

The Honorable Austin Knudsen
Montana Attorney General
Office of the Attorney General
215 North Sanders Street
PO Box 201401
Helena, MT 59620

Re: Expanding Eligible Uses of Meta Settlement Funds to Include Capital Projects

Dear Attorney General Knudsen:

Kalispell is writing to ask that, as your office develops the rules and process for distributing Montana's Meta settlement funds, capital projects that directly advance the settlement's remedial purposes be made eligible for funding.

We understand that capital projects, such as a public indoor recreation center, may not be currently contemplated as an eligible use. We respectfully ask that your office make clear that such capital projects are eligible before the rules are finalized. Allowing appropriately structured capital investments would give Montana communities another important tool for addressing the harms at the heart of the settlement and could create lasting capacity for youth mental health, recreation, prevention, and other remedial purposes.

Kalispell is grateful that your office worked to secure a settlement holding Meta accountable for the effects of its products on young people. The City wants to ensure that these resources can be used thoughtfully and effectively to benefit Montana's youth and communities. The City has not predetermined how its share of any available funds will ultimately be used. Kalispell intends to undertake a public process and further deliberation before making decisions about specific investments.

One potential use the City would like to preserve as an option, however, is a community recreation center. Kalispell does not currently have an affordable public indoor recreation facility. The City's forthcoming Parks Master Plan identifies a recreation center as a community need, and the City has budgeted limited funds to explore the feasibility of such a project.

A recreation center could provide young people with opportunities for sports, physical activity, after-school and summer programs, and positive social connections, particularly during Kalispell's long winter months when outdoor recreational opportunities are limited. It could provide a constructive alternative to spending free time primarily online and create opportunities for young people to build relationships with coaches, mentors, and other trusted adults. These benefits could complement other approaches to youth mental health and well-being.

But a recreation center is only one of the possibilities Kalispell may wish to consider. Depending on the eventual rules and the community's priorities, potential investments could include helping

to restore or reopen mental-health facilities that have closed, or supporting scholarships for students pursuing training to become therapists or other mental-health professionals, with an obligation to work in the Kalispell community for at least two years after graduation. Other ideas may emerge through the City's public process.

The important point is that communities should have the ability to consider capital investments such as a recreation center alongside programmatic uses when those investments directly advance the settlement's remedial purposes. A capital project can create lasting infrastructure and capacity for youth recreation, mental-health services, prevention, after-school and summer activities, and other programs that address the needs identified by the settlement.

As we understand it, Montana is guaranteed \$88,962,843 through the settlement, with the potential for \$127,305,996, and at least half must go toward remedial purposes. Your office's identified qualifying uses include after-school and summer programs such as sports, youth mental-health programming, outdoor activities, and grants to local governments for remedial purposes covered by the settlement. We believe the purposes of the settlement would be well served if communities were also permitted to consider reasonable capital investments that directly support those same objectives.

Kalispell also has experience working collaboratively with Flathead County to administer settlement funds. Under the opioid settlement, Flathead County and the City operate a Metro Abatement Region committee that reviews and disburses settlement dollars under a memorandum of understanding. That existing structure could provide a framework for administering Meta settlement funds locally and for ensuring that proposed uses receive appropriate public review.

We therefore respectfully ask your office to make capital projects such as a public recreation center an eligible category of expenditure before the Meta settlement rules are finalized.

We would welcome the opportunity to discuss this proposal with your staff and to explain how Kalispell intends to incorporate public input, project evaluation, and appropriate safeguards into any future consideration of capital investments.

Thank you for your work to secure these resources for Montana and for considering this request as your office develops the framework for putting them to work.

Sincerely,