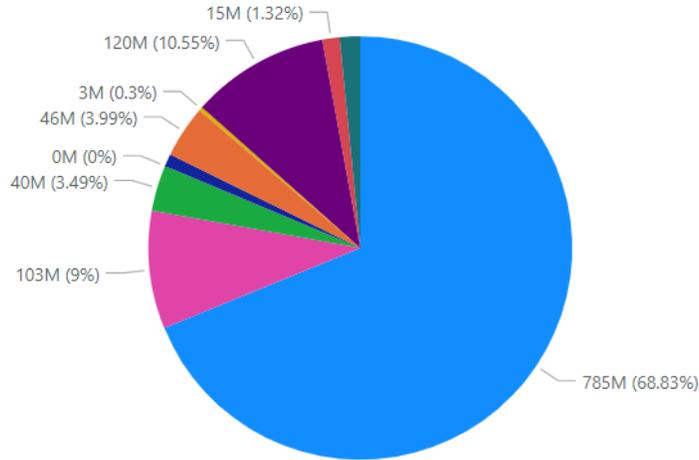


MONTANA DEPARTMENT OF TRANSPORTATION

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 68.9% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Modified Budget and Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	785,164,152	413,697,694	52.7%
BA Budget Amendment	120,352,706		
CF Carryforward	17,850,374	36,399	0.2%
HB576 Proprietary Off Budget	39,826,535	24,089,271	60.5%
LRBP	52,664	8,295	15.8%
NB Non-Budgeted		191,030	Infinity
Other House or Senate Bill	10,806,794	2,260,020	20.9%
SA Statutory	45,547,969	26,209,040	57.5%
CARES	15,048,852	1,715,660	11.4%
CARES II	102,700,000		
Total	1,140,727,784	468,218,515	41.0%

Budget Amendments

The Montana Department of Transportation (MDT) has \$120.4 million in budget authority derived from budget amendments. A majority of budget amendment authority stems from continuing authority from federal redistribution or “grab bag funds” that other states failed to utilize before their obligation limitation expired. The August redistribution funds are obligated to specific projects and will be completed as scheduled in the [Tentative Construction Plan \(TCP\)](#).

Long Range Building Program

As shown in the chart above MDT has \$52,664 of authority for an environmental assessment of the Yellowstone Airport terminal, of which \$8,295 has been expended.

