

## Chairs' overview

# Goals: Recognize and mitigate COVID impacts on Montana's

1. Communities and families
2. Workforce and jobs
3. Small Businesses
4. State, local, and tribal government services/infrastructure
5. Education
6. Future impacts

# 1. Communities and Families

- Childcare
- Nutrition
- Housing
- Recreation
- Spiritual
- Healthcare: physical and mental
- Yet to be defined

## 2. Workforce and jobs

- Access to childcare
- Development of rapid retraining and retooling
- Address infrastructure limitations
  - Construction of housing
  - Availability of broadband and cell service
  - Water and sewer
  - Other
- Re-entering prisoners

# 3. Small Businesses

- Access to capital
- Access to workforce
- Customers
- Demand
- Supply chain
- Higher cost
- Changing economy with changing tastes and preferences

## 4. State, Local, and Tribal Services

- Lost revenues
- Additional costs
- Delayed services
- Infrastructure limitations
- Public safety
- Public health
- Access to supplies
- Reduce long-term liabilities

# 5. Education

- Learning loss
- Broadband
- Attendance
- Delivery of educational services
- Face to face
- Social and relationship
- Connection to child services, food security, abuse and neglect
- Infrastructure limitation for safe learning space
- Other

# 6. Future Impacts

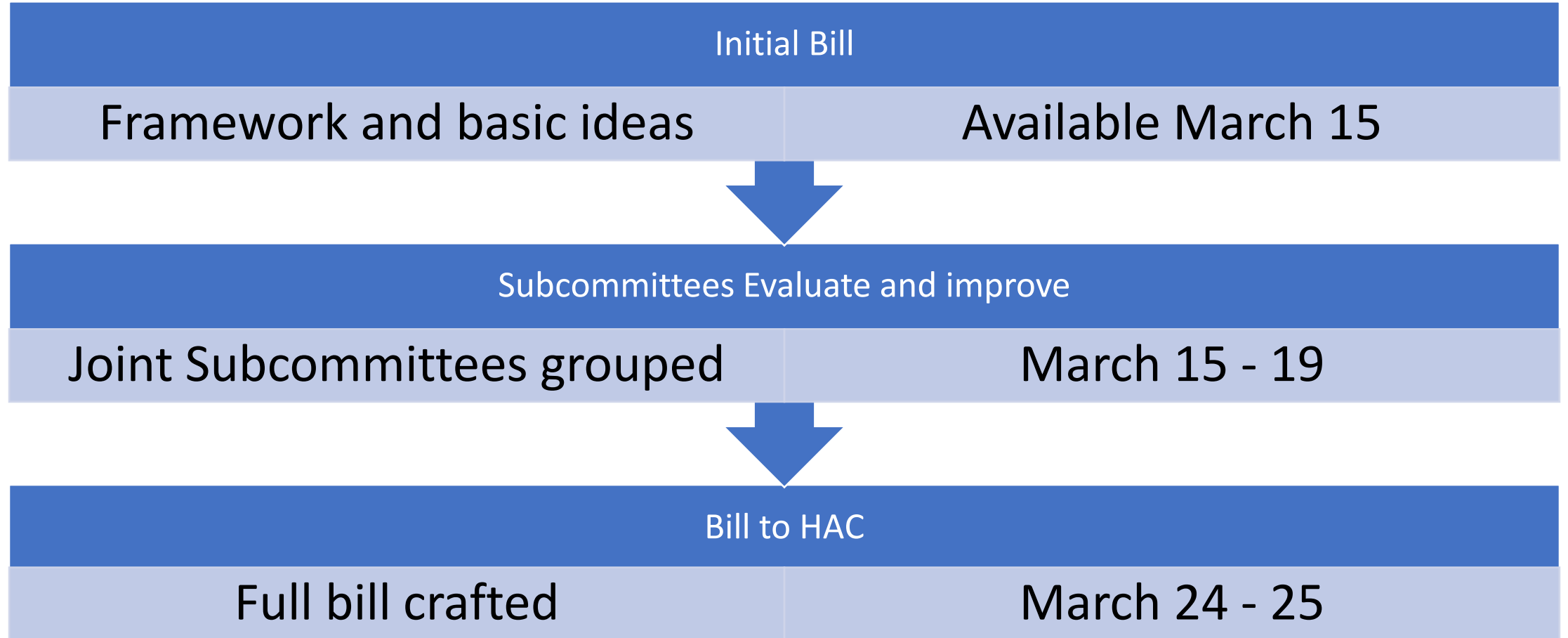
- Infrastructure
- Changing economy
- Acceleration of automation and innovation
  - Kiosk
  - Telemedicine
  - Remote work, education,
  - Long-term impacts of unemployment
- Long-term health and social impacts
- Yet to be defined



