

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	770.67	770.67	740.55	740.55	770.67	740.55	(30.12)	(3.91)%
Personal Services	48,800,839	51,230,182	53,893,569	53,896,617	100,031,021	107,790,186	7,759,165	7.76 %
Operating Expenses	79,028,333	79,355,923	85,430,239	85,617,592	158,384,256	171,047,831	12,663,575	8.00 %
Equipment & Intangible Assets	225,208	423,744	225,208	225,208	648,952	450,416	(198,536)	(30.59)%
Capital Outlay	0	1,500	0	0	1,500	0	(1,500)	(100.00)%
Grants	25,000	0	25,000	25,000	25,000	50,000	25,000	100.00 %
Benefits & Claims	0	250	0	0	250	0	(250)	(100.00)%
Total Costs	\$128,079,380	\$131,011,599	\$139,574,016	\$139,764,417	\$259,090,979	\$279,338,433	\$20,247,454	7.81 %
State/Other Special Rev. Funds	119,814,678	123,343,301	131,356,263	131,541,889	243,157,979	262,898,152	19,740,173	8.12 %
Federal Spec. Rev. Funds	8,264,702	7,668,298	8,217,753	8,222,528	15,933,000	16,440,281	507,281	3.18 %
Total Funds	\$128,079,380	\$131,011,599	\$139,574,016	\$139,764,417	\$259,090,979	\$279,338,433	\$20,247,454	7.81 %

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.

Program Highlights

Maintenance Program Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 biennium legislative appropriation was an increase of 5.5%, or \$14.6 million, from the 2015 legislative appropriation. The change was largely due to the following: <ul style="list-style-type: none"> ◦ A significant increase in the budget is \$2.4 million of federal funding for road striping due to increased costs of paint ◦ Funding switch of \$2.0 million from federal special to state special for the de-icing function, which reduces the highway state special restricted revenue account ◦ Bakken rental allowance for 20.00 FTE

Program Narrative

The Maintenance Program is the largest user of state special funds in MDT. Much of the program activities are related to the repairs and maintenance on Montana's roadways that are not supported by federal funding, but constitute the maintenance of effort to federal highway funding. The Maintenance Program budget includes an increase for the road striping budget of \$2.4 million, which is primarily funded with federal special revenue. While it does not increase the total overall budget, the legislature adopted a funding switch of \$2.0 million per year from federal to state funds for the costs of de-icing chemicals, which puts added pressure on the highway restricted revenue fund for a critical function that is not

longer funded by the federal government. The program budget includes funding for a housing allowance in the Bakken region in an effort to address retention issues, which will provide an allowance of \$500/month for 20.00 FTE.

Funding

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

Department of Transportation, 03-Maintenance 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 %	
02349 Highway Non-Restricted Account	15,540,416	0	0	15,540,416	5.88 %	
02422 Highways Special Revenue	247,357,736	0	1,193,750	248,551,486	94.12 %	
State Special Total	\$262,898,152	\$0	\$1,193,750	\$264,091,902	94.14 %	
03313 MDT FEMA Recoveries	0	0	0	0	0.00 %	
03407 Highway Trust - Sp Rev	16,440,281	0	0	16,440,281	100.00 %	
Federal Special Total	\$16,440,281	\$0	\$0	\$16,440,281	5.86 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$279,338,433	\$0	\$1,193,750	\$280,532,183		

The Maintenance Program is the largest user of state special funds in MDT. The state special revenue funding of the program is derived from highways state special revenue funds. The funding proposal includes state special support from both the non-restricted account (02349) and the constitutionally restricted account (02422), which primarily receives revenues from fuel taxes. 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 is also responsible for \$1.2 million of statutory appropriation authority for debt service payments related to Long Range Building Program bonds authorized in previous sessions.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	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 %	131,061,599	131,061,599	262,123,198	93.84 %
PL Adjustments	0	0	0	0.00 %	8,512,417	8,702,818	17,215,235	6.16 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$139,574,016	\$139,764,417	\$279,338,433	

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.