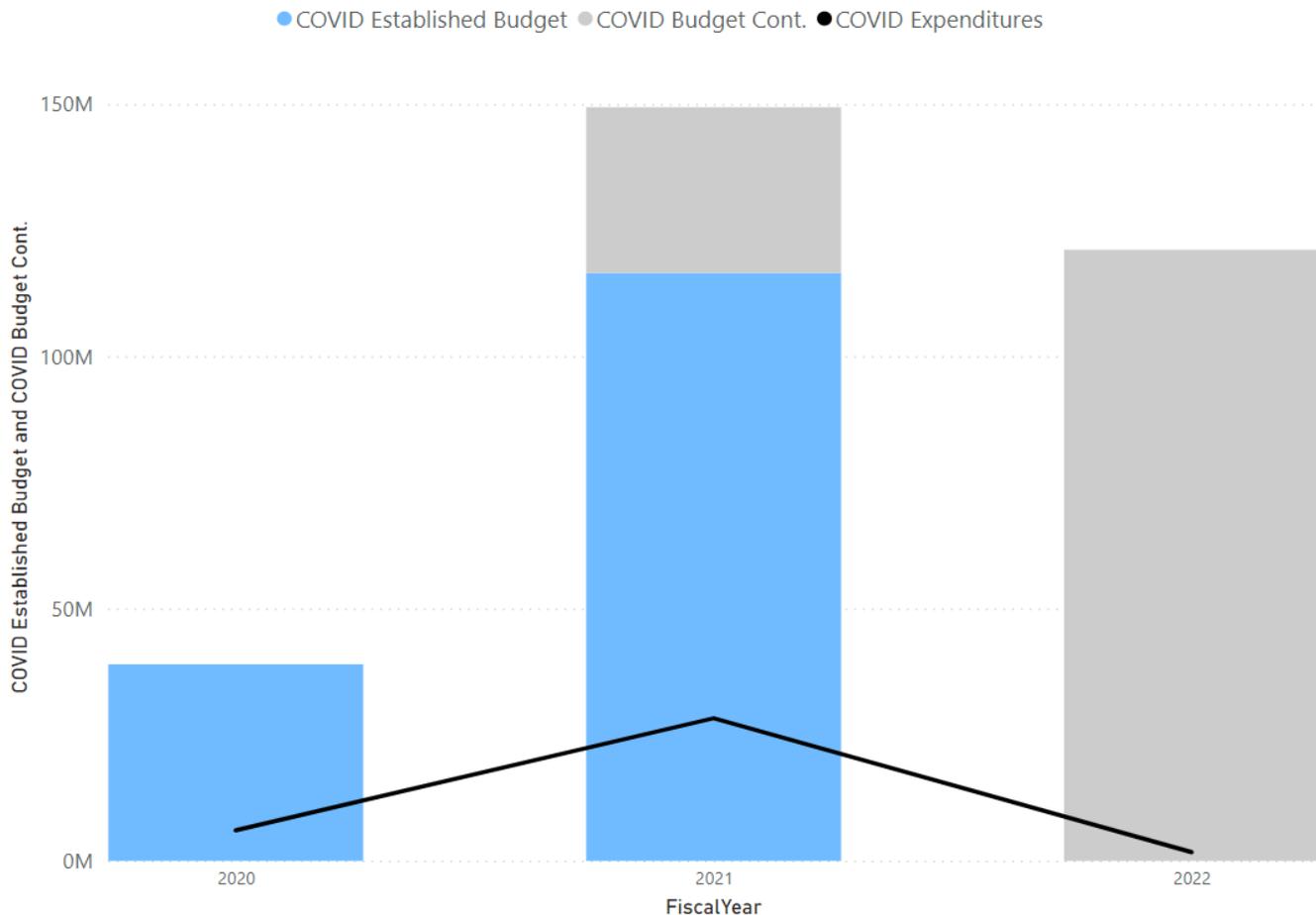
In LRBP authority that is related to other bills, MDT has a \$2.3 million appropriation in HB 5 (2021), and \$1.2 million in remaining authority from HB 5 (2019). Of the 2019 appropriation the agency has transferred \$120,000 to Architecture and Engineering (A&E) in the Department of Administration for the construction of a new sand and salt storage building in Eureka.

Original estimates for projects planned under HB 5 were based on similar past projects. However, the contractor bids came in considerably higher than the costs from previous projects, so the bids were not awarded. MDT is currently working with an outside engineering consultant to develop new designs to reduce costs and planning on re-bidding once this is complete.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



CARES Act I funding was split primarily between the aeronautics division and the transit program in the rail, transit, and planning (RTP) division. So far in FY 2022, MDT has used \$1.7 million of this appropriation. The

aeronautics division expended \$270,065 for operations and maintenance of two state-owned airports. RTP expended \$1.4 million, mostly on grants.

CARES Act II funding from HB 630 is split between the construction and maintenance programs and will be used primarily for contactor payments. Currently, these funds have not been spent. However, \$16.0 million in maintenance contracts have been awarded.

ARPA funding from HB 632 provides roughly \$600,000 to the aeronautics program for personal services and operating costs at state-owned airports, of which \$10,948 has been expended. The bill also provides \$2.8 million to the transit program for grants and administration costs. There have been no transit-related expenditures of these funds yet in FY 2022.

