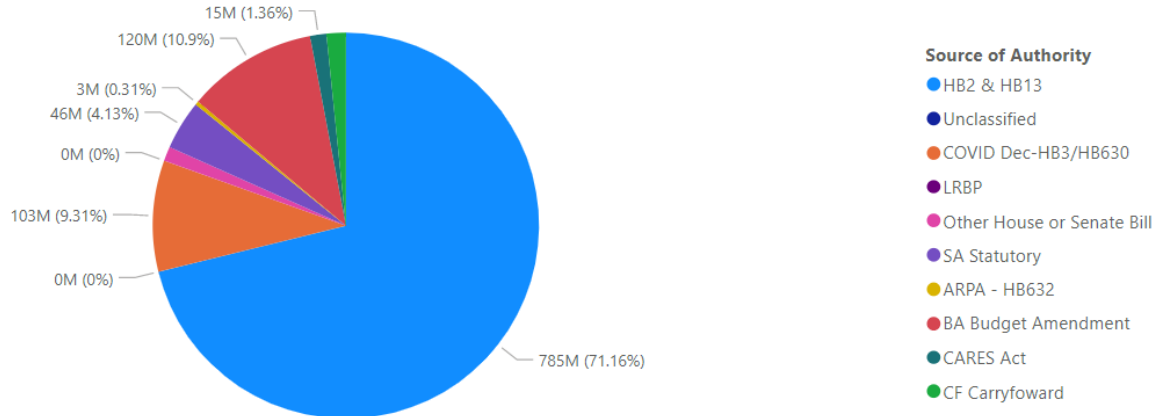


MONTANA DEPARTMENT OF TRANSPORTATION

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 71.2% 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.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	785,137,721	532,168,165	67.8%
BA Budget Amendment	120,321,836		
CF Carryforward	17,850,374	925,923	5.2%
LRBP	52,664	6,025	11.4%
Other House or Senate Bill	13,306,794	2,745,718	20.6%
SA Statutory	45,542,496	43,426,129	95.4%
Unclassified	30,610		
CARES	15,048,852	2,103,403	14.0%
CARES II	102,700,000	174,904	0.2%
ARPA	3,377,738	11,383	0.3%
Total	1,103,369,086	581,561,648	52.7%

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun

Budget Amendments

MDT has \$120.3 million in budget authority derived from budget amendments. A majority of budget amendment authority stems from continuing authority from federal re-distribution 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 \(TCP\)](#).

Carryforward

The department has \$17.9 million in carryforward authority, of which \$925,923 has been expended on operating costs. Most of the carryforward authority is budgeted for operating costs in the construction program.

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 \$6,025 has been expended.

Other House or Senate Bill

The \$13.3 million in authority from other house and senate bills is comprised of HB 10 and HB 5 authority from current and past biennia. The \$2.7 million in expenditures so far this fiscal year have gone to the federal billing system, and toward improving maintenance buildings around the state.

