

### Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	198.37	198.37	196.60	196.60	198.37	196.60	(1.77)	(0.89)%
Personal Services	14,124,805	15,533,334	16,526,972	16,525,823	29,658,139	33,052,795	3,394,656	11.45 %
Operating Expenses	12,080,754	12,709,090	13,920,069	14,019,677	24,789,844	27,939,746	3,149,902	12.71 %
Equipment & Intangible Assets	45,804	5,287	45,804	45,803	51,091	91,607	40,516	79.30 %
Grants	106,968	360,666	156,968	156,968	467,634	313,936	(153,698)	(32.87)%
Debt Service	85,270	151,412	85,270	85,270	236,682	170,540	(66,142)	(27.95)%
<b>Total Costs</b>	<b>\$26,443,601</b>	<b>\$28,759,789</b>	<b>\$30,735,083</b>	<b>\$30,833,541</b>	<b>\$55,203,390</b>	<b>\$61,568,624</b>	<b>\$6,365,234</b>	<b>11.53 %</b>
State/Other Special Rev. Funds	25,711,315	27,252,100	29,832,319	29,912,739	52,963,415	59,745,058	6,781,643	12.80 %
Federal Spec. Rev. Funds	732,286	1,507,689	902,764	920,802	2,239,975	1,823,566	(416,409)	(18.59)%
<b>Total Funds</b>	<b>\$26,443,601</b>	<b>\$28,759,789</b>	<b>\$30,735,083</b>	<b>\$30,833,541</b>	<b>\$55,203,390</b>	<b>\$61,568,624</b>	<b>\$6,365,234</b>	<b>11.53 %</b>

### 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.

### Program Highlights

General Operations Program Major Budget Highlights	
<ul style="list-style-type: none"> <li>• The 2017 biennium legislative appropriation was an increase of 13.5%, or \$7.3 million, from the 2015 legislative appropriation. The change was largely due to the following:               <ul style="list-style-type: none"> <li>◦ The legislature concurred with the transfer of 12.00 FTE from the Construction Program</li> <li>◦ The legislature approved the addition of 5.05 FTE to the program, including:                   <ul style="list-style-type: none"> <li>▪ 1.80 FTE that will make two 0.10 FTE positions full time in the Civil Rights Division</li> <li>▪ 2.25 FTE to conduct additional motor fuel audits, insuring compliance with laws and rules resulting from increased truck traffic</li> <li>▪ 1.00 FTE for administration of the interoperability radio operations</li> </ul> </li> <li>◦ As the administering program for MDT, fixed cost adjustments explain a significant amount of the increase in non-personal service items</li> </ul> </li> </ul>	

### Program Narrative

The General Operations Program provides general oversight for the agency. This program is impacted by the budget changes related to fixed costs and inflation/deflation factors. As an addition to program oversight, the legislature adopted a transfer of the legal services function from the Construction Program to this program. Consequently, the General

Operations Program was increased by 12.00 FTE in the 2015 biennium and forward. The legislature also approved requests for 5.05 FTE in the program in the 2017 biennium.

The legislature directed the agency to assume administration of the interoperability radio operations, more recently known as public safety radio, from the Department of Administration. To manage the new service, the legislature authorized the addition of 1.00 FTE. The change in administration of the project was deemed beneficial since there are efficiencies that can benefit the project given the wide ranging radio communication system currently used in the agency. While there is no direct funding for the public safety radio project costs specifically provided in either HB 2 or HB 10 (the Long-Range Information Technology Funding Bill), there may be some opportunity for the agency to access project funding from the Department of Administration statewide project funding included in HB 10.

### Funding

The following table shows program funding by source from all sources of authority.

Department of Transportation, 01-General Operations Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02294 UCR Fund	0	0	0	0	0.00 %
02301 Tribal Motor Fuels Admin.	0	0	82,610	82,610	0.08 %
02303 Tribal Motor Fuels Tax Acct	0	0	8,142,842	8,142,842	7.93 %
02422 Highways Special Revenue	59,745,058	0	34,706,548	94,451,606	91.99 %
<b>State Special Total</b>	<b>\$59,745,058</b>	<b>\$0</b>	<b>\$42,932,000</b>	<b>\$102,677,058</b>	<b>98.26 %</b>
03292 MCS FEDERAL GRANTS	0	0	0	0	0.00 %
03407 Highway Trust - Sp Rev	1,823,566	0	0	1,823,566	100.00 %
<b>Federal Special Total</b>	<b>\$1,823,566</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,823,566</b>	<b>1.74 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$61,568,624</b>	<b>\$0</b>	<b>\$42,932,000</b>	<b>\$104,500,624</b>	

The General Operations Program is primarily funded from the highways state special revenue fund (02422) and federal highway trust special revenue. The highways state special revenue account receives revenue primarily 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, training, fuel tax evasion prevention efforts, and direct administrative expenses associated with the federal-aid highway program.