Statutory Appropriations

Statutory appropriation authority for MDT includes distributions of gasoline taxes to local and tribal governments and federal debt service payments. The appropriation authority includes an estimated \$17.9 million for the Bridges and Road Safety and Accountability Act (BaRSAA), of which \$9.8 million or 54.7% has been expended. Tribal distributions total \$6.1 million. Smaller statutory appropriations include appropriations for shared use paths, anti-littering signs, Highway 93 debt service, and rural technical assistance.

MDT has expended \$26.4 million or 56.4% of its \$46.8 million statutory appropriation authority. Expended amounts were primarily for the distribution of portions of fuel taxes to city and county governments. The aeronautics grant program has expended 80.3% of its \$680,098 in statutorily appropriated grant authority.

Proprietary

The MDT's budget includes three programs supported with non-budgeted proprietary funding including the state motor pool, the equipment program, and the Yellowstone Airport. The state motor pool budget of \$8.2 million is 21.9% expended. The equipment program budget of \$34.0 million is 60.5% expended. The Yellowstone airport appropriation of \$813,211 is 34.8% expended.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through February 28, 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
Department of Transportation	785,164,152	0	785,164,152	0	785,164,152
AERONAUTICS PROGRAM	9,871,468	0	9,871,468		9,871,468
GENERAL OPERATIONS PROGRAM	35,137,804	-236,617	34,901,187	-90,000	34,811,187
HIGHWAYS & ENGINEERING	547,883,653	-1,632,296	546,251,357		546,251,357
MAINTENANCE PROGRAM	141,562,438	1,971,901	143,534,339	-5,000	143,529,339
MOTOR CARRIER SERVICES	12,775,567	-5,387	12,770,180	95,000	12,865,180
RAIL TRANSIT & PLANNING	37,933,222	-97,601	37,835,621	0	37,835,621
Total	785,164,152	0	785,164,152	0	785,164,152

Acct & Lvl 1 DESC	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
68000 Transfers-out	1,726,156	73,100	1,799,256	500	1,799,756
66000 Grants	23,776,643	16,000	23,792,643		23,792,643
64000 Capital Outlay	12,956,865		12,956,865		12,956,865
63000 Equipment & Intangible Assets	5,554,458	258,682	5,813,140	45,000	5,858,140
62000 Operating Expenses	567,773,681	-347,782	567,425,899	-45,500	567,380,399
61000 Personal Services	173,376,349	0	173,376,349		173,376,349

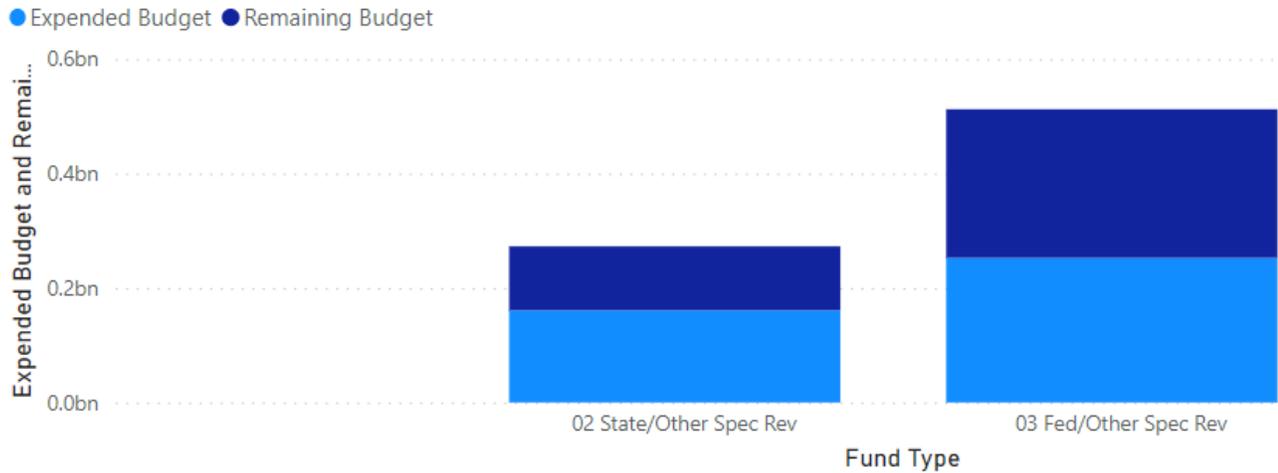
Fund Type	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
02 State/Other Spec Rev	272,768,283	-11,186	272,757,097	0	272,757,097
03 Fed/Other Spec Rev	512,395,869	11,186	512,407,055	0	512,407,055

