Agency Budget Comparison

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

Agency Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	2,111.26	2,111.26	2,129.26	2,129.26	2,111.26	2,129.26	18.00	0.85%
Personal Services	135,664,992	149,304,587	141,983,925	142,137,313	284,969,579	284,121,238	(848,341)	(0.30%)
Operating Expenses	464,815,199	515,749,160	473,009,105	467,557,879	980,564,359	940,566,984	(39,997,375)	(4.08%)
Equipment & Intangible Assets	5,211,589	3,983,540	5,415,397	5,276,589	9,195,129	10,691,986	1,496,857	16.28%
Capital Outlay	8,469,285	30,763,403	19,754,763	19,655,763	39,232,688	39,410,526	177,838	0.45%
Grants	26,917,961	23,539,731	30,910,271	30,728,271	50,457,692	61,638,542	11,180,850	22.16%
Benefits & Claims	1,250	1,500	1,250	1,250	2,750	2,500	(250)	(9.09%)
Transfers	1,565,952	1,834,501	2,260,952	1,985,952	3,400,453	4,246,904	846,451	24.89%
Debt Service	151,412	151,414	151,412	151,412	302,826	302,824	(2)	0.00%
Total Costs	**$642,797,640**	**$725,327,836**	**$673,487,075**	**$667,494,429**	**$1,368,125,476**	**$1,340,981,504**	**($27,143,972)**	**(1.98%)**
State Special	226,716,607	267,661,094	245,952,786	240,825,250	494,377,701	486,778,036	(7,599,665)	(1.54%)
Federal Special	416,081,033	457,666,742	427,534,289	426,669,179	873,747,775	854,203,468	(19,544,307)	(2.24%)
Total Funds	**$642,797,640**	**$725,327,836**	**$673,487,075**	**$667,494,429**	**$1,368,125,476**	**$1,340,981,504**	**($27,143,972)**	**(1.98%)**

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Executive Budget Comparison

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg – Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg – Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	2,111.26	2,129.26	2,129.26	0.00	2,129.26	2,129.26	0.00	
Personal Services	135,664,992	144,860,391	141,983,925	(2,876,466)	145,017,104	142,137,313	(2,879,791)	(5,756,257)
Operating Expenses	464,815,199	467,957,627	473,009,105	5,051,478	467,396,442	467,557,879	161,437	5,212,915
Equipment & Intangible Assets	5,211,589	5,415,397	5,415,397	0	5,276,589	5,276,589	0	0
Capital Outlay	8,469,285	19,754,763	19,754,763	0	19,655,763	19,655,763	0	0
Grants	26,917,961	30,810,271	30,910,271	100,000	30,628,271	30,728,271	100,000	200,000
Benefits & Claims	1,250	1,250	1,250	0	1,250	1,250	0	0
Transfers	1,565,952	2,260,952	2,260,952	0	1,985,952	1,985,952	0	0
Debt Service	151,412	151,412	151,412	0	151,412	151,412	0	0
Total Costs	**$642,797,640**	**$671,212,063**	**$673,487,075**	**$2,275,012**	**$670,112,783**	**$667,494,429**	**($2,618,354)**	**($343,342)**
State/Other Special	226,716,607	242,820,702	245,952,786	3,132,084	242,585,380	240,825,250	(1,760,130)	1,371,954
Federal Special	416,081,033	428,391,361	427,534,289	(857,072)	427,527,403	426,669,179	(858,224)	(1,715,296)
Total Funds	**$642,797,640**	**$671,212,063**	**$673,487,075**	**$2,275,012**	**$670,112,783**	**$667,494,429**	**($2,618,354)**	**($343,342)**

Total funding in the Montana Department of Transportation (MDT) is a net biennium reduction of $343,342 from the executive proposal. The changes to the biennial budget include:

- Increase of $5.0 million in the 100% state funded construction program
- Increase of $100,000 per year in the Emergency Medical Services grant program in the Rail, Transit, and Planning Division
- Increase of $50,000 per year for the Rail Service Competition Council through the Rail, Transit, and Planning Division
- Reduction of $5.7 million with the adoption of an additional 2% vacancy savings, $4.0 million in state special revenue and $1.7 million in federal special revenue

- Rejection of funding for site monitoring and cleanup planning at the Lincoln airport – ($110,000)
- Fixed cost adjustments - $340,639
- Rejection of the Professional Development Center request - ($117,724)