The General Operations Program is also responsible for \$42.9 million of statutory appropriations. Most, \$33.3 million, are the distributions of fuel taxes to cities, towns, counties, and consolidated city-county governments. Distributions through the tribal motor fuels accounts are a function of the revenue sharing agreements between the tribes and the state. Funding for this purpose is transferred to the tribal accounts from the highway state special account.

### Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				Percent of Budget
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	
2015 Budget	0	0	0	0.00 %	27,285,620	27,285,620	54,571,240	88.63 %	
PL Adjustments	0	0	0	0.00 %	3,374,463	3,472,921	6,847,384	11.12 %	
New Proposals	0	0	0	0.00 %	75,000	75,000	150,000	0.24 %	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$30,735,083</b>	<b>\$30,833,541</b>	<b>\$61,568,624</b>		

### Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
	-----Fiscal 2016-----				-----Fiscal 2017-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia)	0.00	0	171,169	0	171,169	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	0	88,438	4,655	93,093	0.00	0	88,438	4,655	93,093
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	256,881	20,339	277,220	0.00	0	256,881	20,339	277,220
DP 525 - Fixed Cost Adjustment	0.00	0	1,783,871	0	1,783,871	0.00	0	2,009,871	0	2,009,871
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	0	4,791	0	4,791	0.00	0	0	0	0
DP 527 - Inflation/Deflation Adjustment	0.00	0	(28,697)	0	(28,697)	0.00	0	(28,190)	0	(28,190)
DP 529 - Longevity and Other Adjustments	0.00	0	88,312	4,648	92,960	0.00	0	130,124	6,850	136,974
DP 530 - Reorganization Adoption	0.00	0	1,090,886	383,283	1,474,169	0.00	0	1,090,886	383,283	1,474,169
DP 531 - SITSD Rate Adjustment	0.00	0	160,857	41	160,898	0.00	0	217,567	55	217,622
DP 532 - General Liability Insurance Rate Adjustment	0.00	0	(292,458)	(74)	(292,532)	0.00	0	(292,458)	(74)	(292,532)
DP 550 - Motor Pool Rate Adjustment	0.00	0	(2,401)	0	(2,401)	0.00	0	(2,434)	0	(2,434)
DP 570 - Additional Personal Services Adjustments	0.00	0	115,679	6,088	121,767	0.00	0	73,418	3,864	77,282
DP 580 - Additional Operating Adjustments	0.00	0	(109,038)	(715,622)	(824,660)	0.00	0	(127,084)	(697,576)	(824,660)
DP 100102 - Additional Civil Rights FTE	1.80	0	148,219	0	148,219	1.80	0	147,843	0	147,843
DP 100103 - Motor Fuel Auditor	2.25	0	131,607	0	131,607	2.25	0	123,705	0	123,705
DP 100111 - Overtime/Differential Pay - Program 01	0.00	0	62,372	0	62,372	0.00	0	62,372	0	62,372
DP 100122 - Equipment Rental - Program 01	0.00	0	617	0	617	0.00	0	586	0	586
DP 100444 - Statewide 4% FTE Reduction - Program 01	(6.82)	0	0	0	0	(6.82)	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>(2.77)</b>	<b>\$0</b>	<b>\$3,671,105</b>	<b>(\$296,642)</b>	<b>\$3,374,463</b>	<b>(2.77)</b>	<b>\$0</b>	<b>\$3,751,525</b>	<b>(\$278,604)</b>	<b>\$3,472,921</b>

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

### DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, and retirement benefits.

DP 530 - Reorganization Adoption -

The legislature adopted the reorganization of the Legal Services from the Construction Program to General Operations within the department. This included transfers of the costs related to 12.00 FTE.

DP 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Additional Personal Services Adjustments -

The legislature adopted all other personal service cost adjustments, except the annualization of the 2015 biennium pay plan.

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 100102 - Additional Civil Rights FTE -

The legislature adopted the addition of 1.80 FTE in the Civil Rights Bureau. The action will make two 0.10 FTE positions full time to promote compliance of laws and ensure opportunities are offered to all beneficiaries.

DP 100103 - Motor Fuel Auditor -

The legislature adopted the addition of 2.25 FTE to conduct International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) audits in Eastern Montana. The growth of truck traffic has increased the need for IFTA and IRP audits, for compliance with program requirements.

DP 100111 - Overtime/Differential Pay - Program 01 -

The legislature adopted zero-based overtime and differential pay including the associated benefits.

DP 100122 - Equipment Rental - Program 01 -

The legislature adopted equipment rental charges for the 2017 biennium.

DP 100444 - Statewide 4% FTE Reduction - Program 01 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2, passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 100444 includes a reduction of 6.82 FTE each year.

**New Proposals**

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 100106 - Interoperability FTE	1.00	0	75,000	0	75,000	1.00	0	75,000	0	75,000
<b>Total</b>	<b>1.00</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$75,000</b>	<b>1.00</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$75,000</b>

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

DP 100106 - Interoperability FTE -

The legislature adopted 1.00 FTE as a coordinator for interoperability radio functions.