# Guiding Principles

- A. Follow federal guidelines
- B. Address COVID
- C. Use existing processes when possible
- D. Leverage public and private partnerships
- E. Ensure that expenditures are transparent and have measures for success
- F. Invest strategically to promote Montana's sustainability while not creating long term liabilities
- G. Create economic resilience – return to growing pre-COVID economy

# Creating and evaluating the bill



# Sections

## A and F Room 317

- Labor  
Unemployment  
administration &  
fraud,  
community  
service
- Capital projects
- Water and sewer
- Broadband

## B and D Room 102

- Many silos within  
DPHHS
- FMAP changes
- Commerce –  
housing,  
homeless, small  
business

## C + E Room 472

- Airports, transit
- MUS and K-12
- Arts, Culture,  
library silos

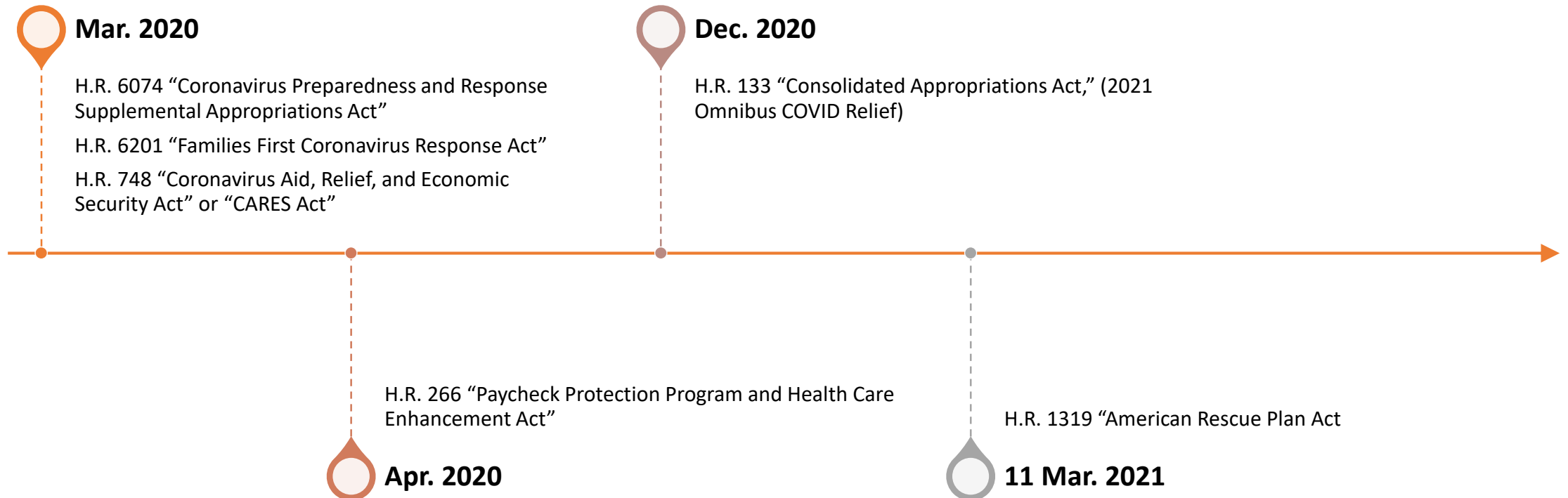
## Select Committee Room 335

- Revenue  
replacement
- Industry  
economic  
investment

LFD

Federal Legislation  
Process and Parameters

# One Year History of Federal Stimulus



# American Rescue Plan Act of 2021

- Third major effort in stimulus of the US economy
- \$1.9 trillion with a US GDP of \$21 trillion

