



Interagency Commission
on School Construction

Use of Davis-Bacon and Maryland Prevailing Wages for Federal ESSER Funds and Healthy School Facility ARPA Funds for School Construction

Submission requirement guidance
October 7, 2022

BALTIMORE, MD - This document consolidates previously provided general guidance on the wage rates applicable to projects funded through the American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Grant Program used for school construction. Please review the ARP [ESSER guidance documents](#) and FAQs by the Office of Elementary and Secondary Education.

All ARP Funds used for construction are subject to Davis-Bacon prevailing wage rates. Contracts of \$2,000 or more require application of the Davis-Bacon Act labor standards. Contracting agencies have the primary responsibility for the enforcement of Davis-Bacon and related acts to ensure that laborers and mechanics are paid at least the prevailing wage rates required on covered contracts. The applicable wage determination will be the Davis-Bacon wage determinations published on <https://sam.gov/content/wage-determinations> as of the date of contract award (or within 10 days of the bid solicitation, in the case of competitive sealed bidding).

ESSER III funds can be combined with funds from IAC grant programs. However, ESSER III funds must be tracked separately from other funds including the other ESSER programs (e.g., ESSER I and ESSER II). When combining ESSER funds with funds from an IAC grant program, federal Davis-Bacon wages are applicable to any project that includes \$2,000 or more in federal funds. There is not a situation where both federal Davis-Bacon and State prevailing wage would be applicable. Once the project includes \$2,000 in federal funds, that project falls under the federal Davis-Bacon Act and a federal wage determination should be requested for that project.

More information on prevailing-wage and Davis-Bacon Act requirements is available at <https://www.dllr.state.md.us/labor/prev/prevwagefaqs.shtml#davisbacon>.

Send the notice of intent to use ESSER funds for a project to the MSDE Office of School Facilities at sfbmsde.submissions@maryland.gov and the DGS Public Schools and Community Colleges



team at dgs.pscpsubmissions@maryland.gov. If you have any questions regarding the required submissions or use of ESSER funds, please contact Fred Mason, Director, MSDE Office of School Facilities, via email at fred.mason1@maryland.gov or 410-767-0097. For questions regarding HSFF ARPA funds, please contact Tom Lockman, IAC Chief Financial Officer, at tom.lockman@maryland.gov or (410) 767-0614.

The Interagency Commission on School Construction is an agency of the State of Maryland. Staff of the IAC can be reached at iac.pscp@Maryland.gov. Learn more about the IAC and its programs at mdschoolconstruction.org.