434 | 15,390,346 | 77.8% |
| Total | 36,150,817 | 26,458,888 | 73.2% |

The Department of Commerce has expended 73.2% of its HB 2 appropriation authority in FY 2024. Expenditures are primarily for grants, which are generally for multi-year projects. Approximately 54.7% of the Department of Commerce’s budget is from federal special revenue authority primarily for community development and housing grants.

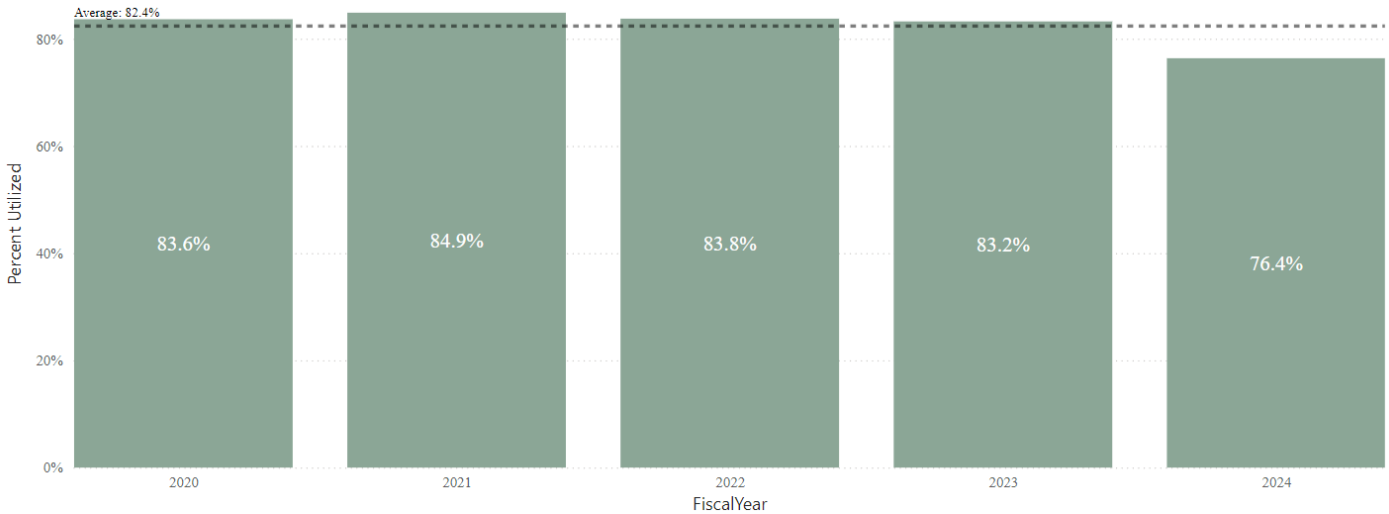
When compared to the historical average, the Department of Commerce has expended a greater portion of their budget to date. Federally funded programs including the Community Development Block Grants and HOME programs are typically recorded closer to fiscal year end. However, due to a change in accounting methodology, the agency has begun recording accruals as contracts are signed rather than waiting until the fiscal year-end. The agency accounting staff believe this will improve accuracy in reporting by ensuring contracts are not missed and will provide better information during the year.

Personal Services

Appropriations for personal services in the Department of Commerce total \$5.8 million and are 70.8% expended through May 31, 2024. The department has 61.30 HB 2 FTE, and 11.34 FTE are vacant as of May 1, 2024. The following chart shows the filled and vacant FTE within the agency as of May 1, 2024.



The chart below shows the hourly utilization percentage for the Department of Commerce between July 1 and May 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 76.4% of the hours budgeted for FY 2024, as shown in the chart below. This is lower than the five-year average of 82.4%. Lower utilization rates are due to the agency experiencing a higher level of turnover and difficulty hiring.