The MDT had a total of \$0.0 in net modifications department-wide. However there have been adjustments to some expenditure categories. A program transfer moved \$90,000 of operating expenses from general operations to motor carrier services (MCS) where the funds were split between the operating expenses and equipment categories. Rail, transit, and planning moved \$500 from operating expenses to transfers to cover training. Operating expenses in the amount of \$5,000 were transferred from maintenance to MCS to purchase additional plates and tabs. MDT has the ability to transfer authority between state and federal special funds as funding splits become more realized throughout the fiscal year.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 28, 2022.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	173,376,349	99,559,658	57.4%
Operating Expenses	567,380,399	303,654,002	53.5%
Equipment & Intangible Assets	5,858,140	987,091	16.8%
Capital Outlay	12,956,865	2,533,674	19.6%
Grants	23,792,643	6,439,817	27.1%
Transfers-out	1,799,756	523,452	29.1%

Program Name	Modified Budget	Expended Budget	Percent Expended
AERONAUTICS PROGRAM	9,871,468	864,265	8.8%
GENERAL OPERATIONS PROGRAM	34,811,187	23,278,721	66.9%
HIGHWAYS & ENGINEERING	546,251,357	286,961,841	52.5%
MAINTENANCE PROGRAM	143,529,339	80,367,519	56.0%
MOTOR CARRIER SERVICES	12,865,180	6,795,181	52.8%
RAIL TRANSIT & PLANNING	37,835,621	15,430,166	40.8%
Total	785,164,152	413,697,694	52.7%

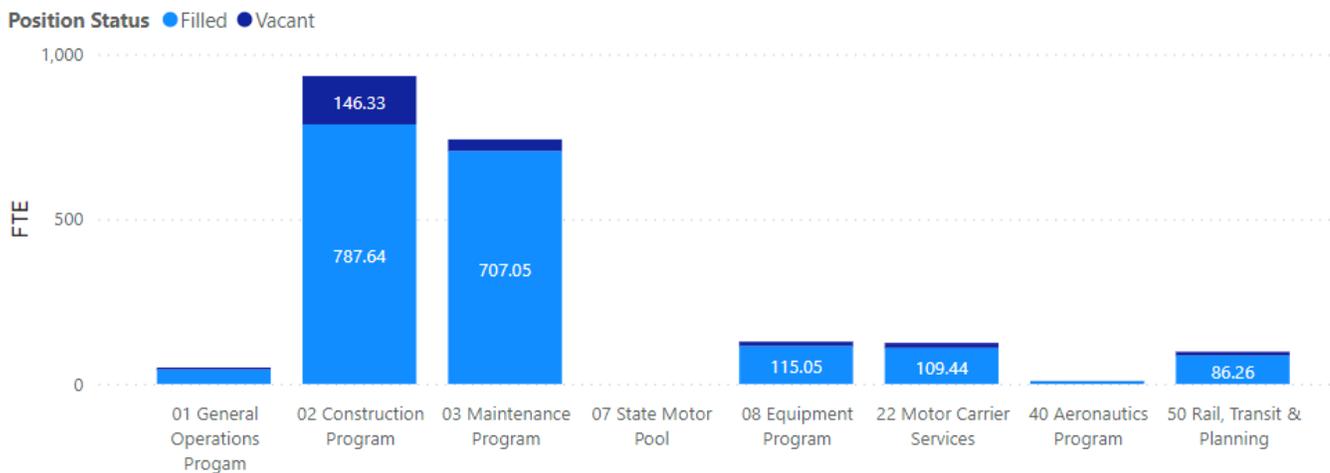
Through February, MDT expended \$413.7 million or 52.7% of the modified HB 2 authority. Lower levels of spending in capital outlay, grants, and transfers-out are not unusual at this point in the fiscal year as many of the activities that fall within these expenditure categories occur later in the fiscal year.

