

TO: Health Advisory Commission FROM: Adam Meier, Director, DPHHS

DATE: June 24, 2021

SUBJECT: Low-Income Home Energy Assistance Program Supplemental Funds for Federal Fiscal

Years 2021-2022

Overview: Montana assists approximately 18,500 households annually through the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP provides multiple benefits to help low-income households reduce their energy burden. Households receive assistance with their seasonal heating bills, while the weatherization program invests in long-term energy saving measures to reduce heating costs and lower energy consumption.

The American Rescue Plan Act (ARPA) allocates additional LIHEAP supplemental funds to states to improve or expand their LIHEAP programs and provide additional assistance for income-eligible households. The Department of Public Health and Human Services (DPHHS) is seeking the Commission's approval to spend the funds allocated on the following items: (1) necessary LIHEAP and weatherization IT system upgrades; (2) LIHEAP weatherization and installation of energy conservation measures for low-income households; (3) client education and outreach; and (4) home energy assistance benefits with the addition of emergency and arrearage payments.

Allocation Request and Deadlines: Montana will receive \$27,134,445 in LIHEAP supplemental funds that must be obligated by the end of FFY22. The state must submit its plan for these funds by September 1, 2021. The department requests to allocate these funds as follows:

Administrative \$2.71 million
 Home Energy Assistance Benefits \$13.6 million
 Weatherization Assistance \$4 million
 Client Education and Outreach \$770,000
 IT System Upgrade \$6 million

Structure:

LIHEAP Benefits: LIHEAP, is a federally funded block grant that provides approximately \$21 million annually to Montana to reduce the home energy burden for low-income households. Home energy is defined in LIHEAP statute as a source of heating in residential dwellings. The state must ensure that households with the lowest income and highest home energy burden receive the greatest level of assistance. Payments are made directly to the energy provider. Fifteen percent of the state's normal allocation may be used to provide low-cost residential weatherization and other cost-effective energy-related home repairs. The ARPA funds would temporarily supplement the existing LIHEAP program and provide increased benefits targeted to high-burden households.

The program will designate \$13.6 million to increase heat assistance payments for the lowest income households with the highest energy burden, as well as special populations of elderly, disabled or households with young children. A portion of the supplemental funds will fund a new, temporary benefit to pay for utility arrearages and emergency payments for reconnection fees or to stop service disconnects. The increase in payments and new benefit for arrearages and emergencies would only apply for the 2021-2022 LIHEAP season.

The \$4 million allocation to the Weatherization Assistance Program would help reduce energy costs for an additional 320 low-income households by increasing the energy efficiency of their homes. These investments have long-term impacts, and the estimated annual savings to each home receiving weatherization assistance is estimated to be \$390.

The allocation of \$770,000 would be used to conduct required client education and outreach activities, including statewide outreach using multiple media platforms to raise awareness of these benefits among vulnerable populations including elderly, disabled, and homes with young children.

LIHEAP IT Solution: The existing system for LIHEAP eligibility and weatherization was implemented in 1998 and its technology (Oracle platform) is no longer supported. In addition, the current contract for this system is set to expire and the department initiated the required procurement process for a modern IT solution for LIHEAP and weatherization eligibility and administration. This IT solution will allow the department to leverage existing infrastructure and also integrate LIHEAP eligibility with the department's other public assistance programs (Medicaid/SNAP/TANF). The department will issue a Contractor Engagement Proposal (CEP) for the scope of LIHEAP and weatherization eligibility and administration. The vendor will be required to leverage the department's existing enterprise infrastructure to reduce costs, and improve integration with other public assistance programs, including a single unified application process.

Eligibility: Eligibility is set by LIHEAP statute as the greater of 150 percent Federal Poverty Level or 60 percent of the Area Median Income and cannot be increased. For a household of four, the income threshold is \$51,184.

Application and Verification: The statewide network of Human Resource Development Councils (HRDCs) process applications and verify eligibility for LIHEAP and the weatherization program in accordance with ARM 37.70.311. This network of ten councils are non-profits who work with other community service organizations to focus available local, state, private and federal resources to the needs of low-income individuals in the areas of housing, health, education, training, and employment.

