

## PUBLIC WORKS

The 2040 MARA model will be broken into “modules”. The modules reflect different aspects of the revenues and expenditures of state government, local government, and school districts. The diagram below shows the revenue components in green and the expenditure components in blue. Expenditures for this area of the model will be developed in the public works module.

## Modules

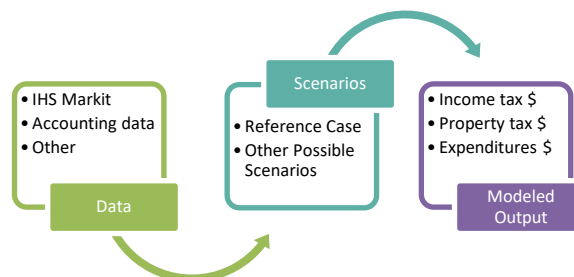


## Data Driven

All modules will rely on a consistent set of data used to keep the model assumptions consistent through all modules. Examples are econometric data from IHS Markit, Regional Economic Models, Inc (REMI), and others.

## Public Works – Transportation Module

Present law includes a diesel tax and a gasoline license tax paid by every distributor for the privilege of selling diesel fuel and gasoline. Revenues distributed to the Department of Transportation provide for the construction, maintenance, repair, and reconstruction of public highways, streets, roads, and bridges. As vehicles obtain better fuel efficiencies in the next twenty years, fuel tax revenues are expected to decline.



## **State & Local Transportation Process**

The public works state and local transportation module process will begin with the following tasks:

- Gather these data:
  - past 20 years of transportation revenues and expenditures by fiscal year
  - Fuel tax allocations to cities and counties
  - Lane miles by maintenance responsibility
  - Construction inflation projections
  - Fuel economy
  - Local planning documents
- Reach out to stakeholders: Department of Transportation, Governor's Office of Budget and Program Planning, Transportation Interim Committee, Section C Interim Budget Committee, MACO
- Develop a small group of experts for sounding board
- Experts from ECONorthwest

## **Public Works – State & Local Water/Wastewater/Solid Waste Modules**

Public works other than transportation is quite broad in type, ownership, and statewide location. Consequently, the State & Local Water/Wastewater/Solid module will include potable water systems, wastewater systems, solid waste, regional water projects, state-owned dams and canals, and similar types of infrastructure.

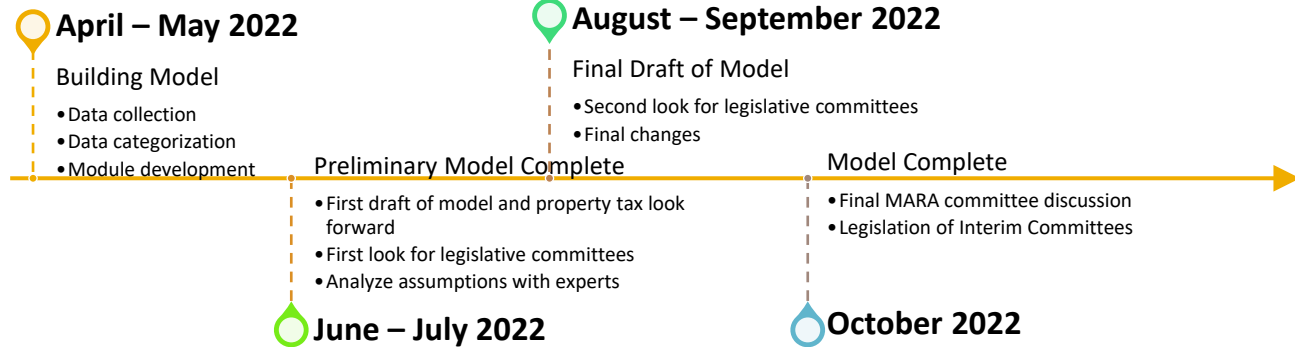
The process will begin with the following tasks:

- Gather these data:
  - Past 20 years of State & Local Infrastructure revenues, expenditures by fiscal year
  - Federal infrastructure needs reports
  - Agency estimates
  - Local planning documents
  - Construction inflation projections
- Reach out to stakeholders, including but not limited to: Montana League of Cities and Towns, Montana Association of Counties, Montana Infrastructure Coalition, Governor's Office of Budget and Program Planning, Montana Departments of Natural Resources and Conservation, Commerce, Environmental Quality, Administration/Architecture & Engineering Division, Montana University System, and Local Government and, Water Policy, and Environmental Quality Interim Committees
- Develop a small group of experts for sounding board

## **Analysis**

- Analysis: evaluate the data with ideas from stakeholders and consider how changes in technology, population, and demographics impact funding and expenditures for public works across state and local government jurisdictions.
- The first draft of the model will be available in June. Additional legislator, stakeholder, and expert feedback will be sought during the summer months for suggested improvements to the model. The final version of the model is expected in early September.

## Timeline for Completion



The first draft of the model will be available in June. Additional legislator, stakeholder, and expert feedback will be sought during the summer months for suggested improvements to the model. The final version of the model is expected in early September. If you have questions about the modules or final model, or would like to provide feedback, please contact Susie Lindsay at [slindsay@mt.gov](mailto:slindsay@mt.gov).