The aeronautics program often has a lower level of expenditure at this time in the fiscal year due to inconsistencies in federal funding for the grant program. At this time, federal stimulus related to the pandemic is also affecting aeronautics.

Personal Services

The following chart shows the filled and vacant FTE within the agency as of January 31, 2022. The agency's HB 2 personal services budget for FY 2022 totals \$173.4 million, of which \$99.6 million or 57.4% has been expended. The agency has 2,016.27 FTE and, as of January 31, 2022, has 227.91 vacant FTE positions. The majority of vacancies are in the construction and maintenance programs, both of which have a large number of seasonal positions which are vacant at this time.

MDT is experiencing recruiting difficulties for seasonal employees in maintenance and permanent employees in the construction program. Agency-wide hour utilization is 93.4%. In FY 2022, 356 positions received longevity pay raises, 147 positions received career ladder adjustments, 21 positions received pay changes for various other reasons including but not limited to reclassification, training assignments, demotion, and correction of inaccurate pay. One position was transferred from the general operations program to motor carrier services.



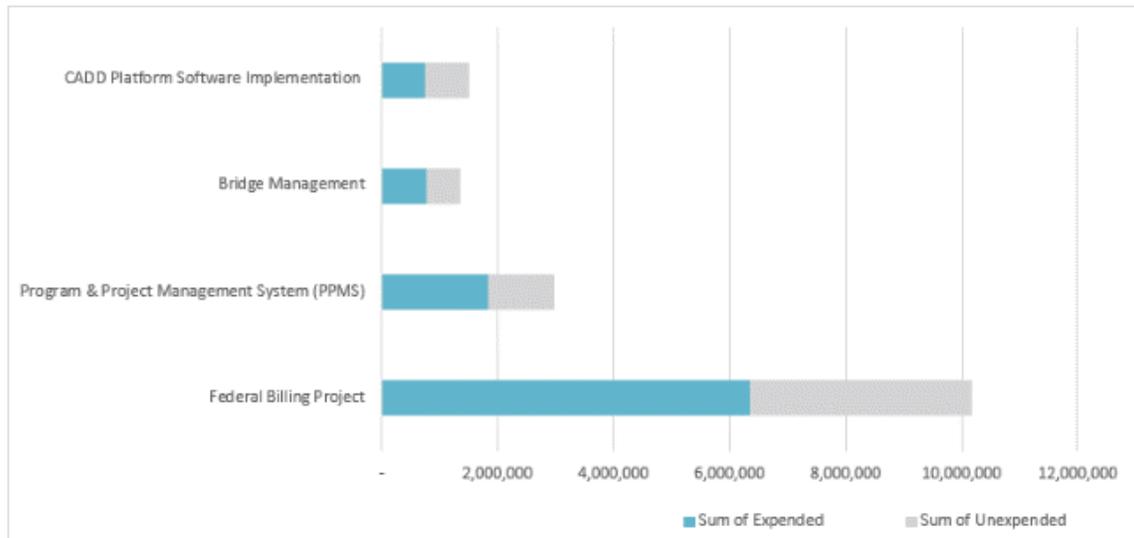
Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive "snapshots" -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive's decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019. This story map was created with the Story Map Cascade application in ArcGIS Online.