Agency Highlights

Department of Transportation
Major Budget Highlights

- The Department of Transportation budget is funded with 36% state special revenue funds and 64% federal funds and includes no general fund
- An estimated 50% of the budget funds contracts for highway construction projects
- The MDT budget is reduced by 2.0% in total funds
- Federal funds are expected to be $19.5 million lower than the prior biennium
  - Reduction is related to the ending of American Recovery and Relief Act funding
  - Federal funding under the new federal surface transportation act is expected to be consistent with previous normal funding
- State special revenue funding is reduced from the expanded 100% state funded construction program approved for the 2013 biennium
  - 100% state funded construction program is budgeted at $33.5 million
- The legislature approved 18.00 FTE, which include:
  - 5.00 FTE in the Maintenance Program
  - 11.00 FTE in the Motor Carrier Program (7 FTE funded with Federal Special Revenue)
  - 2.00 FTE in the Rail, Transit, and Planning Program
- An additional 2% of vacancy savings is applied to the budget
- The budget will include two proposals for increased planning activities related to MAP 21, the new federal surface transportation funding legislation
- Specific funding is provided for the Rail Service Competition Council
- Emergency medical services grants are increased by $100,000 per year

Agency Discussion

Summary

The budget for this agency includes funding to obligate and match all federal-aid highway funding anticipated. Included in the funding is an increase to the 100% state funded construction program to raise the biennial level from $28.5 million to $33.5 million. The total fund budget is reduced by $27.1 million, or 2.0%, with the completion of additional federal funded projects from the American Relief and Recovery Act of 2009 and a more normal rate of funding in the 100% state funded construction program. Staffing levels in this agency will increase by 18.00 FTE and this agency has no general fund. A non-budgeted proprietary funded program that acquires, maintains, and disposes of equipment used by the other programs of this agency will reduce the costs to user programs by $1.1 million of total funds over the biennium.

Highways State Special Revenue Account Working Capital Analysis

Montana has a vast network of highways that plays a major role in Montana's transportation needs. Montana has nearly 70,000 centerline miles of public roads, of which the Department of Transportation (DOT) has responsibility for nearly 11,000. The remaining roughly 59,000 miles are mostly rural and municipal roads maintained by local governments or private citizens. The legislature provides roughly $1.3 billion in the 2015 biennium to maintain, rebuild, and operate the 11,000 miles of paved roads under its responsibility. To a large extent, funding to support construction activities comes from federal funding with state matching funds from the highways state special revenue account. The state special revenue account also supports highway maintenance and operation costs that are important in keeping the highways in

good repair and safe for the traveling public. Because of the strong reliance on highways state special revenue funding, the legislature pays a particular interest in this funding source. Among other things, the legislature includes estimates of the three most dominant revenue sources for the account in its HJR 2 revenue estimates of key non-general fund sources. The following provides a summary of the two accounts that make up the highways state special revenue account: the restricted account funded with revenues that are protected by the state constitution (HSRA-R) and the nonrestricted account funded with revenues that are not constitutionally protected (HSRA-NR).

Sources of Revenue

The Constitution of the State of Montana states that revenues from gross vehicle weight fees and excise and license taxes on gasoline, fuel, and other energy sources that are used to propel vehicles on public highways are to be used solely for paying obligations incurred for construction, reconstruction, repair, operation, and maintenance of public highways, streets, roads, and bridges; and for enforcement of highway safety, driver education, tourist promotion, and administrative collection costs. Constitutionally protected revenues are deposited in HSRA-R and are expended for purposes specified in the constitution. Nonrestricted revenues are derived from special use permits and motor fuel penalties and interest payments and are deposited in HSRA-NR and expended for other purposes not restricted by the constitution.

Analysis Results

The figure to the right shows the result of a working capital analysis of the highways state special revenue account. The figure shows individual and combined balances for both the restricted and nonrestricted accounts as of current legislative action. At this time, the analysis does not include costs of HB 13. When looking at the combined funds, revenues exceed expenditures by $2.9 million in the 2015 biennium, and as such the funds are structurally balanced. The individual estimated working capital analyses show balances of $35.2 million and $1.5 million, for the restricted and nonrestricted funds respectively, by the end of the 2015 biennium. The agency requests a working capital balance of at least $20 million in the restricted fund for the purpose of cash flowing road projects. This is a concern because the federal funding of highway and road construction is provided on a reimbursement basis. The estimate for the working capital balance meets that standard in both fiscal years of the 2015 biennium.

Estimated Working Capital Balance
Highways Special Revenue Accounts (02422 and 02349)
Fiscal Years 2013 - 2015

