

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	117,704,638	122,202,936	4,498,298	3.82 %
Operating Expenses	163,553,772	171,029,419	7,475,647	4.57 %
Equipment & Intangible Assets	1,297,416	740,416	(557,000)	(42.93)%
Total Expenditures	\$282,555,826	\$293,972,771	\$11,416,945	4.04 %
State/Other Special Rev. Funds	264,892,796	275,692,428	10,799,632	4.08 %
Federal Spec. Rev. Funds	17,663,030	18,280,343	617,313	3.49 %
Total Funds	\$282,555,826	\$293,972,771	\$11,416,945	4.04 %
Total Ongoing	\$282,555,826	\$293,972,771	\$11,416,945	4.04 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The maintenance program is responsible for the repair, maintenance, and preservation of approximately 25,000 lane miles of roadways. Activities include but are not limited to: winter maintenance, reactive and preventive pavement preservation, pavement marking, signing, roadway striping, noxious weed control, traveler information, disaster and emergency services coordination, MDT's long-range building program and state funded construction program, communications program, quality control, and any other necessary roadway and roadside repairs and maintenance. The maintenance program is authorized by 2-15-2501(1), MCA; Title 60, MCA, and 23 USC 116.

Maintenance Program Major Budget Highlights
<ul style="list-style-type: none"> • The maintenance program budget request is \$11.4 million or 4.0% higher than the 2021 biennium. • Personal services would increase by \$4.5 million and primarily result from: <ul style="list-style-type: none"> ◦ The annualization of the 2021 biennium pay plan and career ladder increases ◦ The inclusion of an additional 6.00 F TE which were approved during the 2019 legislative session and added in F Y 2021 for the purpose of staffing the Rural Traffic Management Center ◦ A new proposal requesting an additional FTE for the Wolf Point maintenance division • Other significant changes in the maintenance program budget include: <ul style="list-style-type: none"> ◦ A budget increase of \$950,000 for increased authority to replace damaged infrastructure. ◦ A budget increase for equipment rental rate increases

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	739.55	739.55	740.55	740.55
Personal Services	55,053,730	58,057,492	59,647,146	61,006,609	61,196,327
Operating Expenses	80,800,638	81,613,207	81,940,565	85,487,940	85,541,479
Equipment & Intangible Assets	287,914	927,208	370,208	370,208	370,208
Total Expenditures	\$136,142,282	\$140,597,907	\$141,957,919	\$146,864,757	\$147,108,014
State/Other Special Rev. Funds	128,494,856	131,776,525	133,116,271	137,726,716	137,965,712
Federal Spec. Rev. Funds	7,647,426	8,821,382	8,841,648	9,138,041	9,142,302
Total Funds	\$136,142,282	\$140,597,907	\$141,957,919	\$146,864,757	\$147,108,014
Total Ongoing	\$136,142,282	\$140,597,907	\$141,957,919	\$146,864,757	\$147,108,014
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2020 Appropriations Compared to FY 2020 Actual Expenditures

In the FY 2020 budget the maintenance program expended a total of 96.8% or \$136.1 million of its \$140.6 million in appropriation authority. The personal services budget expenditures were 94.8% expended at \$55.1 million, and operating expenses were 99.0% expended at \$80.8 million. The equipment and intangible assets budget was only 31.1% expended at \$287,914. The majority of the unspent equipment authority is related to the appropriation from the 2019 session for the

rural traffic management center. This authority is still available as MDT has a biennial budget and the department plans to utilize it in FY 2021. Originally these expenditures were planned for FY 2020, however rule changes and delays in the application for federal funding made it necessary to delay project implementation until FY 2021. The center will be fully operational in fall of 2021.

FY 2020 Appropriations compared to FY 2021 Appropriations

The FY 2021 appropriation of \$142.0 million is 1.0% above the FY 2020 appropriation of \$141.6 million. The growth between the budgets is mainly in the personal services budget and reflects the changes resulting from the pay plan and personal services costs for the new rural traffic management center.

FY 2021 Legislative Appropriations - Department of Transportation - Maintenance				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
03 MAINTENANCE PROGRAM				
61000 Personal Services	59,704,712	(57,566)	59,647,146	-0.1%
62000 Operating Expenses	82,111,695	(171,130)	81,940,565	-0.2%
63000 Equipment & Intangible Assets	345,208	25,000	370,208	7.2%
66000 Grants	25,000	(25,000)	-	-100.0%
03 MAINTENANCE PROGRAM Total	142,186,615	(228,696)	141,957,919	-0.2%

FY 2021 Legislative Budget compared to FY 2021 base

The FY 2021 base budget of \$142.0 million is 0.2% lower than the FY 2021 Legislative budget appropriation of \$142.2 million. This is due to a few budgetary changes. Personal services decreased by approximately \$58,000 from a transfer of 1.0 FTE to the director's office under the general operations program. As shown in the figure operating expenses were reduced by approximately \$171,000 due to centralization of department wide expenses to the general operations program. This is also addressed in the agency discussion.

Executive Request

Most of the maintenance program activities are related to the repairs and maintenance on Montana's roadways that are not supported by federal funding, in contrast to the construction program. The maintenance of state highways and roads is important in proving a maintenance-of-effort to the FHWA and keeping the state match rate for federal-aid highway funding at 87/13. The program is the largest user of the restricted highway state special account (HSSRA) funding in MDT. In the 2023 biennium, HSSRA would support 94.4% of the program expenditures.