# Many Congressional Committees Created Sections of the ARPA

Independent  
provisions

Specific  
purposes

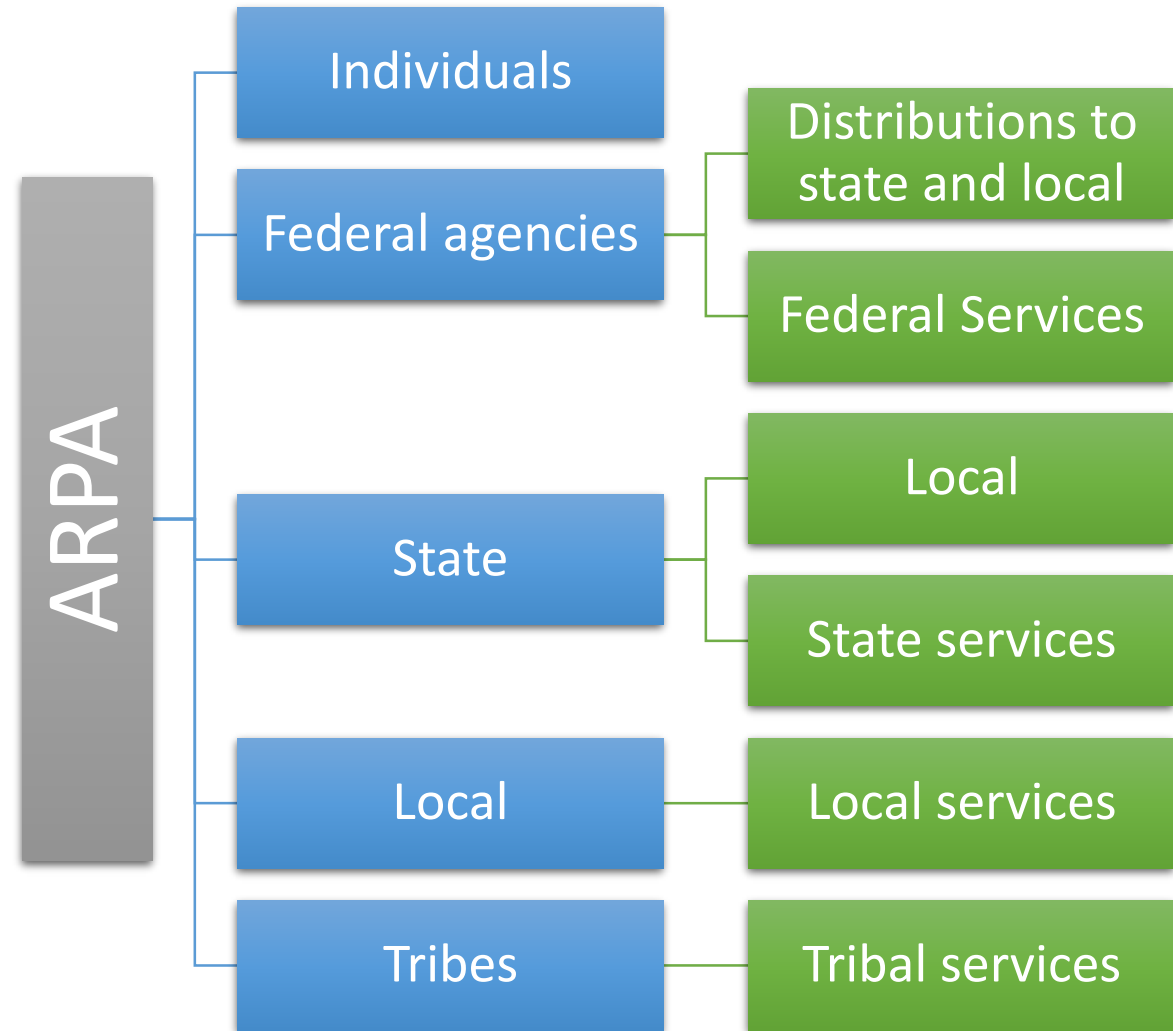
Timelines vary

Build on  
previous  
programs

