

STATE OF MONTANA

Economic Transformation and Stabilization and Workforce Development Advisory Commission Minutes September 8, 2021

1. OPEN MEETING 9:06

Chair Blasdel called Economic Transformation and Stabilization and Workforce Development Advisory Commission to order. Vice-chair Heggem, Senator Osmundson, Senator Lynch, Representative Galt, Representative Jones, Representative Abbott, Commissioner Esau, and Director Alme were present.

2. Administrative Matters 9:07

Senator Osmundson announced that he will be assuming the role of Budget Director when Director Alme resigns. Senator Osmundson announced he has no conflicts of interest as of this meeting.

Director Foster indicated that the state has contracted with Big Sky Public Relations firm per HB 632.

Director Foster discussed ongoing efforts on complying with the U.S. Treasury guidance, FAQ's, and HB 632, and stated that motions regarding the different programs and proposals presented require the Advisory Commission certify that all programs are eligible uses under ARPA.

Director Alme moved that the commission certify that all programs, as set forth in the program proposals recommended at all prior meetings of this Advisory Commission are eligible uses under ARPA and all applicable guidance.

The Chair called for a voice vote. The vote passed unanimously.

3. ARPA WEBSITE 9:16

Liane Taylor provided an update on the call center and website. To date there have been 25,000 visits to the website, 10,000 of which have been in the past 30 days. The call center updates the website in real time. There are 47 comments in your binders and 8 public proposals since the last meeting. Questions were provided by the commission.

4. FUNDING UPDATE 9:19

Budget Director Alme, OBPP discussed the State Fiscal Recovery Estimated Funding Allocation Spreadsheets. Director Alme discussed with the commission the request to move \$25 million of the ARPA funds allocated to this commission to the Infrastructure Advisory Commission so the Infrastructure Advisory Commission can recommend the full list of projects to the governor for funding. Then this commission would receive the \$25 million back in the send allocation of funds from the Treasury.

5. DEPARTMENT OF LABOR AND INDUSTRY UPDATE 9:30

Scott Eychner, DLI reported on the Return – to – work Bonus. Mr. Eychner stated that the program has paid out just under \$ 1 million, but with the trend they are seeing there is a

possibility funding that can be reallocated at the November 27, 2021 meeting. No questions were presented by the commission.

6. DEPARTMENT OF LABOR AND INDUSTRY PROPOSALS 9:33

Scott Eychner, DLI presented two proposals to the commission:

Individuals with Disabilities Employment Engagement Program: Mr. Eychner requested the commission approve \$2 million for the Individuals with Disabilities Employment Engagement Program to increase DPHHS's capacity to serve more individuals with disabilities, hereby ultimately increasing the overall available labor pool. Questions were provided by the commission. No public comment was provided.

Representative Galt made a motion to recommend to the Governor, the allocation of \$2 million to the Department of Health and Human Services for the Individuals with Disabilities Employment Program, as materially set forth in the program proposal recommended to this Advisory Commission and certify that the program is an eligible use under APRA and all applicable guidance.

Chair Blasdel called for a roll call vote on Representative Galt's Motion. Motion passed 9-0.

Rapid Retraining Program: Mr. Eychner requested the commission allocate \$ 10 million in Rapid Retraining Program funds to enroll additional people in workforce training and expand industry – driven accelerated workforce training courses. Questions were provided by the commission. Public comment was provided in person and online.

Representative Galt made a motion to recommend to the Governor, the allocation of \$10 million to the Department of Labor and Industry in Rapid Retraining Program funds to enroll more people in workforce training programs, and expand industry – driven accelerated workforce training courses, as both materially set forth in the program proposals recommended to this Advisory Commission and that this Advisory Commission certify that the programs are an eligible use under ARPA and all applicable guidance. Questions were provided by the commission.

Representative Abbott made a motion to amend Representative Galt's motion to move \$3 million from the Return – to – Work Bonus and direct Department of Labor and Industry to use the funds for Request for Proposals for Rapid Retraining Programs that address workers impacted in the downturn in natural resources development or to workers necessary to build the infrastructure we have invested in across the state.

Director Alme resisted the amendment, Director Alme expressed that it would be premature to move the funds from the Return – to – Work Bonus Program. Director Alme also expressed that DLI has adequate resources to address dislocated workers but stated that Representative Abbott's concerns need to be taken seriously and address the issues. Senator Lynch supported the Motion.

Chair Blasdel called for a roll vote on Representative Abbott's motion. The motion failed 7-2.

Chair Blasdel called for discussion on the original motion. Director Alme praised Commissioner Esu, Director Osterman, Director Meir, and their staff of all the hard work that has been put in these programs.

Chair Blasdel called for a voice vote on Representative Galt's motion. Motion passed 9-0.

7. DEPARTMENT OF COMMERCE UPDATE 11:12

Director Osterman, Department of Commerce updated the commission on the EDA grants that were announced. The American Rescue Plan U.S. Economic Development Administration (EDA) allocated \$3 billion in supplemental funding to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks.