OTHER ISSUES

Information Technology Project Expenditures



Large Information Technology Projects Original and Revised Budgets			
Project	Original Budget	Revised Budget	Change from Original Budget
Federal Billing Project	5,964,440	10,160,640	4,196,200
Program & Project Management System (PPMS)	2,972,349	2,972,349	-
Bridge Management	1,336,800	1,336,800	-
CADD Platform Software Implementation	1,505,763	1,505,763	-

Original and Revised Delivery Date				
Project	Start Date	Original Delivery Date	Revised Delivery Date	Change from Original Delivery Date
Federal Billing Project	10/1/2019	8/2/2021	9/30/2022	63.2%
Program & Project Management System (PPMS)	6/24/2019	9/7/2021	7/26/2023	85.2%
Bridge Management	4/29/2021	9/1/2022	N/A	0.0%
CADD Platform Software Implementation	8/2/2021	9/2/2022	N/A	0.0%

The program and project management system (PPMS) is used to create and manage all parts of the project management and nomination process for the Federal Highway Administration (FHWA).

The federal billing project was originally planned in order to satisfy billing requirements of the FHWA. However, the project was re-scoped when it was discovered that in order to make project costing module effective, the system needed to become an enterprise and HR solution in order to capture all costs.

Bridge Management –The BrM (Bridge Structure Management System) is used to track and report system-wide conditions and perform analysis that supports bridge funding decisions. The project is on track to be completed in FY 2023.

CADD –The CADD (Computer Assisted Design and Drafting System) is a platform software tool that used 3D modeling and data intelligence to create high quality, high performing infrastructure designs with conceptual

and detailed design tools, integrated analysis, visualization and simulation. The project is on track to be completed 9/2/2022.

Update on Decision Packages Approved by the 2021 Legislature

DP 201 - Software Licensing, Maintenance, & Implementation – The legislature adopted an adjustment of \$1,176,520 in FY 2022 and \$525,548 in FY 2023 of state and federal special revenue funds to fund multiple software implementations in the engineering division.

To date, several programs have been licensed and/or upgraded with this additional appropriation, including computer aided design and drafting (CADD), AASHTOware bridge management system (BRM), bridge design (BRD), and Numerics.

DP 202 - NBI Bridge Inspection Program – The legislature adopted an increase of \$646,196 in FY 2022 and \$620,033 in FY 2023 in state and federal special revenue funds and 7.00 FTE for the bridge inspection program in order to meet National Bridge Inspection (NBI) Standards.

One position has been filled, one position is in the recruitment process, and the remaining FTE are awaiting final classification.

DP 203 - Bridge Load Rating & Overweight Permit Analysis – The legislature adopted an increase of \$319,182 in FY 2022 and \$308,147 in FY 2023 in state and federal special revenue funds and 3.00 FTE to enable the department to maintain compliance with NBI performance metrics and to respond to the commercial vehicle permit demands by adding adequate staff to complete load rating and overweight vehicle analysis for more than 4,500 publicly owned bridges statewide.

These new positions are awaiting final classification.

DP 204 - Construction Bridge Reviewer FTEs – The legislature adopted an increase of \$206,966 in FY 2022 and \$199,504 in FY 2023 in state and federal special revenue funds and 2.00 FTE to provide construction oversight, direct training, and support of MDT's bridge construction program.

Both positions were hired in August.

DP 205 - Partnering Program–The legislature adopted an appropriation of \$206,400 in FY 2022 and \$198,944 in FY 2023 in state and federal special revenue and 2.00 FTE to develop and support MDT's future partnering program. There are about 150 projects let a year that will have either Level 1 partnering facilitation or Level 2 partnering facilitation.

Both of these positions are posted for the third time. The previous postings, which started in October and December, did not result in any qualified applicants.

DP 206 - Utility Permitting Administration System (UPAS) – The legislature adopted an appropriation of \$147,314 in FY 2022 and \$141,611 in FY 2023 in state special revenue and 2.00 FTE. This will support a new electronic permitting system. The electronic permitting module will allow utility owners to apply for and receive approval within three days, compared to two to four weeks with the paper process. This as-built requirement will allow MDT to manage which utilities are located where within the state's right-of-way.