The chart below shows the vacant FTE in each division, the number of months each position has been vacant, and the midpoint hourly pay rate. The chart below presents data generated using a slightly different timing convention compared to the rest of the vacancy charts. As a result, there may be a slight variance in the total FTE that are vacant. As of May 1, 2024, the department was in the process of recruiting for a compliance specialist, executive director of the Montana Heritage Commission, a groundskeeper, loan and bonds specialist, program specialist, and special programs supervisor. Heritage Commission vacancies are aggregate positions for seasonal employees who typically only work the summer months.

Vacant Positions Report

| | FTE | Median Months Vacant | Market Midpoint (Hourly) |
|---|--------------|----------------------|--------------------------|
| ☐ 65010 COMMERCE | 11.09 | 7.64 | 36.35 |
| ☐ 51 BUSINESS MT | 3.34 | 6.79 | 36.35 |
| Bus/Tech Assist Program Mngr | 0.50 | 7.70 | 36.35 |
| Creative Content Specialist | 0.34 | 2.82 | 30.55 |
| Operations & Budget Analyst | 1.00 | 0.82 | 37.57 |
| Program Specialist | 1.00 | 7.70 | 36.35 |
| Public Relations Specialist 1 | 0.50 | 6.79 | 30.55 |
| ☐ 60 COMMUNITY MT | 3.75 | 10.00 | 36.66 |
| Accountant 3 | 0.75 | 10.00 | 36.96 |
| Comm Resource Development Mngr | 1.00 | 4.49 | 51.21 |
| Program Specialist 1 | 1.00 | 10.00 | 27.86 |
| Program Specialist 2 | 1.00 | 10.00 | 36.35 |
| ☐ 78 BOARD OF HORSE RACING | 1.00 | 10.00 | 36.35 |
| Program Specialist 2 | 1.00 | 10.00 | 36.35 |
| ☐ 80 MONTANA HERITAGE COMMISSION | 3.00 | 7.25 | 15.01 |
| Custodian 1 | 0.35 | 7.25 | 15.01 |
| Customer Service Assistant 1 | 2.30 | 6.95 | 13.63 |
| Groundskeeper 1 | 0.35 | 7.64 | 15.72 |
| Total | 11.09 | 7.64 | 36.35 |

OTHER ISSUES

Required Reports

In accordance with the State's Settlement of Claims Sunshine and Transparency Act, the Montana Department of Commerce must submit its quarterly report to the Legislative Fiscal Division disclosing all civil claims or complaints received during the quarter ending March 31, 2023, seeking \$10,000 or more in monetary compensation. Commerce, and all of its administratively attached boards, have received 0 civil claims or complaints to report this quarter.

Appendix A

Did the agency utilize contractors? If so, how much did you pay to contractors? How much of the amount paid to contractors do you estimate is due to vacant positions? If contractors were paid because of vacant positions, what are the types of vacant positions that resulted in the need for contractors?

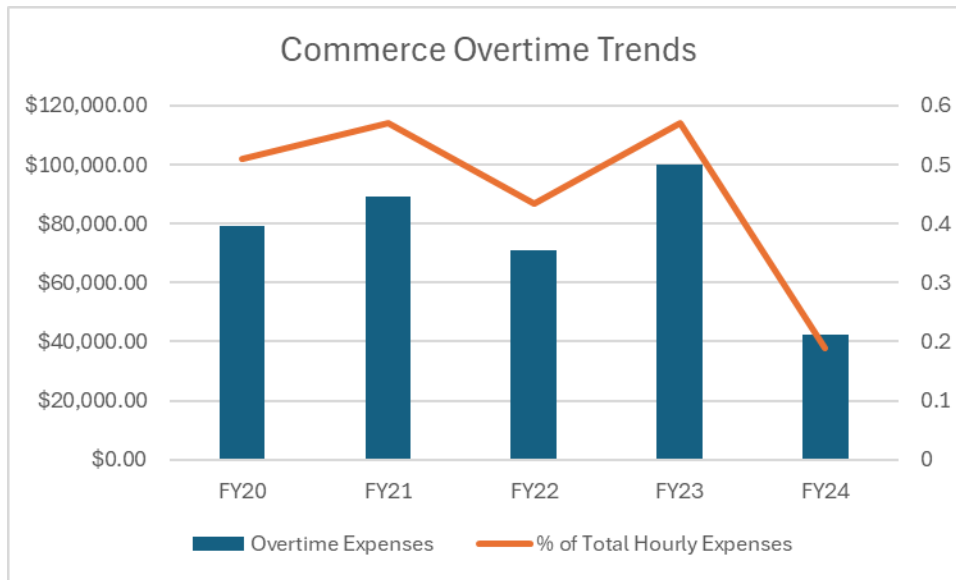
The table below summarizes the payments for temporary services under the state's term contracts for short term workers. 100.0% of these would have been due to vacant positions. Temporary services were used primarily for administrative assistant and customer service roles for Montana Emergency Rental Assistance, homeowner assistance funds, and other COVID related or one-time only programs.