Performance Metrics:

- Montana meets the LIHEAP Performance Measures for providing a greater benefit for high burden households, service restoration, and service loss prevention for FFY2022;
- Montana provides additional weatherization assistance to 320 households by the end of FFY 2022:
- Montana implements a statewide outreach campaign using multiple media platforms by September 30, 2022;
- Montana implements a modern IT solution for LIHEAP and the weatherization program, leveraging existing enterprise solutions wherever possible, by September 30, 2023; and
- Montana implements a single application process for LIHEAP, weatherization program, Medicaid, SNAP, and TANF programs by September 30, 2023.

Recommendation: Allocate \$27,134,445 in LIHEAP funds. These funds will be used to reduce the energy costs for low-income persons and improve the health and safety of vulnerable populations by increasing the number of weatherized homes, providing a temporary increase in benefit payments, providing a temporary benefit to cover arrearages and emergency payments, and to improve the integration and coordination of LIHEAP with DPHHS's other public assistance programs.

This is a final copy of the memo.



TO: Health Advisory Commission FROM: Adam Meier, Director, DPHHS

DATE: June 24, 2021

SUBJECT: Low-Income Home Water Assistance Program

Overview: The American Rescue Plan Act (ARPA) appropriated \$1,684,482 in funding for a new emergency Low-Income Home Water Assistance Program (LIHWAP) for federal fiscal years 2021-2023. This funding, along with funding from the Consolidated Appropriations Act, will help low-income households to pay their water bills, avoid shutoffs, and support household water system reconnections related to non-payment. This temporary program is designed to use the existing infrastructure of the Low-Income Home Energy Assistance Program (LIHEAP) program. DPHHS is seeking the Commission's approval to spend the funds allocated on these items: (1) program administration; and (2) rate reduction and arrearage benefits for low-income Montanans.

Allocation Request and Deadlines: Montana will receive a total of \$1,684,482 for LIHWAP that must be obligated by the end of FFY23. Montana must submit its plan for these funds to the U.S. Department of Health and Human Services by July 29, 2021. The department will allocate 15 percent (\$252,672) for administrative costs, as allowed by the terms of the funding. The remaining \$1,431,810 will be used to assist low-income households pay bills, avoid shutoffs, and support reconnections related to non-payment.

An additional \$2,149,400, allocated to LIHWAP from the Consolidated Appropriations Act to complement the ARPA funding, will be used for administration, outreach, intake and eligibility costs, and benefit payments. The ARPA and Consolidation Appropriations Act appropriations for LIHWAP have the same conditions and timeframe and will be used in tandem.

Structure: ARPA specifies that payments of benefits must be made directly to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to assist low-income households with wastewater and drinking water payments. This new program is designed to use the existing infrastructure of LIHEAP.

Funds may not be used for:

- Plumbing repairs;
- Pipe replacement;
- Water efficiency; and
- Wells, septic, or other water infrastructure.

Eligibility: Households connected to a public water system as defined by MT ARM 17.38.2020 are eligible for program benefits. Income eligibility is the greater of 150 percent of the Federal Poverty Level (FPL) or 60 percent of the Area Median Income, and cannot be increased. For a household of four, the income threshold is \$51,184.

Application and Verification: The state-wide network of Human Resource Development Councils will receive and process applications for LIHWAP. Verification processes will follow the state plan and be similar to those for LIHEAP. The department will enter into vendor agreements with public water system operators in order to initiate payments.

Performance Metrics:

- Montana implements a temporary water assistance program by January 1, 2022;
- Eligibility will be determined for 100% of households within 45 days of a completed application; and
- Payment issuance will be made within 21 days of an eligibility determination to owners or operators of public water systems or treatment works with a vendor agreement.

Recommendation: Allocate \$1,684,482 in LIHWAP funds. These funds will enable the state to temporarily reduce the home drinking water and wastewater costs for eligible low-income households through September 30, 2023.