Description	FY 2013 Approp.	FY 2014 Budget	FY 2015 Budget
Combined Account ($ in Millions)			
Beginning Balance	$68.4	$29.1	$25.2
Revenues	297.7	297.7	300.9
Expenditures	(337.0)	(306.3)	(289.4)
Revenues less Expenditures	(39.3)	(8.6)	11.5
Adjustments	0.0	0.0	0.0
Anticipated Reversions	0.0	4.8	0.0
Ending Combined Working Capital Balance	$29.1	$25.2	$36.7
Restricted Account - 02422 ($ Millions)			
Beginning Working Capital Balance	$68.3	$26.4	$23.9
Revenues	288.4	288.1	291.0
Expenditures	(330.3)	(295.4)	(279.7)
Revenues Less Expenditures	(41.9)	(7.3)	11.3
Adjustments	0.0	0.0	0.0
Anticipated Reversions	0.0	4.8	0.0
Ending Working Capital Balance	$26.4	$23.9	$35.2
Nonrestricted Account - 02349 ($ in Millions)			
Beginning Working Capital Balance	$0.1	$2.7	$1.3
Revenues	9.3	9.6	9.9
Expenditures	(6.7)	(11.0)	(9.7)
Revenues Less Expenditures	2.6	(1.4)	0.2
Adjustments	0.0	0.0	0.0
Anticipated Reversions	0.0	0.0	0.0
Ending Working Capital Balance	$2.7	$1.3	$1.5

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Department Of Transportation Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	$0	$0	$0	$0	0.0%
State Special Total	486,778,036	-	42,965,452	529,743,488	35.7%
Federal Special Total	854,203,468	-	31,001,851	885,205,319	59.7%
Proprietary Total	-	68,176,949	-	68,176,949	4.6%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	$1,340,981,504	$68,176,949	$73,967,303	$1,483,125,756	
Percent - Total All Sources	90.4%	4.6%	5.0%		

The department is funded from a combination of state special revenue and federal special revenue. State special revenue can be grouped into two general categories: 1) those that are protected by the state constitution; and 2) those that are not. In the base and for the 2015 biennium all highway construction expenditures from state funds are accounted for in the highways state special revenue restricted account, which is used as the match for federal funding of the department.

Restricted revenues are from:

- Gross vehicle weight fees and excise and license taxes on gasoline, fuel, and other energy sources that are used to propel vehicles on public highways

They can only be used for:

- Paying obligations incurred for construction, reconstruction, repair, operation, and maintenance of public highways, streets, roads, and bridges; and for enforcement of highway safety, driver education, tourist promotion, and administrative collection costs

A diversion of funds to other purposes can only be done through a 3/5th vote of the members of each chamber of the legislature.

Non-restricted revenues are derived from:

- Special use permits and motor fuel penalties and interest payments

They can be used for:

- Any purpose for which the legislature sees fit

Federal Aid Highway Funding

Federal aid for highway construction is primarily realized from the distribution of revenue derived from federal excise taxes on motor fuels and other transportation products, such as heavy truck tires. Montana has historically received significantly more federal-aid highway construction funds than are collected in federal motor fuels excise taxes from Montana sources. Montana receives more than $2.20 of federal funding for highways for every $1.00 collected in the state and sent to the federal highway trust fund.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	642,797,640	642,797,640	1,285,595,280	95.87%
Statewide PL Adjustments	0	0	0	0.00%	2,938,864	2,901,525	5,840,389	0.44%
Other PL Adjustments	0	0	0	0.00%	24,407,303	23,894,083	48,301,386	3.60%
New Proposals	0	0	0	0.00%	3,343,268	(2,098,819)	1,244,449	0.09%
Total Budget	**$0**	**$0**	**$0**		**$673,487,075**	**$667,494,429**	**$1,340,981,504**	

Language and Statutory Authority

The legislature approved the following language in HB 2.

"General Operations Program includes a reduction in state special revenue of $2,019,394 in fiscal year 2014 and $2,021,567 in fiscal year 2015 and federal special revenue of $857,071 in fiscal year 2014 and $858,224 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."

"The department may adjust appropriations in the general operations, construction, maintenance, and transportation planning programs between state special revenue and federal special revenue funds if the total state special revenue authority for these programs is not increased by more than 10% of the total appropriations established by the legislature for each program."

"All appropriations in the department are biennial."

"All remaining federal pass-through grant appropriations for highway traffic safety, including reversions for the 2013 biennium, are authorized to continue and are appropriated in FY 2014 and FY 2015."

Program Budget Comparison

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

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	186.37	186.37	186.37	186.37	186.37	186.37	0.00	0.00%
Personal Services	11,598,457	15,030,406	10,558,961	10,563,249	26,628,863	21,122,210	(5,506,653)	(20.68%)
Operating Expenses	11,820,138	11,643,503	12,751,437	12,509,642	23,463,641	25,261,079	1,797,438	7.66%
Equipment & Intangible Assets	5,287	63,253	5,287	5,287	68,540	10,574	(57,966)	(84.57%)
Grants	360,666	428,064	360,666	360,666	788,730	721,332	(67,398)	(8.55%)
Transfers	0	0	0	0	0	0	0	n/a
Debt Service	151,412	151,414	151,412	151,412	302,826	302,824	(2)	0.00%
Total Costs	**$23,935,960**	**$27,316,640**	**$23,827,763**	**$23,590,256**	**$51,252,600**	**$47,418,019**	**($3,834,581)**	**(7.48%)**
State Special	22,477,591	25,148,228	23,544,181	23,307,456	47,625,819	46,851,637	(774,182)	(1.63%)
Federal Special	1,458,369	2,168,412	283,582	282,800	3,626,781	566,382	(3,060,399)	(84.38%)
Total Funds	**$23,935,960**	**$27,316,640**	**$23,827,763**	**$23,590,256**	**$51,252,600**	**$47,418,019**	**($3,834,581)**	**(7.48%)**