| Row Labels | Sum of Amount |
|--------------------------------------|-------------------|
| 2021 | 539,266.06 |
| 03172 CARES Business Stabilization | 85,143.94 |
| 03233 CARES ACT Housing Grants | 424,565.76 |
| 06030 BOH Financial Program Fund | 10,965.42 |
| 06032 Mortgage Loan Servicing | 11,604.96 |
| 06074 SEC 8 Project Based | 1,933.30 |
| 06075 Section 8 Vouchers | 5,052.68 |
| 2022 | 36,811.12 |
| 02116 Accommodation Tax Account | 1,578.94 |
| 03172 CARES Business Stabilization | 6,149.22 |
| 06014 BOI Municipal Finance Programs | 406.00 |
| 06032 Mortgage Loan Servicing | 13,319.60 |
| 06075 Section 8 Vouchers | 1,147.36 |
| 06527 Investment Division | 14,210.00 |
| 2023 | 33,846.74 |
| 03797 ARPA Rental Assistance Funds | 33,846.74 |
| 2024 | 56,219.70 |
| 01100 General Fund | 10,590.36 |
| 03797 ARPA Rental Assistance Funds | 37,407.19 |
| 06030 BOH Financial Program Fund | 8,222.15 |
| Grand Total | 666,143.62 |

Additional temp services were used in FY 2024 due to vacant positions in the Housing Division and the Research & Information Services Bureau within the Director’s Office. The agency does not anticipate a need to utilize the temp services contracts anymore in FY 2024, but they will be utilizing engineering contracts to account for the inability to recruit and retain a division engineer in Community MT Division. Additionally, the Executive Director position for the Montana Board of Horse Racing has been filled by a contracted employee for the past decade as a full-time employee was not seen as necessary, and a contracted employee was a more affordable alternative. The contract currently is for \$3,000 per month. Finally, the Board of Horse Racing in the past year has begun employing stewards as contracted employees since they are only required for a limited number of days each year.

How much did you pay in overtime? How much of the overtime paid do you estimate is due to vacant positions? If overtime was paid because of vacant positions, what are the types of vacant positions that resulted in the need for overtime?

Overtime (OT) in FY 2020-2023 was higher than normal due to the amount of ARPA and CARES programs the department rolled out. Based on current trends, the department anticipates FY 2024 to go back to pre-COVID OT average of 0.37% or lower. Overtime continues to trend lower than pre-pandemic rates. See the chart below for details.



Less than 25.0% of the total overtime paid was due to vacant positions. This trend has continued through the end of May. Those vacancies were primarily in modified positions for one-time-only federal ARPA funds, including for the MERA program, which ended fully in August 2023. As the Department of Commerce made announcements regarding the program closure, there was a large uptick in turnover with these staff, who would no longer have jobs with the department at the end of the program. The department approved overtime and paid out bonuses to staff who did stay through the duration of the program to encourage staff to work through the final day of the program.