TO: Health Advisory Commission FROM: Adam Meier, Director DPHHS

DATE: June 24, 2021

SUBJECT: American Rescue Plan Act of 2021: Grants to Enhance Adult Protective Services (APS)

Overview: Through the "American Rescue Plan Act of 2021: Grants to Enhance Adult Protective Services," the Administration for Community Living (ACL) has established funding for Montana in accordance with Section 2042(b) of Subtitle B of Title XX of the Social Security Act, otherwise known as the Elder Justice Act (EJA). This funding will enhance, improve, and expand the ability of APS to investigate allegations of adult maltreatment, which includes abuse, neglect, and exploitation of persons ages 18-59 with a disability, or at-risk adults aged 60 and older. Montana needs to improve the existing APS processes for receiving reports from local, county and state-level elder justice networks for the purpose of improving coordination across agencies interacting with at-risk adults.

Allocation Request and Deadlines: \$645,450 is allocated to Montana Department of Public Health and Human Services' Adult Protective Services (APS) Bureau. Awards made under this announcement have an estimated start date of August 1, 2021 and an estimated end date of September 30, 2023. The deadline date for the submission of the American Rescue Plan Act of 2021: Grants to Enhance Adult Protective Services Letter of Assurance is June 28, 2021.

Structure: Proposed activities associated with this funding:

- Montana will expand the Montana Elder Justice Council from one in Eastern Montana to include three additional Elder Justice Councils in North Central Montana, South Central Montana, and Western Montana.
- As part of the Elder Justice Council effort:
 - Hire 2.0 FTE for a forensic investigator and a prosecutor who will focus on financial exploitation cases and will be housed in the Department of Justice, but work collaboratively with APS;
 - Hire 1.5 FTE to develop training for local, county, and state programs to identify and report allegations of abuse, neglect, or maltreatment. These positions will be managed and housed in DPHHS-APS. Programs include, but are not limited to law enforcement, provider groups, and the financial industry;
 - Obtain assistance from Montana tribal leaders to serve Native Americans in a culturally appropriate manner; and
 - o Contract to develop a data governance and sharing agreements with APS partners.
- Team with housing programs to better assist at-risk adults served by APS to secure the least restrictive option for emergency or alternative housing, and coordinate care transitions as appropriate.

Eligibility: APS is the bureau of state government legally responsible for providing adult protective services in Montana (EJA Section 2042(b)(3)(B)).

Performance Metric:

- Develop three additional Elder Justice Councils in North Central Montana, South Central Montana and Western Montana;
- Establish a Memorandum of Understanding between DPHHS and DOJ to establish the forensic investigator and prosecutor positions by September 1, 2021;
- Develop a training plan for partners to address adult maltreatment by December 31, 2021; and
- Establish data agreements with fifty percent of Elder Justice Council Member organizations by June 30, 2022.

Recommendation: Allocate \$645,450 to establish two Elder Justice Councils and to establish a forensic investigator, prosecutor, and training team to improve the identification, investigation, and prosecution of adult maltreatment.



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DATE: June 24, 2021

SUBJECT: Older Americans Act ARPA Funding

Overview: ARPA provides funding to programs authorized under the Older Americans Act, including vaccine outreach, caregiver support, and the long-term care ombudsman program. The Older American's Act (OAA) provides funding to support individuals over the age of 60 or adults with disabilities to age within their home and community. The funding also supports family caregivers.

Allocation Request and Deadlines: ARPA allocated \$7,304,925 to fund the following services under the Older American's Act:

1. Title III B Supportive Services - \$2,288,500

These services support aging in place, such as chore services, transportation, and in-home care. ARPA requires that supportive services include:

- Supportive services of the types made available for fiscal year 2020;
- Efforts related to COVID–19 vaccination outreach, including education, communication, transportation, and other activities to facilitate vaccination of older individuals; and
- Prevention and mitigation activities related to COVID-19 focused on addressing
 extended social isolation among older individuals, including activities for investments in
 technological equipment or other strategies to alleviate negative health effects due to
 long-term stay-at-home recommendations for older individuals throughout COVID-19.

2. Title III C-1 Congregate Meals - \$1,492,500

Congregate mid-day meals are provided for seniors in social settings, which may include local senior centers, community centers, churches, and the occasional restaurant. Menus are approved by a dietician and meet the recommended dietary guidelines for Americans. This funding can be used to purchase kitchen equipment (commercial stoves, larger refrigeration units, steam tables, etc.) to improve the production and delivery of nutrition services.