Both positions were hired in August and September.

DP 207 - Unmanned Aerial System (UAS) Program – The legislature adopted an appropriation of \$313,104 in FY 2022 and \$301,920 in FY 2023 in state and federal special revenue funds to provide 3.00 FTE and funding for MDT's future UAS Program.

This is a new program within the department. These new positions are currently in the development process and will be posted upon completion.

DP 208 - Consultant Design (RST/OTO) –The legislature adopted a one-time-only and restricted increase of \$10.3 million in FY 2022 and in FY 2023 in state and federal special revenue funds to the construction program to support consultant design. Due to increasing use of consultants used for design-related issues, loss of FTE, or specialization of contracts/work, additional funding was needed. This budget category has experienced shortfalls in recent fiscal years and may continue to do so without an ongoing funding solution.

The additional \$10.3 million in appropriation for FY 2023 has been expended in full.

DP 210 - Broadband Infrastructure Deployment – The legislature adopted an appropriation of \$100,985 in FY 2022 and \$97,255 in FY 2023 in state and federal special revenue funds and 1.00 FTE to support compliance with the federal MOBILE NOW Act. This requires State DOT's to have a broadband utility coordinator responsible for facilitating infrastructure right-of-way (ROW) efforts within the state. This FTE will assist with establishing a registration process for broadband infrastructure and work with broadband infrastructure entities regarding installation of broadband utilities in the right-of-way applicable federal-aid highway projects.

This new position has been filled.

DP 303 - Wolf Point Maintenance Division FTE - The legislature adopted an increase of \$59,003 in FY 2022 and \$59,040 in FY 2023 in state special revenue to fund a permanent 1.00 FTE in the Culbertson section to help maintain additional secondary roads that were reconstructed.

An offer is currently pending for this position.

DP 18001 - O&M for new facilities - The legislature adopted an appropriation for operations and maintenance costs for the Terry 3-Bay (No Office), White Sulphur 8-Bay, Phillipsburg 5-Bay, Custer 5-Bay (with office), Havre Welding Shop, Billings Welding Shop/Tow Plow Storage, and Harlem 6-Bay projects. The total operations and maintenance costs are \$33,962 for FY 2022 and FY 2023.

The Department of Administration's Architecture & Engineering division has issued Requests for Quotes (RFQ), which are due by March 22, 2022. Once the projects are awarded, the appropriation will be used to operate the facilities.

DP 18002 - O&M for Lincoln Airport Storage Building -

The legislature adopted an appropriation for operations and maintenance costs for the Lincoln Airport snow removal equipment storage building of \$500 state special funding and \$4,500 federal special funding in FY 2022 and FY 2023, pursuant to 17-7-210, MCA.

The Lincoln Airport snow removal equipment storage building was included in the final version of HB 5. At this time, construction on the building has not yet begun.

DP 5001 - FAST Act Reauthorization Adjustment - The legislature adopted an adjustment of \$167,372 in FY 2022 and \$328,775 in FY 2023 for an increase to federal and state special revenue to fund personal services, operating costs, and equipment costs for 2.00 FTE in FY 2022 and 4.00 FTE in FY 2023 due to more extensive statutory requirements for transportation planning and programming under the next federal surface transportation law.

Rail, transit and planning (RTP) is waiting on the new reauthorization bill. Once the new bill comes out, RTP will be interpreting the needs based upon the information in the bill. Until more information is provided, there isn't an anticipated start date.

DP 5002 - Environmental Science Specialist FTE - The legislature adopted an increase of \$95,285 in FY 2022 and \$92,153 in FY 2023 for 1.00 FTE for the environmental services bureau of the rail, transit & planning division.

Rail, transit & planning division is currently conducting round 2 interviews. They are anticipating a start date around the end of March 2022.