	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	0	359,907	0	359,907	0.00	0	359,907	0	359,907
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	954,714	0	954,714	0.00	0	954,714	0	954,714
DP 527 - Inflation/Deflation Adjustment	0.00	0	468,760	0	468,760	0.00	0	506,460	0	506,460
DP 529 - Longevity and Other Adjustments	0.00	0	559,513	0	559,513	0.00	0	697,099	0	697,099
DP 550 - Motor Pool Rate Adjustment	0.00	0	(871)	0	(871)	0.00	0	(883)	0	(883)
DP 570 - Additional Personal Services Adjustments	0.00	0	(2,334,580)	0	(2,334,580)	0.00	0	(2,469,118)	0	(2,469,118)
DP 580 - Additional Operating Adjustments	0.00	0	801,635	1,433,455	2,235,090	0.00	0	796,860	1,438,230	2,235,090
DP 300111 - Overtime/Differential Pay - Program 03	0.00	0	3,123,833	0	3,123,833	0.00	0	3,123,833	0	3,123,833
DP 300122 - Equipment Rental - Program 03	0.00	0	1,530,876	0	1,530,876	0.00	0	1,453,550	0	1,453,550
DP 300133 - Bakken Housing - Program 03	0.00	0	120,000	0	120,000	0.00	0	120,000	0	120,000
DP 300301 - Secondary Roads	0.00	0	133,120	0	133,120	0.00	0	349,440	0	349,440
DP 300303 - Rest Area Maintenance	0.00	0	190,403	0	190,403	0.00	0	201,074	0	201,074
DP 300304 - Increased Budget for Epoxy Program	0.00	0	84,000	1,116,000	1,200,000	0.00	0	84,000	1,116,000	1,200,000
DP 300307 - Maintenance Contracts	0.00	0	21,652	0	21,652	0.00	0	21,652	0	21,652
DP 300309 - Fund Switch for Deicer	0.00	0	2,000,000	(2,000,000)	0	0.00	0	2,000,000	(2,000,000)	0
DP 300311 - Administrative Transfer	0.00	0	(50,000)	0	(50,000)	0.00	0	(50,000)	0	(50,000)
DP 300444 - Statewide 4% FTE Reduction - Program 03	(30.12)	0	0	0	0	(30.12)	0	0	0	0
Grand Total All Present Law Adjustments	(30.12)	\$0	\$7,962,962	\$549,455	\$8,512,417	(30.12)	\$0	\$8,148,588	\$554,230	\$8,702,818

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

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 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 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 300111 - Overtime/Differential Pay - Program 03 -

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

DP 300122 - Equipment Rental - Program 03 -

The legislature adopted equipment rental charges for the 2017 biennium.

DP 300133 - Bakken Housing - Program 03 -

The legislature adopted an allowance for the additional costs of housing in Eastern Montana.

DP 300301 - Secondary Roads -

The legislature adopted the maintenance of additional secondary road miles, as required by 60-2-204, MCA.

DP 300303 - Rest Area Maintenance -

The legislature adopted increased funding for rest area maintenance. The Bearmouth EB & WB, Divide, Flowing Wells, and Reynolds Pass rest areas are all in the process of being rebuilt and should be completed by FY 2016. The size of the facilities will increase and they will be open year-round, increasing the cost of caretaker services. Additionally, a number of rest areas are all in the final years of six year caretaker contracts, and the costs of the new contracts are expected to increase.

DP 300304 - Increased Budget for Epoxy Program -

The legislature adopted a budget increase for the rising costs of and increased needs for lane striping.

DP 300307 - Maintenance Contracts -

The legislature adopted the increased road maintenance contract costs from local governments. Increases are expected in the City of Missoula and for Big Mountain Road in the Kalispell Division.

DP 300309 - Fund Switch for Deicer -

The legislature adopted a funding shift from federal special to state special revenue for the de-icer program. Due to a change in federal guidelines, de-icer is no longer eligible for federal reimbursement and this would fund the program with state funds.

DP 300311 - Administrative Transfer -

The legislature concurred with a budget change transferring authority to the Long-Range Building Program for elevator repairs.

DP 300444 - Statewide 4% FTE Reduction - Program 03 -

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 300444 includes a reduction of 30.12 FTE each year.