3. Title III C-2 Home Delivered Meal - \$2,238,750

Congregate meal sites provide meal delivery services to individuals who are homebound or have limited ability to travel to a meal site. Individuals were also allowed to access grab and go meals. Menus are approved by a dietician and meet the recommended dietary guidelines for Americans. This funding can be used to purchase kitchen equipment (commercial stoves, larger refrigeration units, etc.) to improve the production and delivery of nutrition services.

4. Title III D Preventative Health - \$281,900

These evidence-based programs, recognized by ACL, seek to improve the health and well-being of older adults. One example is the Stay Active and Independent for Living (SAIL) program which offers strength, balance, and fitness programs for older adults.

5. Title III E Family Caregiver Support - \$721,375

These services are designed to support the emotional, physical, and financial toll on non-paid family caregivers. Services may include: information and assistance, individual counseling, caregiver training, support groups, respite care and other supplemental services.

6. Title VII Long Term Care Ombudsman - \$49,750

An ombudsman is an individual who is trained to support the rights of residents of nursing homes, assisted living centers, and critical access hospitals. The ombudsman works on behalf of the resident under a strict code of confidentiality.

Structure: All states receive an annual allotment based on an approved State Plan on Aging, which includes a funding formula. This funding formula is currently based on the 2010 census utilizing data for individuals over the age of 60, as well as low-income and minority populations. The funding granted in the American Rescue Plan is based upon the same formula. In turn, the Aging Services Bureau of Senior and Long-Term Care Division disperses the funds to Montana's Area Agencies on Aging (AAA) for Older Americans Act services.

The terms of the OAA require that expenditures and outcomes for each title are tracked and reported monthly to the division. The division provides statewide data to the Administration for Community Living based on the federal fiscal year.

Eligibility: Montanans over the age of 60 form the predominate eligibility group. Support is also provided under the Caregiver Support Program to unpaid family caregivers who are providing care to older individuals (age 60+) or to individuals of any age with Alzheimer's disease and related disorders to prevent burnout. Other eligible caregivers include 1) older relatives who are not a parent and are age 55 and older providing care to children under the age of 18 and 2) older relatives, including parents, age 55 and older providing care to adults ages 18-59 with disabilities.

Performance Metric: Since most of the funding augments existing programs, AAAs would be subject to existing performance measures contained in the Montana state plan on Aging located at: https://dphhs.mt.gov/Portals/85/sltc/documents/AgingReports/montanastateplanonaging20192022.pd f. Most of these measures would apply. In addition, the following performance measures would be adopted at the local level:

- Each Area Agency on Aging will track and report outreach and education efforts related to COVID-19 vaccination, media ads, events, material distribution, individual communication, transportation, and other support activities.
- Each AAA will establish a program or activity to reduce isolation for individuals served and provide data associated with the activity and number of participants.

Recommendations: Allocate \$7,304,925 to fund supportive services, congregate meals, home delivered meals, preventative health services, family caregiver support, and the long-term care ombudsman.



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DATE: June 24, 2021

SUBJECT: Child Care Stabilization Grants, American Rescue Plan Act Section 2202

Overview: The American Rescue Plan Act (ARPA) allocated funding for child care stabilization efforts. COVID-19 has put a spotlight on the critical role that child care plays in supporting the economy, Montana businesses, and families. Ninety percent of the stabilization funding must be used for subgrants to eligible child care providers to support the stability of the child care sector during and after the COVID-19 public health emergency. Ten percent may be set aside for administration, supply-building, and technical assistance. As part of its child care stabilization and recovery plan, the Gianforte Administration aims to prioritize one-time-only funding opportunities with sustainable, long-lasting impacts on Montana's child care system as permitted by federal guidance.

The Montana Department of Labor and Industry recently reported, "An estimated 32,000 working parents with children under six-years-old rely on some form of child care arrangement to remain in the workforce," and "forty percent of Montana businesses reported that a lack of affordable child care in their community impacted their ability to recruit and retain a high-quality workforce."

