

Memorandum

TO: Interested Parties
FROM: Olivia Hayes, Economist, Olivia.Hayes@mt.gov or (406) 582-9214
DATE: August 15, 2024
SUBJECT: Results of the Claim Allowance for Relocation Expenses Program

Facing a shortage of workers in the healthcare industry during the COVID-19 pandemic, the Claim Allowance for Relocation Expenses (CARE) in Montana program was established as a tool to attract out of state healthcare workers to join Montana's workforce. The program incentivized healthcare workers considering a move to Montana by offering reimbursement for up to \$12,500 in moving expenses. With the \$1,000,000 in funding made available to the program, 137 total workers moved to Montana and were reimbursed for relocation expenses between December 2021 and February 2023. This memo provides an overview of the program, summary of overall participation, and results of this initiative with respect to the tenure of participating workers. Key takeaways include:

- A variety of healthcare organizations successfully recruited workers with the CARE in Montana program.
 - 38 different organizations in 18 Montana counties hired recruits who benefitted from the program.
 - Hospitals recruited 80% of the healthcare workers compared to the nine other, smaller types of organizations.
 - Overall, applicant organizations were split 60/40 between urban and rural areas.
- Though recruits in 30 different occupations participated in the program, Registered Nurses (RNs) were the predominant occupation recruited.
 - Over half (53%) of recruits are RNs.
 - The remaining recruits were in 29 different occupations, with 5 recruits being the most for any one occupation other than RNs.
- New recruits largely remained with their employers after moving to Montana.
 - In the near-term, 80% of recruits were still working with their new employer one quarter after their move.
 - 73% of recruits remained employed in Montana one year after starting, for 100 total new workers retained. Data suggests that the remaining 27% left the state or became self-employed.
- The average amount of moving expenses reimbursed across all recruits was \$7,576.
 - Overall, the average investment to recruit a new worker who remained employed in MT one-year after recruitment was \$10,000.

CAREinMT Background

In October 2021, the Economic Transformation and Stabilization and Workforce Development Advisory Commission recommended approval of the CARE in MT program utilizing ARPA funding. Shortly thereafter, the program was approved by Governor Gianforte. Initially allocated \$4 million, the program was eventually reduced to \$1 million. The CARE in MT program offered to reimburse relocation expenses for healthcare workers who move to Montana. This incentive was specifically aimed to ease the state's worker shortage in healthcare employment. The application process was as follows:

1. Healthcare organizations applied to MTDLI for approval of their organization and positions under recruitment.
2. Applicant organizations could have up to 10 job classifications (i.e. registered nurse, dentist) approved at a time.
3. Once organizations successfully hired an out-of-state worker for an approved job, and that worker moved to Montana and started work, the organization submitted receipts on behalf of the worker to MTDLI.
4. MTDLI reviewed and approved relocation expenses and sent awards to the organizations.
5. Organizations passed the reimbursements on to their new hires.

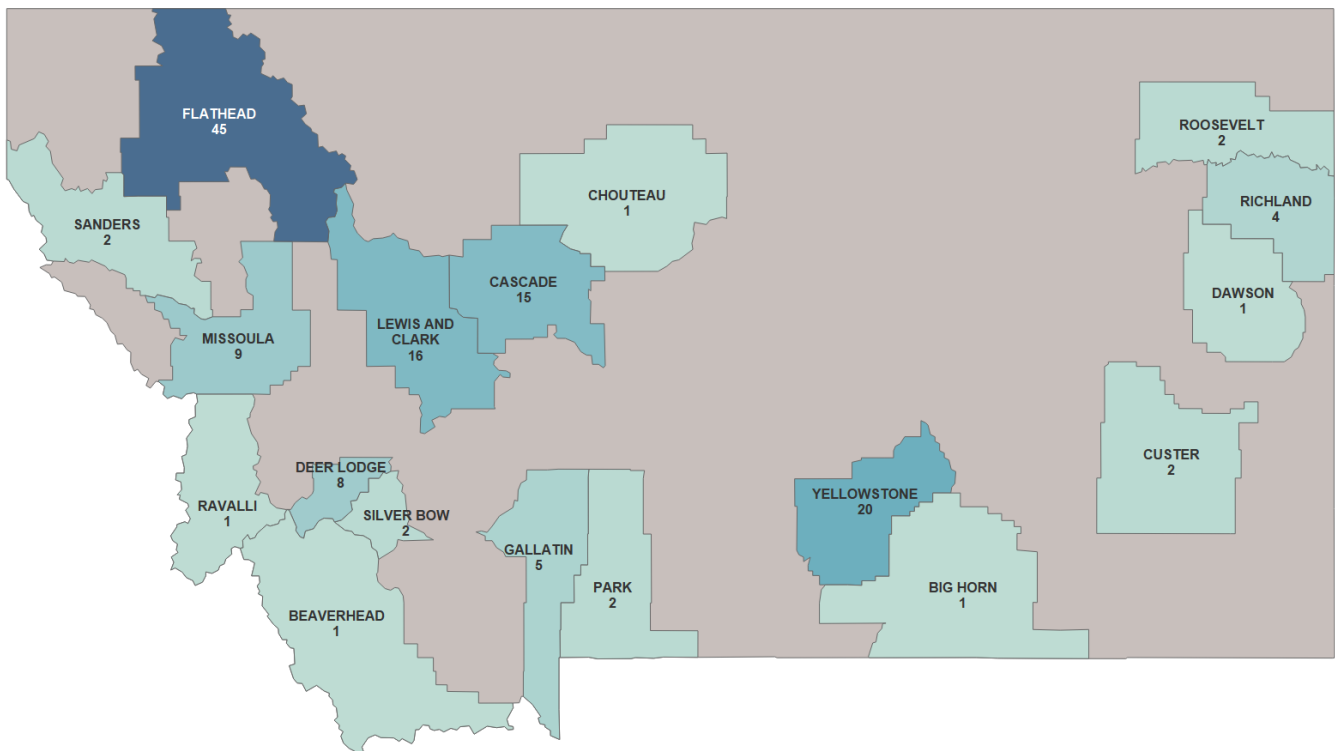
The maximum cap for reimbursement was \$12,500, and recipients were given an additional 35% on top of approved expenses to cover any taxes incurred. The program operated between December 2021 and February 2023.