Unclassified

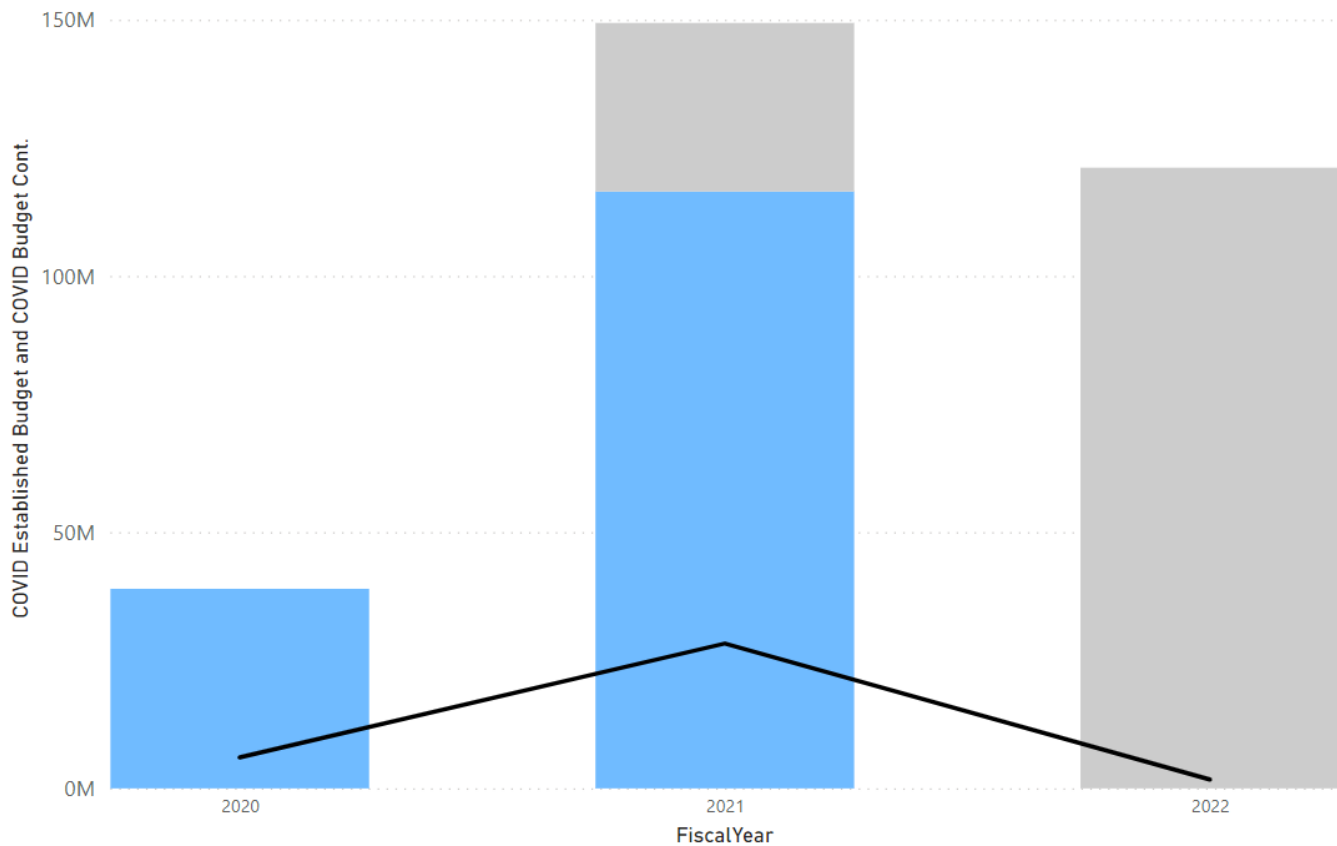
The department had \$30,610 in workers compensation premium reductions.

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

● COVID Established Budget ● COVID Budget Cont. ● COVID Expenditures



Coronavirus Aid, Relief, and Economic Security (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 \$2.1 million of this appropriation. The aeronautics division expended \$325,397 for operations and maintenance of two state-owned airports. RTP expended \$1.8 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, \$174,904 has been spent. However, \$16.0 million in maintenance contracts have been awarded.

American Rescue Plan Act (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 \$11,383 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

MDT has expended \$43.4 million or 95.4% of its \$45.5 million statutory appropriation authority. 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 \$17.5 million has been expended. BaRSAA funds may exceed the estimate for the fiscal year, in which case distribution will be higher than the estimate. Tribal distributions total \$6.4 million, of which \$5.9 million has been expended. Smaller statutory appropriations include appropriations for shared use paths, anti-littering signs, Highway 93 debt service, and rural technical assistance.

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 51.5% expended. The equipment program budget of \$34.0 million is 84.6% expended. The Yellowstone airport appropriation of \$813,211 is 7.8% 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 May 31, 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	March Modified Budget	June Modified Budget	Net Modifications
Department of Transportation	785,164,152	785,137,721	-26,431
AERONAUTICS PROGRAM	9,871,468	9,871,397	-71
GENERAL OPERATIONS PROGRAM	34,811,187	35,051,283	240,096
HIGHWAYS & ENGINEERING	546,251,357	545,912,100	-339,257
MAINTENANCE PROGRAM	143,529,339	143,603,010	73,671
MOTOR CARRIER SERVICES	12,865,180	12,864,708	-472
RAIL TRANSIT & PLANNING	37,835,621	37,835,223	-398
Total	785,164,152	785,137,721	-26,431