# Allocation of Funds

Sections were created by various federal committees

Funding distribution and purposes vary widely

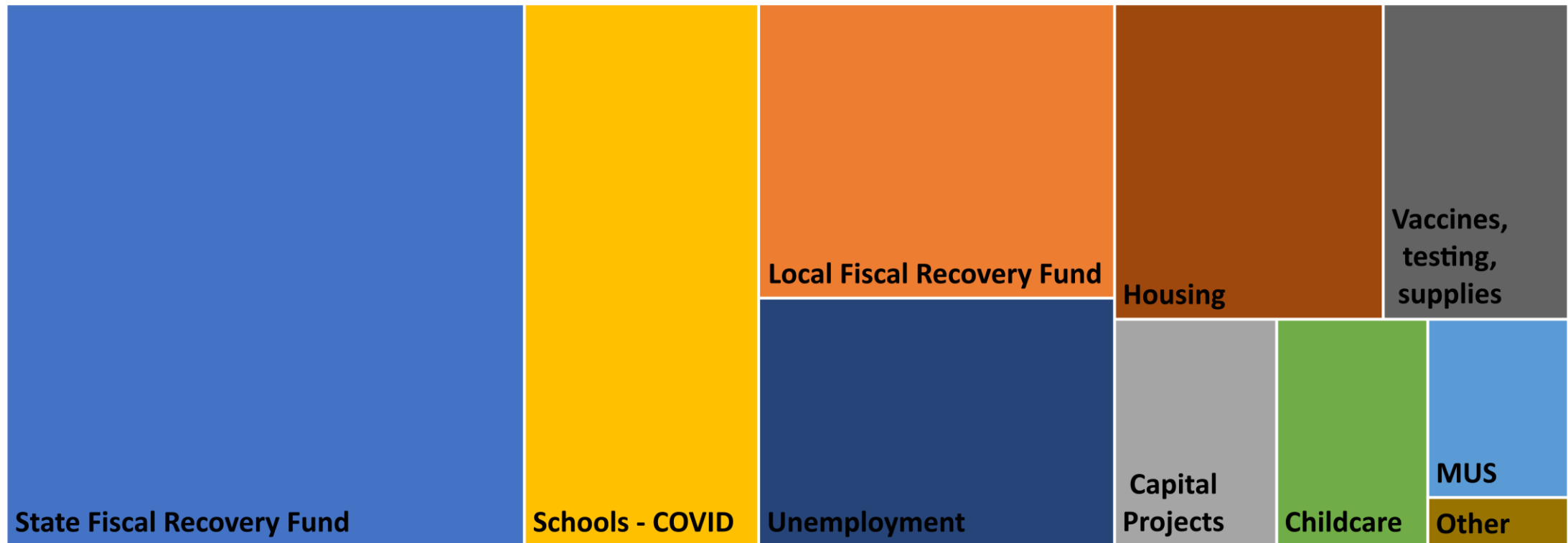




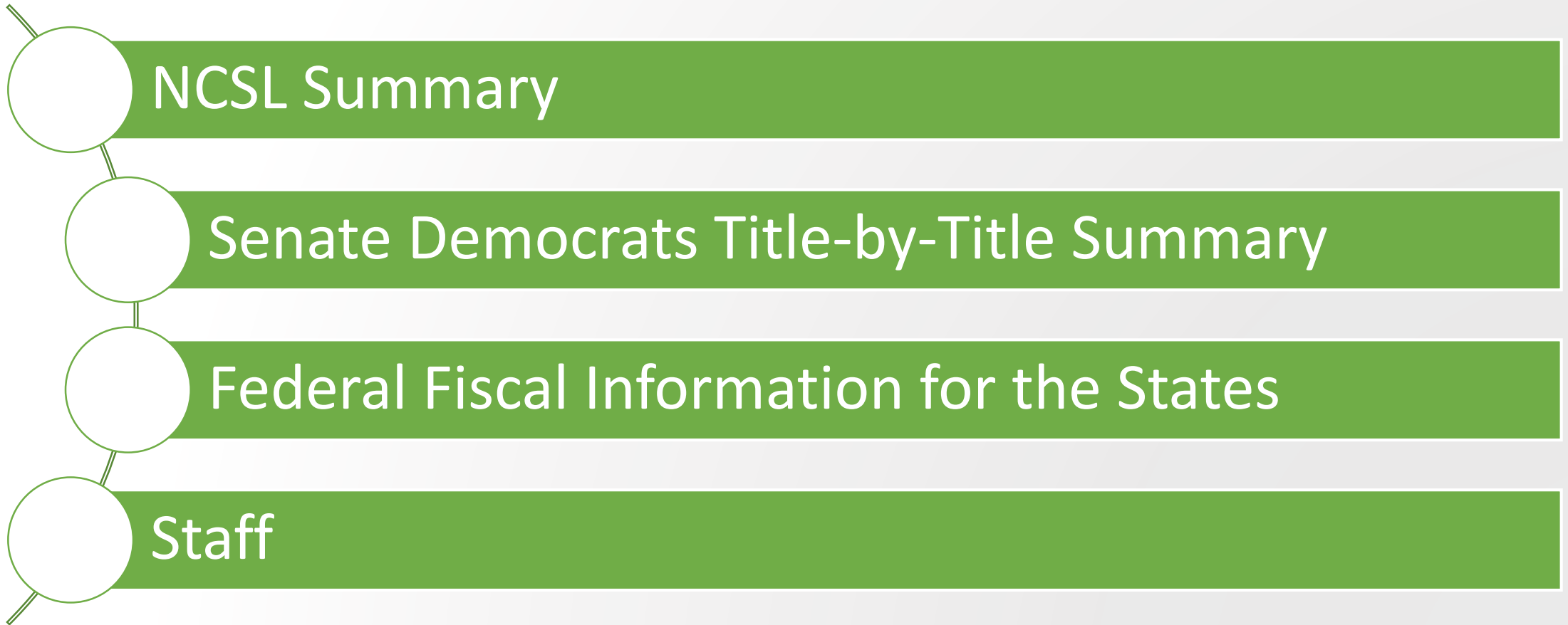
# American Rescue Plan for State and Local

