

Program Biennium Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison | | | | |
|--------------------------------|---------------------------|------------------------|--------------------|-------------------|
| Budget Item | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change | Biennium % Change |
| Personal Services | 34,551,972 | 35,487,792 | 935,820 | 2.71 % |
| Operating Expenses | 33,000,774 | 35,335,372 | 2,334,598 | 7.07 % |
| Equipment & Intangible Assets | 91,606 | 91,606 | 0 | 0.00 % |
| Grants | 150,000 | 150,000 | 0 | 0.00 % |
| Transfers | 4,500 | 0 | (4,500) | (100.00)% |
| Total Expenditures | \$67,798,852 | \$71,064,770 | \$3,265,918 | 4.82 % |
| State/Other Special Rev. Funds | 64,421,884 | 67,473,976 | 3,052,092 | 4.74 % |
| Federal Spec. Rev. Funds | 3,376,968 | 3,590,794 | 213,826 | 6.33 % |
| Total Funds | \$67,798,852 | \$71,064,770 | \$3,265,918 | 4.82 % |
| Total Ongoing | \$67,798,852 | \$71,064,770 | \$3,265,918 | 4.82 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

Program Description

The general operations program provides overall policy direction and management to the agency, administers motor fuel taxes, and provides administrative support services for the department, including general administration and management, accounting and budgeting, ensuring civil rights and equal opportunity, legal services, public affairs, information technology services, human resources activities, compliance review, and goods and services procurement.

| General Operations Program Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The general operations program budget request is \$3.3 million or 4.8% higher than the 2021 biennium • The majority of the growth is a result of statewide present law adjustments which include: <ul style="list-style-type: none"> ◦ Personal services- an increase of \$935,820 in personal services, due to annualization of the 2020 pay plan and the addition of a chief operating officer position to the program. The FTE for the position was transferred from the maintenance program. The position oversees the construction program, the maintenance program, and the rail, transit & planning program. The other programs within MDT are overseen by the deputy director. ◦ A \$2.3 million dollar increase in operating expenses which is mainly due to the increase in agency-wide fixed costs. The increases also fund investments in the federal billing project, additional software licensing, and the data governance program. These increases are partially offset by the savings from the Service Now License which is now housed in SITSD and funded with fixed costs. Further details are included in the present law adjustments section below. |

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item | Actuals Fiscal 2020 | Approp. Fiscal 2020 | Approp. Fiscal 2021 | Request Fiscal 2022 | Request Fiscal 2023 |
| FTE | 0.00 | 178.80 | 178.80 | 178.80 | 178.80 |
| Personal Services | 16,205,307 | 17,160,348 | 17,391,624 | 17,716,588 | 17,771,204 |
| Operating Expenses | 15,578,695 | 16,546,793 | 16,453,981 | 17,694,201 | 17,641,171 |
| Equipment & Intangible Assets | 0 | 45,803 | 45,803 | 45,803 | 45,803 |
| Grants | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Transfers | 1,386 | 4,500 | 0 | 0 | 0 |
| Total Expenditures | \$31,860,388 | \$33,832,444 | \$33,966,408 | \$35,531,592 | \$35,533,178 |
| State/Other Special Rev. Funds | 31,192,214 | 32,151,718 | 32,270,166 | 33,732,696 | 33,741,280 |
| Federal Spec. Rev. Funds | 668,174 | 1,680,726 | 1,696,242 | 1,798,896 | 1,791,898 |
| Total Funds | \$31,860,388 | \$33,832,444 | \$33,966,408 | \$35,531,592 | \$35,533,178 |
| Total Ongoing | \$31,860,388 | \$33,832,444 | \$33,966,408 | \$35,531,592 | \$35,533,178 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Program Discussion -

FY 2020 Appropriations Compared to FY 2020 Actual Expenditures

In the FY 2020 budget the general operations program expended a total of 94.2% of its \$33.8 million in appropriation authority. The personal services budget was \$16.2 million or 94.4% expended, and operating expenses were \$15.6 million or 94.2% expended. Funding for the general operations program included 97.9% state special funds and 2.1% federal funds.

