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STATE OF MONTANA

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Governor Bullock Announces Successful Infrastructure Bond Sale to Help Boost Economy Following COVID-19

MONTANA – Governor Steve Bullock today announced the state successfully sold bonds at a historically low interest rate and can move forward with planning infrastructure projects across Montana. The sale of \$33 million in bonds will allow the state to begin construction projects that will create jobs and stimulate the economy as soon the projects are ready and it is safe to do so.

“I’m pleased that Montana has upheld its strong ratings and was able to sell bonds at a historically low rate to move forward with planning and designing critical infrastructure projects across the state,” Governor Bullock said. **“By selling bonds today, we are ensuring that when the time comes, we can immediately boost our economy by putting shovels to dirt and creating good-paying jobs.”**

Montana’s sale of \$33 million in infrastructure bonds results in an estimated \$55.3 million investment in our communities. This investment in critical infrastructure will support an estimated 412 jobs and more than \$20.5 million in wages.

All three ratings agencies upheld their strong ratings and stable outlook predictions. Montana received an AA+ rating from both Fitch and Moody’s and an AA rating from S&P Global Ratings.

“Montana's 'AA+' IDR is based on its diversifying economic base, solid growth prospects, low liability position and conservative financial practices,” Fitch wrote in its rationale. *“The state's consistently conservative approach to fiscal management has enabled it to maintain steady operating performance, address spending priorities for education, health care and infrastructure, and build formal reserves. Increasing economic diversification in recent years continues to aid revenue growth, providing support for the stable outlook.”*

Because of Montana's strong ratings, the state was able to go to market to sell bonds and did so at a historically low rate of 1.56%.

This afternoon, the Board of Examiners executed the Bond Purchase Agreement, finalizing \$33 million in bond issuance for infrastructure projects. This is the first of three issuances of bonds that will total up to \$80 million.

Governor Bullock signed legislation in 2019 to fund sewer, water, bridges, buildings and other public works projects. It is the first time the Legislature has agreed to a comprehensive statewide bond package in over a decade.

The state originally planned to sell bonds in November to guarantee funds would be available in time for construction season, but the bond sale was delayed over inaccurate findings during a routine audit of the Medicaid program by the Legislative Audit Division. The state again planned to go to market to sell bonds in March but was unable to do so because of a volatile market caused by COVID-19. In February, the Governor's Budget Office offered to meet with all three ratings agencies to discuss issues with the Medicaid Audit and why its inaccurate conclusions are not a financial liability for the state. On rating calls, all three upheld their strong ratings and stable outlook prediction.

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