Since the beginning of the pandemic, at its height, 171 child care programs closed across Montana and the latest data on child care deserts shows a 73 percent supply gap across the state – meaning there is only capacity to serve 27 percent of children under the age of six in licensed/regulated child care. This gap is even more pronounced in rural areas at 85 percent. Child care businesses have reported difficulty in recruiting and retaining a stable workforce, compounded by the pandemic. According to the recent 2020 Occupational Employment Statistics database, the median annual income for child care workers is \$22,860, or \$10.99/hour.

Current Number of Child Care Providers as of June 1, 2021	
Business Type	Total Number
Family, Friend and Neighbor (FFN) Caregivers*	34
Relative Care Exempt*	121
Family Child Care Homes (no more than 6	209
children in regular attendance)**	
Group Child Care Homes (7 to 12 children in	391
regular attendance)**	
Centers (13 or more children)	270
Total All	916

^{*} FFN and Relative Care Exempt are for providers that meet the health and safety requirements to serve an eligible family for child care financial assistance only.

^{**}Current ARM; will change because of SB 142 in October.

Allocation Request and Deadlines: Montana will receive \$68,075,745 for child care stabilization. Funds must be obligated by September 30, 2022, liquidated by September 30, 2023, and may not supplant other routine funding. States shall set aside no more than ten percent (\$6,807,574) of the stabilization funds for administration, technical assistance, and supporting the supply of child care, as described in greater detail below. States must notify the federal Administration for Children and Families (ACF) if they are unable to obligate at least 50 percent of stabilization funds by December 11, 2021.

Terms and Conditions:

<u>Subgrants</u>: Subgrants to eligible child care providers are intended to cover routine operating expenses, support recruitment and retention of staff, enhance professional development, and reduce family copayment or tuition burden. Subgrants must be offered through a rolling application and shall be based on enrollment capacity.

Allowable subgrant uses include:

- Personnel costs, including increased compensation, benefits, ongoing professional development, premium pay, staff bonuses, and employee transportation costs to and from work;
- Rent, utilities, facilities maintenance and improvements, and insurance. Examples of facility
 improvements include playground upgrades and other minor renovative efforts focused on
 providing a safe, developmentally appropriate environment, such as renovating existing spaces,
 (new construction and major renovations are not allowed);
- Personal protective equipment and cleaning supplies;
- Equipment and supplies in response to COVID-19 that facilitate safe, developmentally appropriate environments, including business resources or software;
- Goods and services necessary for operating a child care program, including equipment and materials to facilitate child care, such as diapering supplies and care materials;
- Infant and early childhood mental health consultation to support children, staff, and families in child care facilities. This may include ways to support children with challenging behaviors or to help children, families, and staff who may need support due to pressures of the pandemic; and
- Payment of past COVID-19 losses and expenses retroactive to January 31, 2020, to ensure future child care business viability.

Set-Aside for Administrative Expenses, Supply Building, and Technical Assistance: Ten percent of the funding may be set aside for administrative and operational expenses, including staffing, data and system modifications, technical assistance, and supply-building activities. This money may not be used to fund direct child care services. Traditionally, the administrative cap has been five percent. Stabilization funding increased the cap to ten percent to account for increased technical assistance and supply-building activities as allowed for by the stabilization set aside funds. This funding, in addition to the funding in Section 2201 of ARPA, can be used together to address child care needs in the state.

Examples of allowable activities to increase the supply of child care include the following:

- Start-up resources and grants;
- Technical assistance and professional development on business practices;
- Shared services models, allowing multiple small businesses to combine resources for services such as accounting and bookkeeping services, substitute teacher pools, and recruitment and marketing assistance;
- Improvements to state agency data systems to better meet the demand for child care; and
- Increased access to licensing or participation in quality rating improvement systems.

Structure: Subgrants will be issued through an online application process for eligible child care providers. Per current federal guidance, funds will be released through contracts directly with the child care providers. **Contract language will specify that the total amount of funding and contract are one-time-only for the period of the federal grant award, with potential for installment payments. Technical assistance from local Child Care Resource & Referral Agencies and economic development offices will support child care providers to complete applications, become licensed child care providers, stabilize their business practices, and expand existing businesses.**

Funds may be used to provide enhanced grants for providers meeting certain critical community needs, including:

- Serving families located in child care deserts;
- Offering non-traditional hours;
- Serving children with disabilities;
- Serving children from families with low incomes; and
- Serving infants and toddlers.