The proposed Maintenance Program budget request includes an increase of \$10.1 million when compared with the FY 2021 base budget. The main contributions to the increase are:

- \$4.4 million in personal services increases, which can be primarily attributed to annualization of the 2021 pay plan, 1.00 additional FTE and other associated costs
- \$5.7 million to cover the operational expense and associated increases for equipment usage from MDT's equipment program including \$2.6 million in state special funds and approximately \$285,000 in federal special funds for each year of the biennium.

Program Personal Services

The maintenance program personal services request for \$1.4 million in FY 2022 and \$1.5 million in FY 2023 results primarily from the annualization of the 2021 pay plan adjustment, career ladder increases, and a request for an additional 1.00 FTE at a cost of \$121,626 for the biennium to staff the Wolf Point maintenance division.

Funding

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

Department of Transportation, 03-Maintenance 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 %	
02349 Highway Non-Restricted Account	15,204,326	0	0	0	15,204,326	5.51 %	
02422 Highways Special Revenue	260,488,102	0	0	0	260,488,102	94.45 %	
02121 Shared-Use Path	0	0	0	114,062	114,062	0.04 %	
State Special Total	\$275,692,428	\$0	\$0	\$114,062	\$275,806,490	93.78 %	
03407 Highway Trust - Sp Rev	18,280,343	0	0	0	18,280,343	100.00 %	
03999 COVID General	0	0	0	0	0	0.00 %	
Federal Special Total	\$18,280,343	\$0	\$0	\$0	\$18,280,343	6.22 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$293,972,771	\$0	\$0	\$114,062	\$294,086,833		

The state special revenue funding of the maintenance program is derived from highway state special revenue accounts. The funding proposal includes state special support from HSSRA (02422). Federal special revenue also funds qualifying highway maintenance activities determined by the Federal Highway Administration to extend the life of the highway system.

The maintenance program also has a statutory appropriation that allows expenditures for shared-use paths. The funding for this appropriation is derived from an opt-in vehicle license fee for the maintenance and construction of shared use paths.

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 %	141,957,919	141,957,919	283,915,838	96.58 %
SWPL Adjustments	0	0	0	0.00 %	1,297,334	1,487,512	2,784,846	0.95 %
PL Adjustments	0	0	0	0.00 %	3,548,710	3,601,751	7,150,461	2.43 %
New Proposals	0	0	0	0.00 %	60,794	60,832	121,626	0.04 %
Total Budget	\$0	\$0	\$0		\$146,864,757	\$147,108,014	\$293,972,771	

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
Present Law Adjustments										
DP 1 - Personal Services	0.00	0	1,285,682	12,987	1,298,669	0.00	0	1,473,466	14,883	1,488,349
DP 3 - Inflation Deflation	0.00	0	(1,201)	(134)	(1,335)	0.00	0	(753)	(84)	(837)
DP 301 - City Maintenance Contract Increases	0.00	0	62,007	0	62,007	0.00	0	81,488	0	81,488
DP 302 - Increase for Rest Area Caretaker Maintenance	0.00	0	176,306	0	176,306	0.00	0	186,711	0	186,711
DP 310 - Increase for infrastructure repairs	0.00	0	475,000	0	475,000	0.00	0	475,000	0	475,000
DP 311 - Equipment Rental	0.00	0	2,551,857	283,540	2,835,397	0.00	0	2,572,697	285,855	2,858,552
Grand Total All Present Law Adjustments	0.00	\$0	\$4,549,651	\$296,393	\$4,846,044	0.00	\$0	\$4,788,609	\$300,654	\$5,089,263

***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 \$1,298,669 in FY 2022 and \$1,488,349 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 3 - Inflation Deflation -

This change package includes a reduction of \$1,355 in FY 2022 and \$837 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 301 - City Maintenance Contract Increases -

This request is for \$62,007 in FY 2022 and \$81,488 in FY 2023 in state special revenue funds for an increase to the agreements with the City of Missoula and Butte Silver Bow for the maintenance of routes within the cities. The cities maintenance contract costs for labor, equipment, and operating costs continue to rise and the cities are requesting increases to the contracts.

DP 302 - Increase for Rest Area Caretaker Maintenance -

This budget request is for \$176,306 in FY 2022 and \$186,711 in FY 2023 in state special revenue to fund the increased caretaker contracts. This is due to rebidding the rest areas contract for the Dena Mora and Emigrant rest area and the reconstruction of the Quartz Flats rest area, which once completed will require additional cleaning and maintenance requirements.

DP 310 - Increase for infrastructure repairs -

This request is for \$475,000 of state special revenue funds in both FY 2022 and FY 2023. The maintenance division is requesting an increase to operating budget authority which is used when repairing damaged infrastructure such as guardrail, signs, impact attenuators, etc. Over the last two fiscal years the cost of A/R repairs has increased above current budget authority.

DP 311 - Equipment Rental -

The request includes an increase of \$2,835,397 in FY 2022 and \$2,858,552 FY 2023 for an increase of operational equipment usage and associated rate changes from MDT's Equipment Program. This request would impact a combination of state special and federal special revenues.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 303 - Wolf Point Maintenance Division FTE	1.00	0	60,794	0	60,794	1.00	0	60,832	0	60,832
Total	1.00	\$0	\$60,794	\$0	\$60,794	1.00	\$0	\$60,832	\$0	\$60,832

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

DP 303 - Wolf Point Maintenance Division FTE -

This budget request is for \$60,794 in FY 2022 and \$60,832 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.