Director Osterman stated that the Department of Commerce will be applying for a \$1 million planning grant and \$2 million tourism related grant.

Cheryl Cohen updated the commission on the Montana Emergency Rental Assistance Program. Ms. Cohen walked through the expanded federal regulations and proposed recommendations. No questions were provided by the commission. Public comments were provided online.

Representative Galt made a motion to recommend to the Department of Commerce that it adopt its recommendations proposed to this Advisory Commission at its meeting regarding the U.S. Department of Treasury's new flexibility provisions for the Emergency Rental Assistance Program and that this Advisory Commission certify that the program provisions are an eligible use under ARPA and all applicable guidance.

Chair Blasdel called for a voice vote on Representative Galt's motion. Motion passed 9-0.

Ms. Cohen updated the commission on the Homeowner Assistance Fund Plan Guidelines Review. Ms. Cohen requested the commission approve the following recommendations:

1) Commission acknowledgement that the official HAF public comment period continues through September 12, 2021, and giving Montana Housing the ability to adjust components of the Montana HAF Plan that may be needed in responding to final public comments submitted. These adjustments will be made in consultation with the executive branch prior to submission of the final plan to Treasury by September 30, 2021.

2) Continued commission support of the proposed up to \$25,000 reinstatement financial assistance as a loan program. Cons of loan program include increased administrative costs and potential decrease in homeowner and mortgage servicer subscription to the program. Although Treasury has indicated a loan program is an eligible use, there remain some uncertainties in how Treasury will address loan repayments in the future. Pros include aligning with Treasury guidance to prevent HAF from replacing other loss-mitigation efforts and ensuring equity of loss-mitigation options for Montanans, irrespective of their loan investor or insurer.

3) Montana Housing will highlight the difference in current market conditions (versus market conditions during HAF) as justification to Treasury for the deviation to not include loan forgiveness as a component of our HAF loan reinstatement program.

Questions were provided by the commission. Public comment was provided online.

Representative Galt made a motion to recommend to the Department of Commerce (DOC) that the Department's plan for the Homeowner Assistance Guidelines be adopted as materially presented to this Advisory Commission at its meeting, with the following conditions:

This recommendation includes consideration of the written and verbal public comments on this proposed plan that have been received up to and including the time of this meeting;

- + If any additional public comment on this proposed plan is received between September 8th and September 12th, the DOC will summarize those comments and email them to all members of this Advisory Commission and ARPA Director Mike Foster on the next business day, which will be Monday, September 13th;
- + If any Advisory Commission members determine that the public comment from the September 8th -12th time period warrants a meeting of the Advisory Commission to revisit this motion, they must notify ARPA Director Mike Foster by email no later than Saturday, September 18th;
- + Director Foster will report the content of all such emails to all Advisory Commission members no later than Monday, September 20; and
- + If Chair Blasdel and/or a majority of the Advisory Commission members indicate that an Advisory Commission meeting should be held to revisit this motion, Chair Blasdel will set the meeting prior to September 30th, which is the deadline for the DOC to submit its proposed plan to the federal government.

I further move that this Advisory Commission certify that the Homeowner Assistance Fund Guidelines Plan presented to this Advisory Commission today is an eligible use under ARPA and all applicable guidance.

Chair Blasdel called for a voice vote on Representative Galt's motion. Motion passed 9-0.

8. DEPARTMENT OF COMMERCE PROPOSALS 11:50

Wayne Johnston, Department of Commerce presented The American Rescue Plan Act Workforce Training Grant Program to the commission. Mr. Johnston requested that the commission allocate \$10 million to the Department of Commerce to implement and manage the American Rescue Plan Act Workforce Training Grant Program.

Questions were provided by the commission. Public comment was provided in person.

Representative Galt made a motion to recommend to the Governor, the allocation of \$10 million to the Department of Commerce to implement and manage the American Rescue Plan Act Workforce Training Grant Program, as materially set forth in the program proposal recommended to this Advisory Commission at its meeting and that this Advisory Commission certifies that the program is an eligible use under ARPA and all applicable guidance.

Chair Blasdel called for a voice vote on Representative Galt's motion. Motion passed 9-0.

9. DASHBOARD UPDATE 12:02

Angie Nelson discussed requirements pertaining to the States dashboard transparency portal along with the NCSL APRA State Fiscal Recovery Fund Allocations website. Ms. Nelson demonstrated how the public can see where and how funds have been distributed via the sate website. No questions were provided by the commission. Ms. Nelson will be the point of contact for the transparency site.

10. PUBLIC COMMENT 12:06

The Chair opened the floor for general public comment to the commission. Public comments were provided in person and online.

11. OTHER 12:23

Chair Blasdel and Director Foster discussed deadlines and upcoming meeting dates, with the next meeting scheduled for October 27, 2021.

12. Adjourn 12:25

Chair Blasdel adjourned the meeting at 12:25 p.m.