

Update on the House Bill 645 Local Government Infrastructure Grant Program

House Bill 645, the Montana Reinvestment Act passed by the 2009 Legislature, provided \$10 million in infrastructure grants for counties and \$10 million for cities and towns.

If cities, towns or counties do not already have their HB 645 Local Government Infrastructure Grant project underway the first thing they should do is consult the Montana Department of Commerce website for information: <http://recovery.mt.gov/commerce/localgrant/default.mcpx>

All of us at the Department of Commerce are anxious to make these funds available as soon as possible for local projects that will put Montanans back to work addressing critical local needs. The first step to get that done is to mail, e-mail, or fax a proposed project budget and implementation schedule to Commerce using forms that can be downloaded from the website address above. These forms will be used to prepare the contract between the local government and the Department.

If your budget and implementation schedule for the HB645 local government infrastructure grant has not been submitted, the information is found at the following link:

<http://recovery.mt.gov/commerce/localgrant/default.mcpx#Budget>

Once the contract has been signed by both the local government officials and the Department, we will send 90% of the authorized grant amount to the local government. The final ten percent will be sent when the final reporting forms for the project are submitted.

There has been some confusion about what requirements apply to the grant funds. All the standard state statutes and regulations will apply to the use of these funds, such as current state laws for bidding thresholds and procedures. Federal requirements, such as Davis-Bacon prevailing wage rates, do not apply to HB 645 local infrastructure projects. State prevailing wage rates, often referred to as "Little Davis-Bacon" wage rates, will apply in situations where they are currently applicable.

Federal requirements applicable to projects funded directly under the American Recovery and Reinvestment Act (ARRA) DO NOT apply to projects funded through House Bill 645, the Montana Reinvestment Act passed by the 2009 Legislature, with the exception of the reporting and accountability requirements of the ARRA. Grant recipients will be required to submit monthly reports on how the grant funds are being spent and what is being accomplished.

This is a quick update on the HB 645 Local Government Grants, as of August 20th:

- 30 counties have submitted their project budget and implementation schedule that we need to prepare their grant contract
- 47 cities and towns have submitted their project budget and implementation schedule to prepare their grant contract
- \$ 1,235,831.65 in grant funds has been sent to cities and towns

- \$ 3,091,038.07 in grant funds has been sent to counties
- 38 local governments have received their 90% portion of their HB 645 grant funds so far
- 22 local governments have requested a change in the scope of work from that originally listed in HB 645
- 77 HB 645 local government grant contracts are in the MDOC system, including those with funds paid out, out of a total of 185 potential contracts to be completed (56 counties and 129 cities and towns.

Once a contract is signed by the local government and the Commerce Director, the 90% portion of their grant amount is sent within 2-3 days, sometimes within a day for local governments with Electronic Funds Transfer established.

An issue had developed in the last two weeks regarding insurance coverage for municipalities that is provided by the Montana Municipal Interlocal Authority (MMIA). That issue has now been resolved. On August 21, 2009, MMIA issued a statement that:

...the MMIA Board of Directors authorized staff to issue endorsements to the Memorandum of Liability Coverage which will allow cities and towns to execute funding contracts through the Department of Commerce to obtain necessary stimulus money. The MMIA Board recognizes that this money is needed on the ground in your communities creating jobs and allowing for much needed repair to your infrastructure. It is in the spirit of cooperation that the Board has allowed these changes in our coverage to accommodate the requirements contained in these contracts.

The required ARRA signs for the HB 645 Local Government infrastructure projects are available at no cost through the Department of Commerce. Signs are available as 18" x 24" or 24"x36" metal signs or 16" x 16" decals that you can stick on larger 4 X 8 foot project signs that are often used for major projects.

If you have questions or need a project sign, please call: Dave Cole @406-841-2776, Ellen Hanpa @406-841-2789, or Linda Stangland @ 406-841-2782. We look forward to working with you to make your project a success.