Funds can also be used to incentivize providers to increase their hours and expand slots.

The state intends to use the ten percent set aside for necessary administration and operations and to provide technical assistance and consultation to child care businesses. Administration and operations costs will be centered around five to six modified staff to establish, contract, and monitor the funded projects. In addition, costs include infrastructure adjustments to support transparency and access for parents looking for child care and reducing regulatory burden for child care providers to become licensed/registered with the state- this may include modifications to the Child Care Under the Big Sky System (CCUBS), and online tools to support transparency and access. Technical assistance will be provided by a variety of partners, such as Child Care Resource and Referral Agencies, Economic Development Agencies, and Small Business Development Centers. This technical assistance is critical to supporting long term outcomes for child care businesses, beyond the one time funding through these grant funds. Technical assistance can also support capacity building in certain communities, especially those that lack child care offerings for working parents, with specific strategies to support smaller family, friend, and neighbor providers.

Eligibility: Eligible child care providers include: (1) providers who are licensed or registered with the state at the time they submit a subgrant application; and (2) child care providers that were licensed or registered as of March 11, 2021, but may have been closed due to the effects of COVID-19. This includes child care centers, family and group child care businesses, in-home child care, and some relative child care providers.

The state is awaiting clarification, but these funds may also be eligible for use to support providers not currently licensed or registered with the state, but who can show evidence of compliance with the health and safety standards as outlined in the federal Child Care and Development Fund regulations. In this case, providers will certify compliance with the federal regulations and may be eligible for stabilization funding. The application process will differ for these provider types and monitoring of compliance will occur to assure the provider can demonstrate compliance. Additionally, the state will encourage these providers to become licensed throughout the process and provide technical assistance as appropriate.

According to federal guidance, stabilization funding is not intended to support Head Start, Early Head Start, or public preschool.

Application and Verification: Provider subgrants will require an application. Department of Public Health and Human Services (DPHHS) staff will ensure applicants meet subgrant criteria. DPHHS will also issue contracts and monitor contract expenditures to assure financial and programmatic compliance. Monitoring will occur through desk audits, licensure compliance, and select onsite monitoring visits.

Performance Metrics:

- At least eighty percent of providers apply for stabilization funding;
- 50 percent of grants have been prioritized to address child care deserts and meet parental needs in these areas, measured by tracking provider type, fluctuations in designated child care deserts, expanded hours of operation and capacity, and unique populations served;
- Direct staff turnover is reduced by 25 percent in child care programs measured by reported licensing data by September 30, 2023;
- Number of technical assistance consultations that resulted in subgrant awards;
- Maintain or increase current number of slots for children by five percent by September 30, 2023; and
- Scale up pilot program for mental health consultation to statewide in year one.

Recommendation #1: Approve the allocation of \$6,807,574 (ten percent) for administration and operations within the stabilization funding, with half (\$3.4 million) dedicated to providing application assistance, capacity building, technical assistance, and business professional development.

Recommendation #2: Approve \$31,246,766, which is 51% of the direct subgrant funds to be administered by DPHHS for purposes outlined by federal regulations, and reserve recommendations for the remaining funding following an assessment of application uptake and obligation rate.

Additional options related to Recommendation #2:

To the extent allowable by federal guidance,

- Modify recommendation #2 to appropriate the full \$61,268,170 for child care provider subgrants to be administered by DPHHS for purposes outlined by the federal regulations.
- Prioritize subgrant funds to serve as enhanced payments for child care businesses that expand hours or capacity to serve more children.
- Prioritize subgrant funds as enhanced payments for child care businesses, including Family, Friend, and Neighbor caregivers in child care deserts.
- Prioritize subgrant funds as enhanced payments for child care businesses that serve unique populations such as children with disabilities, infants and toddlers, and low-income families.

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- 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 might include Family, Friend, and Neighbor caregivers and faith and community-based child care programs.
- Require child care businesses to dedicate a higher percentage of their subgrant to personnel to support recruitment and retention bonuses.
- Assess opportunities for the State of Montana to contract with child care provider(s) to serve state employees, their families, and others depending on capacity, and utilize stabilization and recovery funding accordingly.