Acct & Lvl 1 DESC	March Modified Budget	June Modified Budget	Net Modifications
61000 Personal Services	173,376,349	173,349,918	-26,431
62000 Operating Expenses	567,380,399	567,383,526	3,127
63000 Equipment & Intangible Assets	5,858,140	5,156,536	-701,604
64000 Capital Outlay	12,956,865	12,956,865	
66000 Grants	23,792,643	24,337,940	545,297
68000 Transfers-out	1,799,756	1,952,936	153,180

Fund Type	March Modified Budget	June Modified Budget	Net Modifications
02 State/Other Spec Rev	272,757,097	272,650,739	-106,358
03 Fed/Other Spec Rev	512,407,055	512,486,982	79,927

In net modifications department wide, the MDT has had a total of reduction of (\$26,431). This is primarily due to workers compensation reductions when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

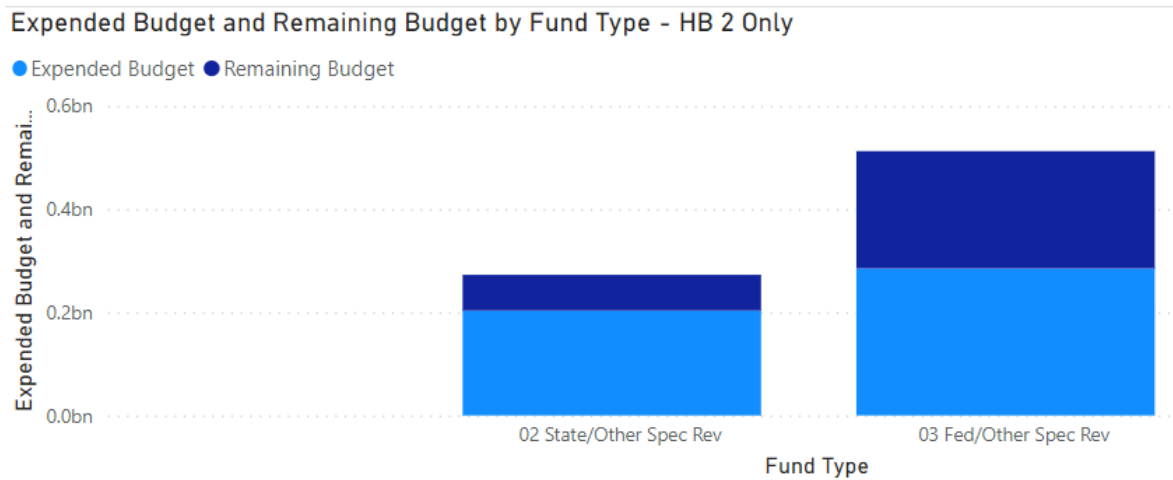
- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP.

Several other budget modifications that net to zero include: Transfers of 5.00 FTE from the construction program to operations in order to align the positions with the division responsible for the work. 1.00 FTE was transferred from construction to maintenance, so each program can have a dedicated unmanned aerial system (UAS) position, and an adjustment moved a total of \$695,297 from operating costs and equipment to grants and transfers-out within the rail, transit, and planning program. A chart of this movement is in the personal services section of the report.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2022.



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	173,349,918	131,654,496	75.9%
Operating Expenses	567,383,526	343,577,714	60.6%
Equipment & Intangible Assets	5,156,536	1,269,190	24.6%
Capital Outlay	12,956,865	3,217,828	24.8%
Grants	24,337,940	7,982,264	32.8%
Transfers-out	1,952,936	765,810	39.2%