FY 2020 Appropriations compared to FY 2021 Appropriations

The FY 2021 appropriation of \$34.0 million is 0.4% above the FY 2020 appropriation. The growth in the program budget reflects a combination of growth in personal services primarily related to pay plan increases. Operating costs in FY 2021 are higher due to the centralization of certain services resulting from a federal review of direct vs indirect costs. This is discussed in the following section.

| FY 2021 Legislative Appropriations - Department of Transportation-General Operations | | | | |
|--|--------------------|---|-------------------|----------------------------------|
| | Legislative Action | Executive Modifications per Statutory Authority | Executive Base | % Change from Legislative Action |
| 01 GENERAL OPERATIONS PROGRAM | | | | |
| 61000 Personal Services | 17,334,058 | 57,566 | 17,391,624 | 0.3% |
| 62000 Operating Expenses | 15,935,154 | 518,827 | 16,453,981 | 3.3% |
| 63000 Equipment & Intangible Assets | 45,803 | - | 45,803 | 0.0% |
| 66000 Grants | 75,000 | - | 75,000 | 0.0% |
| 69000 Debt Service | 85,270 | (85,270) | - | -100.0% |
| 01 GENERAL OPERATIONS PROGRAM Total | 33,475,285 | 491,123 | 33,966,408 | 1.5% |

FY 2021 Legislative Budget compared to FY 2021 base

The general operations program FY 2021 base budget of \$34.0 million is 1.5% greater than the FY 2021 Legislative budget appropriation of \$33.5 million. The increase in operating expenses is a result of the centralization of department wide SITSD expenses including phones, mail, shipping and print services. All fixed cost increases for department wide SITSD and DOA expenses will now be included in the general operations budget.

Executive Request

The general operations program provides general oversight and administrative support for the agency. The proposed budget includes an increase of \$3.3 million or 4.8% for the biennium. The increase in personal services can be attributed in large part to the annualization of the 2021 biennium pay plan and totals \$704,544 for the biennium. The budget also includes \$2.6 million in fixed cost adjustments. Fixed costs, or SWPL 2 is mostly contained in the general operations program and includes costs such as insurance, SITSD and DOA costs, and payroll processing.

The 2023 biennium budget of the general operations program also includes a net decrease of \$203,882 in present law adjustments:

- A negative adjustment of \$391,941 in each fiscal year for the “Service Now” license which was moved to SITSD and is now included in fixed costs.
- An adjustment totaling \$300,000 for the biennium for training and software maintenance related to the federal billing system.
- An adjustment of \$280,000 to support other software licenses.

Program Personal Services

The general operations program proposal for personal services is \$17.7 million for FY 2022 and \$17.8 million for FY 2023, a biennial increase of \$935,820 or 2.7%. Increases in personal services costs result primarily from the annualization of

the 2021 pay plan adjustment and the movement of 1.0 FTE from the maintenance program to support a chief operations officer position.

Funding

The following table shows proposed program funding by source of authority.

| Department of Transportation, 01-General Operations Program Funding by Source of Authority | | | | | | | |
|---|---------------------|------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 0 | 0 | 0 | 0 | 0 | 0.00 % | |
| 02301 Tribal Motor Fuels Admin. | 0 | 0 | 0 | 0 | 0 | 0.00 % | |
| 02303 Tribal Motor Fuels Tax Acct | 0 | 0 | 0 | 12,262,202 | 12,262,202 | 8.24 % | |
| 02349 Highway Non-Restricted Account | 0 | 0 | 0 | 0 | 0 | 0.00 % | |
| 02422 Highways Special Revenue | 67,473,976 | 0 | 0 | 0 | 67,473,976 | 45.32 % | |
| 02440 Refunds/IFTA Suspense | 0 | 0 | 0 | 0 | 0 | 0.00 % | |
| 02439 BaRSAA Local Fuel Tax | 0 | 0 | 0 | 35,813,286 | 35,813,286 | 24.05 % | |
| 02437 Local Govt/LTAP | 0 | 0 | 0 | 33,332,000 | 33,332,000 | 22.39 % | |
| State Special Total | \$67,473,976 | \$0 | \$0 | \$81,407,488 | \$148,881,464 | 97.64 % | |
| 03407 Highway Trust - Sp Rev | 3,590,794 | 0 | 0 | 0 | 3,590,794 | 100.00 % | |
| 03999 COVID General | 0 | 0 | 0 | 0 | 0 | 0.00 % | |
| Federal Special Total | \$3,590,794 | \$0 | \$0 | \$0 | \$3,590,794 | 2.35 % | |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00 % | |
| Total All Funds | \$71,064,770 | \$0 | \$0 | \$81,407,488 | \$152,472,258 | | |

