



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0246

Title: Generally revise requirements for electrician licensing

Primary Sponsor: Small, Jason D

Status: As Introduced

Significant Local Gov Impact

Needs to be included in HB 2

Technical Concerns

Included in the Executive Budget

Significant Long-Term Impacts

Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2022</u> <u>Difference</u> | <u>FY 2023</u> <u>Difference</u> | <u>FY 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$56,830 | \$51,246 | \$50,658 | \$51,276 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balance: | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact: SB 246 requires the installation or repair of traffic control lights, highway lights, or streetlights be performed by a licensed electrical contractor, unless the work is performed by an employee of a local entity or state that owns the equipment. The Montana Department of Transportation (MDT) Maintenance Division has maintenance agreements with the local governments of the City of Great Falls, Butte-Silver Bow and the City of Missoula for the maintenance and repair of MDT owned traffic signals. These agreements would need to be terminated and additional MDT staff hired to perform the work required for maintaining and installing traffic signals owned by MDT.

FISCAL ANALYSIS

Assumptions:

1. The maintenance agreements with the City of Great Falls, Butte-Silver Bow and the City of Missoula would be terminated due to the requirement that MDT staff must perform the work on MDT owned traffic signals.
2. The average cost per fiscal year for all three agreements (labor, equipment, and materials) is \$178,410.

3. MDT operating costs would be reduced by eliminating the labor and equipment portions of the agreements at a total of \$156,287 per fiscal year.
4. The remaining \$21,323 each fiscal year for material costs would be borne by MDT.
5. The signal control equipment installed by contractors at MDT signalized intersections is specific to MDT and provided by MDT for consistency and compatibility.
6. Licensed electrical contractors are currently unfamiliar with diagnosing and repairing the technical control equipment that operate the signals.
7. MDT requires Traffic Signal Specialists to have International Municipal Signal Association (IMSA) certifications.
8. MDT would hire two additional Traffic Signal Specialists to maintain MDT owned traffic signals which are currently maintained through the three maintenance agreements.
9. The personal services costs for two FTE would be \$182,086 in FY 2022, \$182,086 in FY 2023, \$181,484 in FY 2024 and \$182,086 in FY 2025.
10. The additional FTE would require the standard new FTE operating costs totaling \$6,600 in FY 2022, \$1,016 in FY 2023, \$1,030 in FY 2024 and \$1,046 in FY 2025.
11. The additional FTE would require the rental of two bucket trucks from the MDT fleet to perform the work. The operating costs associated with the trucks would be \$24,431 in each fiscal year.

| | <u>FY 2022</u> <u>Difference</u> | <u>FY 2023</u> <u>Difference</u> | <u>FY 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <u>Fiscal Impact:</u> | | | | |
| FTE | 2.00 | 2.00 | 2.00 | 2.00 |
| <u>Expenditures:</u> | | | | |
| Personal Services | \$182,086 | \$182,086 | \$181,484 | \$182,086 |
| Operating Expenses | (\$125,256) | (\$130,840) | (\$130,826) | (\$130,810) |
| TOTAL Expenditures | <u>\$56,830</u> | <u>\$51,246</u> | <u>\$50,658</u> | <u>\$51,276</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$56,830 | \$51,246 | \$50,658 | \$51,276 |
| TOTAL Funding of Exp. | <u>\$56,830</u> | <u>\$51,246</u> | <u>\$50,658</u> | <u>\$51,276</u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |
| TOTAL Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | (\$56,830) | (\$51,246) | (\$50,658) | (\$51,276) |

Effect on County or Other Local Revenues or Expenditures:

1. With the elimination of the traffic signal and highway lighting maintenance agreements, the City of Great Falls, Butte-Silver Bow and the City of Missoula local governments would have a reduction in revenue.
2. The City of Great Falls, Butte-Silver Bow and the City of Missoula install the same signal control equipment as MDT.
3. Licensed electrical contractors are currently unfamiliar with diagnosing and repairing the technical control equipment that operate the signals.
4. Most local governments require their signal personnel to have International Municipal Signal Association (IMSA) Traffic Signal certifications.
5. The three local governments maintain their own signals and highway lighting and have the expertise, experience, and tools to maintain MDT traffic signals.

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NO SPONSOR SIGNATURE

Sponsor's Initials

2/25/21
Date

KA
Budget Director's Initials

2/23/21
Date