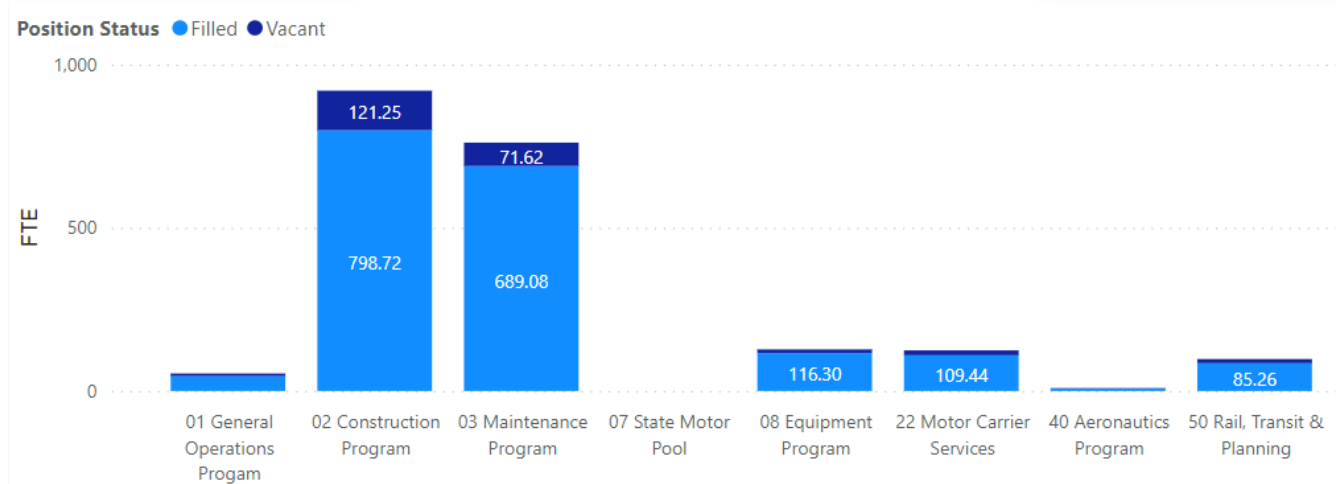
Program Name	Modified Budget	Expended Budget	Percent Expended
AERONAUTICS PROGRAM	9,871,397	1,213,594	12.3%
GENERAL OPERATIONS PROGRAM	35,051,283	27,574,792	78.7%
HIGHWAYS & ENGINEERING	545,912,100	328,151,532	60.1%
MAINTENANCE PROGRAM	143,603,010	103,089,504	71.8%
MOTOR CARRIER SERVICES	12,864,708	8,895,716	69.1%
Total	785,137,721	488,467,302	62.2%

Through May, MDT expended \$488.5 million or 62.2% of the modified HB 2 authority. Lower levels of spending in equipment, 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 at the end of the fiscal year.

The aeronautics program has historically had inconsistencies in federal funding for the grant program, which has been exacerbated by pandemic funding that has been directly granted to many small airports.

Personal Services

The following chart shows the filled and vacant HB 2 FTE within the agency as of May 31, 2022.



The agency's HB 2 personal services budget for FY 2022 totals \$173.3 million, of which \$131.7 million or 75.9% has been expended. As of May 1, 2022, the agency has 241.37 vacant FTE. 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 the maintenance program and permanent employees in the construction program due to economic and labor market conditions. Agency-wide hour utilization is 93.7%. In FY 2022, 714 positions received longevity pay raises, 403 positions received career ladder adjustments, 91 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; four positions were transferred from construction to general operations, and one from construction to maintenance.

Total FTE

The agency has 2,016.27 FTE funded with HB 2. The state motor pool and equipment programs are proprietary programs and are funded with proprietary funds. Each program is staffed as follows:

- General Operations – 180.80 FTE
- Construction Program – 861.72 FTE
- Maintenance Program – 742.55 FTE
- State Motor Pool – 6.00 FTE
- Equipment Program – 123.00 FTE
- Motor Carrier Services – 124.44 FTE
- Aeronautics Program – 9.00 FTE
- Rail, Transit, and Planning – 97.76 FTE