(additional unknown amount for some local and all Tribal allocations)

- State Fiscal Recovery Fund
- Local Fiscal Recovery Fund
- Capital Projects
- Schools - COVID
- MUS
- Childcare
- Unemployment
- Housing
- Vaccines, testing, supplies
- Other



# Information Sources



# Process and Parameters

Legislative Fiscal Division will track all appropriations, work with Legislative Services on legal aspects, and keep organized.

SEC. 9901.  
CORONAVIRUS  
STATE AND  
LOCAL FISCAL  
RECOVERY  
FUNDS  
Pages 569 -  
604

- SEC. 602. CORONAVIRUS STATE FISCAL RECOVERY FUND
  - Estimated at \$910 million
  - Unknown to Tribes
- SEC. 603. CORONAVIRUS LOCAL FISCAL RECOVERY FUND
  - Estimated at \$82 million through state
  - \$258 million direct to local
- SEC. 604. CORONAVIRUS CAPITAL PROJECTS FUND
  - Estimated at \$119 million to state
  - Unknown to Tribes
- SEC. 605. LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND
  - Unknown – anticipated to go directly to counties and tribes

# Uses of Sec. 602 and 603 State, Local, and Tribal Through December 31, 2024

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Respond to the public health emergency, including premium pay to essential workers



Water, Sewer, and Broadband



Replace revenue to provide governmental services, measure as a change from FY 2019



Address the negative economic impacts to households, small business, non-profits, and industries

# PROHIBITIONS of Fiscal Recovery Funds Sec. 602 and 603

State prohibitions page  
579 taxes & pensions  
local prohibitions  
pensions only page  
594