Business Participation

Over the course of the CARE in MT program, 85 healthcare organizations applied for the program. Only 38 of these organizations successfully recruited a worker. Applicant organizations were in 11 different classifications (including “Other”), with hospitals the most common business classification type. Hospitals employed 80% of all recruits, with 5 hospitals employing 60% of the total. The remainder were employed by 33 other organizations.

Among all organizations that applied to CARE in MT, 59% of these employers were in urban areas with the remaining 41% in rural regions of the state. Most program recruits, 82%, work for healthcare organizations in urban areas and 18% work in rural regions. Figure 1 details the counties that recruits work in.

Figure 1: Number of Recruits by County

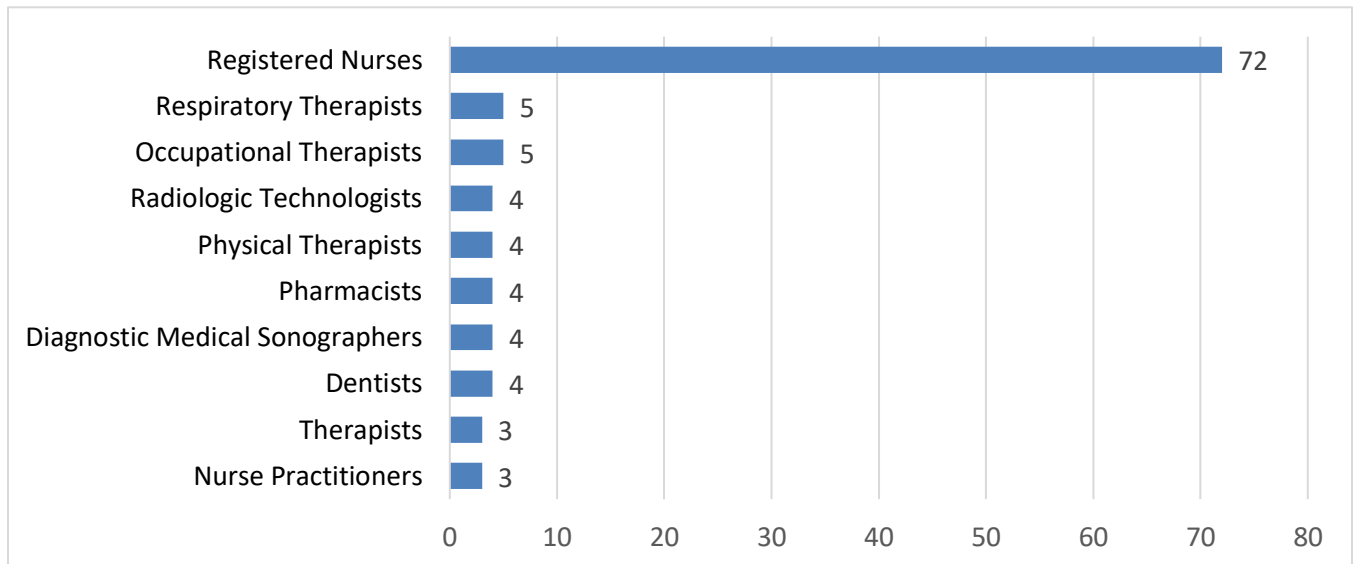


Worker Recruitment

The CARE in Montana program helped recruit 137 workers from outside Montana by reimbursing their relocation expenses. Recruited workers represented 40 out of 50 US states. The average amount paid for relocation expenses was \$7,576 per recruit. Most recruits (53%) were registered nurses, while the other half of new workers were employed in 29 different job classifications. Respiratory and Occupational Therapists were the next most recruited job types with 5 recruits apiece.

Workers recruited by the program typically earned high wages. The average hourly wage of these individuals when starting their new job in Montana was \$43.60, with participants reporting a wage range from \$16.56 to \$300. The registered nurse recruits earn \$35.34 an hour on average. According to UI wage data, after one year, participants still employed in Montana had a median quarterly wage of \$18,900, or an average of \$34,150.

Figure 2: Top 10 Occupations by Number of New Recruits



Employee Retention

Quarterly Unemployment Insurance (UI) data from Montana businesses was used to determine if the 137 new workers recruited in collaboration with the CARE program remained employed in Montana and with the same employers. The CARE applications include an employee’s start date at their new job. Figure 3 shows employment retention one to four quarters after being hired according to the UI wage data. 73% of participants remained employed in Montana one year later. The rate of retention in Montana with the same original employer is very close, suggesting that workers who leave their employer also leave the state as opposed to going to work for another Montana healthcare organization. Those recruited by CARE who left their employment with a Montana business do not exhibit any trends by occupation; these departures mirror the occupation demographics of the overall recruitment pool.

Figure 3: New Employee Retention

Worker Tenure	1 Quarter Post-Hire	2 Quarters Post-Hire	3 Quarters Post-Hire	4 Quarters Post-Hire
% Employed in MT	81%	76%	73%	73%