The general operations program is primarily funded from HSSRA (02422) and federal highway trust special revenue. HSSRA receives revenue from motor fuel taxes, gross vehicle weight permit fees, and reimbursements for indirect costs associated with the federal-aid highway program via a Federal Highways Administration (FHWA) approved indirect cost plan. Federal funding is available for assistance for disadvantaged businesses, on-the-job training programs, fuel tax evasion prevention efforts, and direct administrative expenses associated with the federal-aid highway program.

The general operations program is also responsible for \$81.4 million of statutory appropriations. Most of the statutory appropriations, \$69.1 million, are the distributions of fuel taxes to cities, towns, counties, and consolidated city-county governments. The remaining \$12.3 million are distributed through the tribal motor fuels accounts are a function of the revenue sharing agreements between the tribes and the state. For more information on the local government distributions, see the statutory appropriations section of the MDT summary.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | Budget Fiscal 2022 | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022 | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget | 0 | 0 | 0 | 0.00 % | 33,966,408 | 33,966,408 | 67,932,816 | 95.59 % |
| SWPL Adjustments | 0 | 0 | 0 | 0.00 % | 1,717,125 | 1,618,711 | 3,335,836 | 4.69 % |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | (151,941) | (51,941) | (203,882) | (0.29)% |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$0 | \$0 | \$0 | | \$35,531,592 | \$35,533,178 | \$71,064,770 | |

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| | -----Fiscal 2022----- | | | | | -----Fiscal 2023----- | | | | |
|--|-----------------------|--------------|--------------------|------------------|--------------------|-----------------------|--------------|--------------------|-----------------|--------------------|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 311,965 | 12,999 | 324,964 | 0.00 | 0 | 364,397 | 15,183 | 379,580 |
| DP 2 - Fixed Costs | 0.00 | 0 | 1,309,581 | 90,107 | 1,399,688 | 0.00 | 0 | 1,163,096 | 80,756 | 1,243,852 |
| DP 3 - Inflation Deflation | 0.00 | 0 | (7,075) | (452) | (7,527) | 0.00 | 0 | (4,438) | (283) | (4,721) |
| DP 106 - Federal Billing | 0.00 | 0 | 100,000 | 0 | 100,000 | 0.00 | 0 | 200,000 | 0 | 200,000 |
| DP 107 - Service Now license | 0.00 | 0 | (391,941) | 0 | (391,941) | 0.00 | 0 | (391,941) | 0 | (391,941) |
| DP 108 - Software licensing and maintenance | 0.00 | 0 | 140,000 | 0 | 140,000 | 0.00 | 0 | 140,000 | 0 | 140,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$1,462,530 | \$102,654 | \$1,565,184 | 0.00 | \$0 | \$1,471,114 | \$95,656 | \$1,566,770 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The budget includes an increase of \$324,964 in FY 2022 and \$379,580 in FY 2023 to annualize various personal services costs including FY 2021 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings. Additional factors contributing to the budget request include overtime, differential and per diem.

DP 2 - Fixed Costs -

The request includes an increase of \$1,399,688 in FY 2022 and \$1,243,852 in FY 2023 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, SITSD charges, and others. The rates charged for these services are approved in a separate portion of the budget.

DP 3 - Inflation Deflation -

This change package includes a reduction of \$7,527 in FY 2022 and \$4,721 in FY 2023 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with the statewide motor pool operated by the Department of Transportation.

DP 106 - Federal Billing -

This request is for \$100,000 in FY 2022 and \$200,000 in FY 2023 for training and software maintenance, respectively, in relation to the federal billing project. This request is for state special revenue funding. The project is funded in HB 10.

DP 107 - Service Now license -

This request is for a reduction to state special revenue funds of \$391,941 in both FY2022 and FY 2023. This reduction is associated with software costs for "Service Now" being shifted to SITSD fixed cost restricted budgets going forward.

108 - Software licensing and maintenance

This request is for \$140,000 in state special revenue funds for both FY 2022 and FY 2023. There is a need for additional licensing for the API Hub and I-Broker projects and to support the Data Governance program.