Reduce net revenue  
through tax reductions

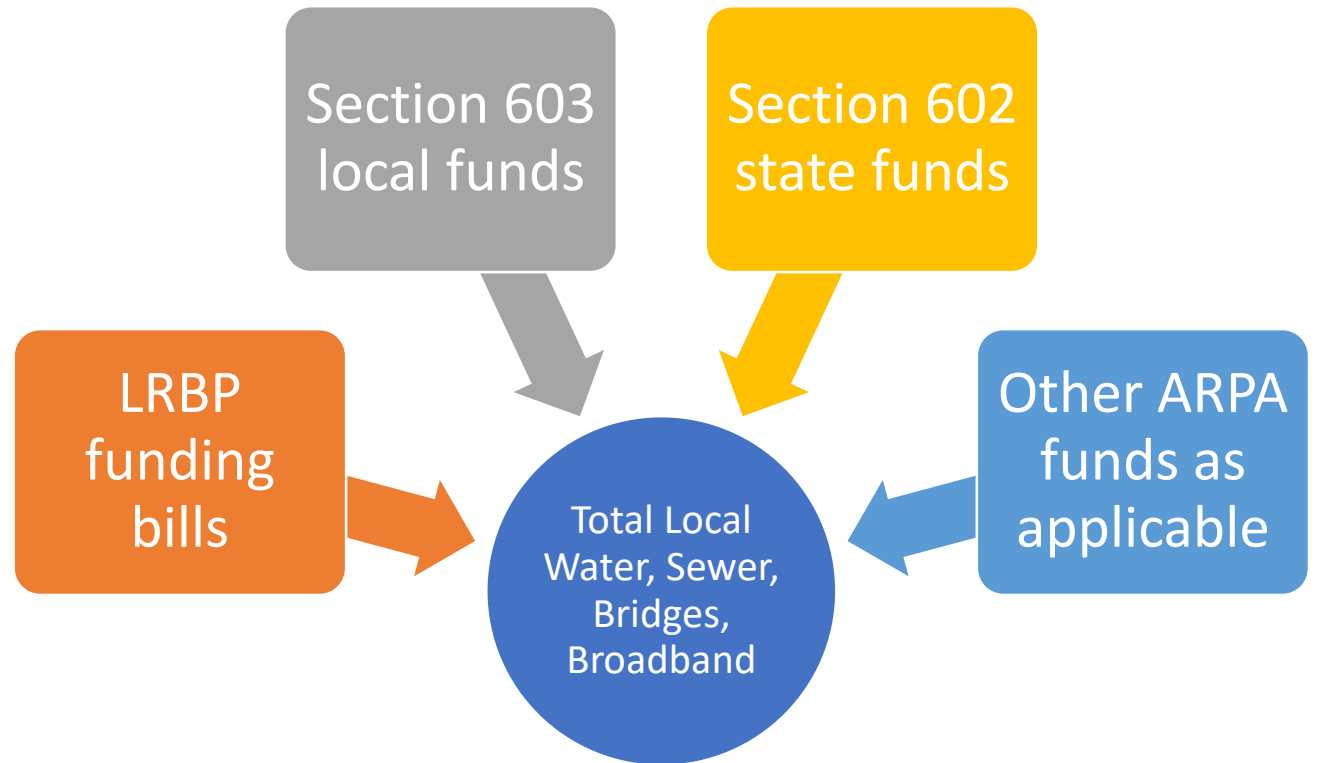


Deposit in a pension  
fund

# Local Water, Sewer, Broadband, and Bridge Projects

Evaluate current legislation in long range building including water, sewer, broadband, and other local infrastructure projects in light of the new federal funding