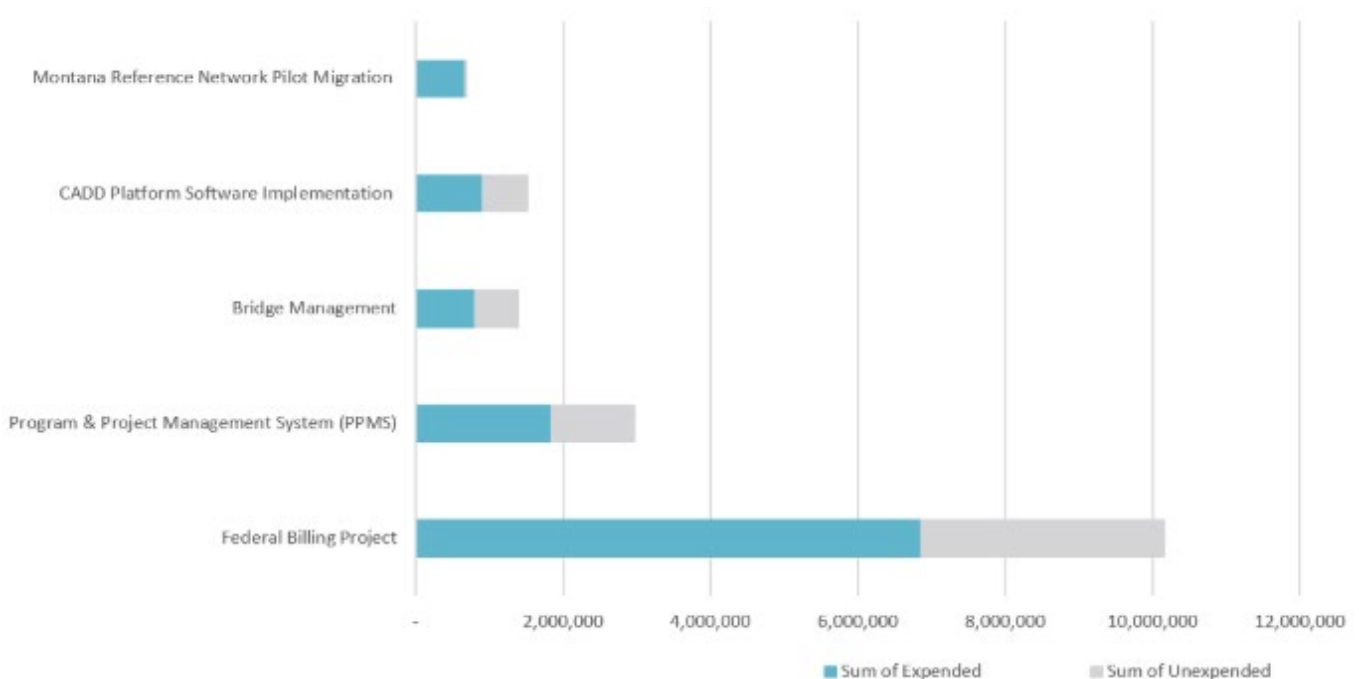
Next Steps for Personal Services Reporting

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	1,394,800	58,000
CADD Platform Software Implementation	1,505,763	1,505,763	-
Montana Reference Network Pilot Migration	912,989	670,000	(242,989)

Large Information Technology Projects 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%
Montana Reference Network Pilot Migration	2/28/2022	3/11/2022	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). This project is currently on hold. The vendor underestimated the complexity and time to complete the project. The timeline has been adjusted.

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 the 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.

Montana Reference Network Pilot Migration - The Montana Real-Time Network (MTRN) Project that began in January 2021 is an initiative to conclude the pilot and implement a full statewide network of global positioning system (GPS) stations across the state of Montana to collect, process and use global positioning data in real-time.

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.

Three positions have been filled with the remainder in recruiting/hiring process. The most recent job posting that closed 5/13/22 included multiple positions.

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.

Classification for the new FTE was completed on 5/7/2022. The positions are currently in recruiting process.

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 filled in August 2021.

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 positions were filled in March 2022.

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 utilities' locations within the state's right-of-way.

Both positions were filled in August and September 2021.

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 position was filled in January 2022.

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.

This position was filled in May 2022.

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 projects have been awarded to architectural firms through the Department of Administration's Architecture & Engineering Division, and the design process has begun.

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, but bids are anticipated to go out in FY 2023.

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.

One position was hired with a start date set for the beginning of June 2022. The second position is in the process of being posted.

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.

This position was filled in March 2022.