Sec 602 and Sec 603



# Industries Potentially Impacted (Sec 602)



TOURISM, TRAVEL,  
ENTERTAINMENT



COAL, OIL, AND  
GAS



FORESTRY



AGRICULTURE



MANUFACTURING

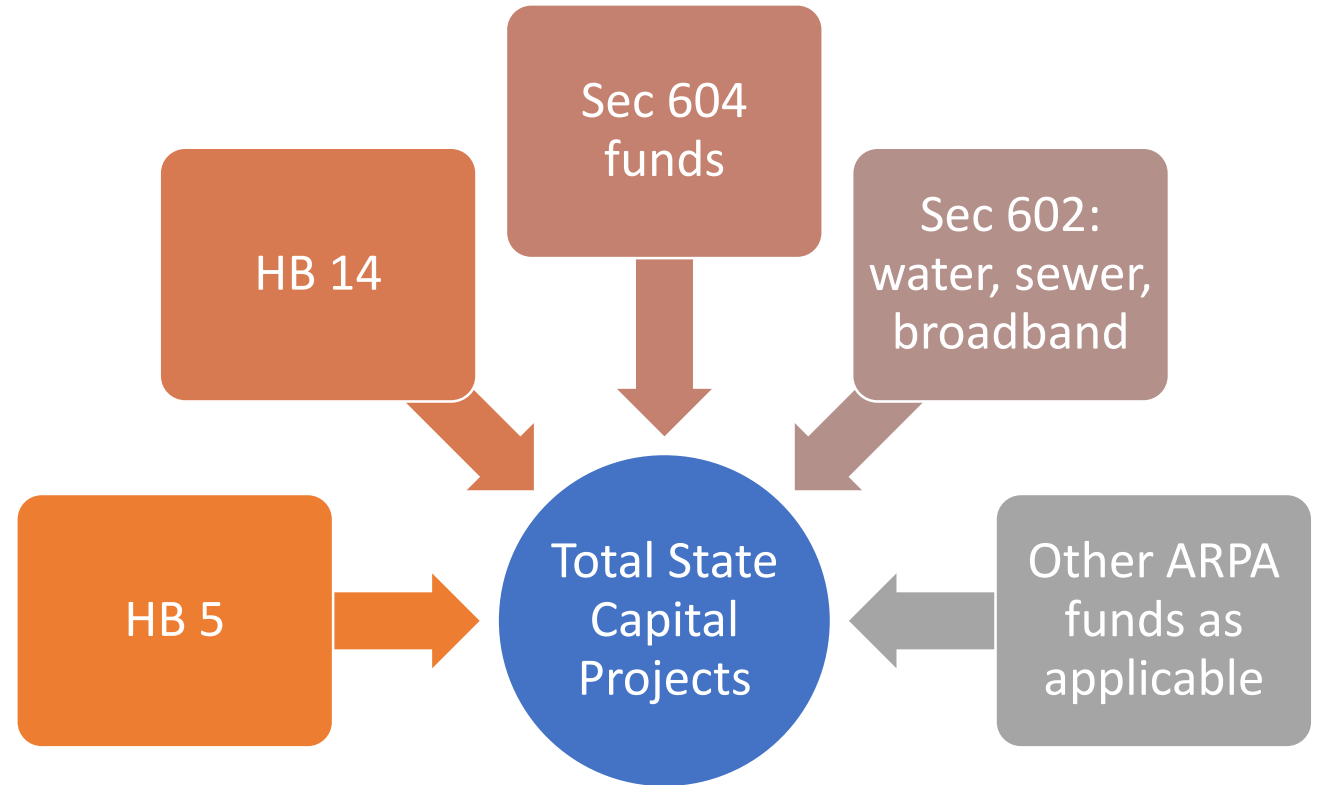


# SEC. 604. CORONAVIRUS CAPITAL PROJECTS FUND for States and Tribes page 598

Sec 604: To carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID-19)

Sec 602: Water, Sewer, Broadband

Other ARPA sections may have specific funding sources that could be used such as public health funding for public health facilities



# SEC. 605. LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND

- New distribution of federal revenue over two years
- Revenue sharing impact using measurements of:
  - Poverty rates,
  - Household income,
  - Land values, and
  - Unemployment rates as well as other economic indicators,
  - Over the 20-year period ending with September 30, 2021.
- Counties and Tribes
  - Anticipate direct distribution to counties and tribes

# Legislative Fiscal Division Tracking



Calculation for revenue replacement for all state revenue sources



Calculation of net tax reductions



Education fund restrictions

Maintenance of effort for K-12 and MUS to same percentage as the average of FY 2017, FY 2018, and FY 2019

Maintenance of equity for low income K-12 schools



Other requirements of the bill, potential revenue impacts, and accounting issues

# Expectation of Combined Committees

- Deep dive into the executive suggestions from agencies for silos
- Develop workplan for Tuesday – Thursday
- Invite impacted Montanans for further suggestions – work with staff to invite today at organizational meeting
- Provide opportunities for public comment
- Within Guiding Principles develop a recommendation for assigned silos and agencies for HB 632
- Recommendations will build the gray bill for consideration by House Appropriations Committee

# Guiding Principles

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- B. Address COVID
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- D. Ensure that expenditures are transparent and have measures for success
- E. Invest strategically to promote Montana's sustainability while not creating long term liabilities
- F. Create economic resilience – return to growing pre-COVID economy

# Metrics for larger projects

- Partnership – share of funding matched by other organization (government or private)
- Specific programmatic goals such as
  - Jobs
  - Trained persons
  - Technology acquired
  - Private investment generated
- Other

# Types of Subcommittee recommendations

- Appropriations of federal funds in LC2555
- Offsets to general fund expenditures in HB 2
- Statute and guidance conditioning appropriations

# Select Committee

## Monday – 10-12

- Review goals
- Hearing on negative economic impacts to the tourism industry
  - Travel/accommodations
  - Hospitality
  - Entertainment

## Tuesday 8-12

- Hearing on negative economic impacts to natural resource economy
  - Coal
  - Oil and gas
  - Forestry
  - Agriculture

## Wednesday 8-12

- Hearing on negative economic impacts to manufacturing and other industries
- Bill requirements and other provisions

## Thursday 8-12

- Hearing on other impacts of COVID on the state of Montana including tribal communities
- Combined C and E report on recommendations

## Friday 8-12

- Recommendations of Combined B and D
- Recommendations of A and F