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Funding

The General Operations Program is funded from the highways state special revenue fund and federal special revenue. The highways state special revenue fund 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.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	23,935,960	23,935,960	47,871,920	100.96%
Statewide PL Adjustments	0	0	0	0.00%	2,395,512	2,126,808	4,522,320	9.54%
Other PL Adjustments	0	0	0	0.00%	280,509	315,031	595,540	1.26%
New Proposals	0	0	0	0.00%	(2,784,218)	(2,787,543)	(5,571,761)	(11.75%)
Total Budget	**$0**	**$0**	**$0**		**$23,827,763**	**$23,590,256**	**$47,418,019**	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,359,015					2,366,938
Vacancy Savings					(558,174)					(558,484)
Inflation/Deflation					3,082					6,819
Fixed Costs					591,589					311,535
Total Statewide Present Law Adjustments		**$0**	**$2,713,227**	**($317,715)**	**$2,395,512**		**$0**	**$2,444,153**	**($317,345)**	**$2,126,808**
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(2,713,227)	317,715	(2,395,512)	0.00	0	(2,444,153)	317,345	(2,126,808)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	1,691,120	109,721	1,800,841	0.00	0	1,698,268	110,186	1,808,454
DP 52 - Adjustment for Statewide Operations	0.00	0	728,778	36,233	765,011	0.00	0	469,257	19,396	488,653
DP 53 - Base Funding Switch	0.00	0	463,669	(463,669)	0	0.00	0	446,927	(446,927)	0
DP 101 - Overtime/Differential	0.00	0	36,129	0	36,129	0.00	0	36,129	0	36,129
DP 102 - Equipment Rental	0.00	0	(460)	0	(460)	0.00	0	(297)	0	(297)
DP 107 - Credit Card Fees	0.00	0	62,000	0	62,000	0.00	0	96,000	0	96,000
DP 108 - Contract Increases	0.00	0	12,500	0	12,500	0.00	0	12,900	0	12,900
Total Other Present Law Adjustments	**0.00**	**$0**	**$280,509**	**$0**	**$280,509**	**0.00**	**$0**	**$315,031**	**$0**	**$315,031**
Grand Total All Present Law Adjustments	**0.00**	**$0**	**$2,993,736**	**($317,715)**	**$2,676,021**	**0.00**	**$0**	**$2,759,184**	**($317,345)**	**$2,441,839**

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 101 - Overtime/Differential - The legislature approved an increase in personal services costs to reestablish base year overtime and differential pay with associated benefits.

DP 102 - Equipment Rental - The legislature approved a reduction of operational expenses for equipment usage and associated rate changes from MDT's Equipment Program.

DP 107 - Credit Card Fees - The legislature approved an increase to credit card fees due to escalating volume of credit card transactions.

DP 108 - Contract Increases - The legislature approved an increase for the built-in maintenance increases associated with the Xerox contract and TEAMMATE software contract.

New Proposals

New Proposals	Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings										
01	0.00	0	(2,019,394)	(857,072)	(2,876,466)	0.00	0	(2,021,567)	(858,224)	(2,879,791)
DP 106 - Small Business Enterprise										
01	0.00	0	92,248	0	92,248	0.00	0	92,248	0	92,248
Total	**0.00**	**$0**	**($1,927,146)**	**($857,072)**	**($2,784,218)**	**0.00**	**$0**	**($1,929,319)**	**($858,224)**	**($2,787,543)**

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 106 - Small Business Enterprise - The legislature approved additional funding in response to a federal directive that gives guidance to the Disadvantaged Business Enterprise, Small Business Element supportive services program.

Program Budget Comparison

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

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	923.72	923.72	923.72	923.72	923.72	923.72	0.00	0.00%
Personal Services	63,336,896	68,400,681	66,827,805	66,919,871	131,737,577	133,747,676	2,010,099	1.53%
Operating Expenses	366,040,300	394,653,099	366,066,739	366,162,770	760,693,399	732,229,509	(28,463,890)	(3.74%)
Equipment & Intangible Assets	4,678,597	2,233,088	4,678,597	4,678,597	6,911,685	9,357,194	2,445,509	35.38%
Capital Outlay	8,467,785	30,450,603	19,753,263	19,654,263	38,918,388	39,407,526	489,138	1.26%
Grants	13,058,612	6,909,952	13,058,612	13,058,612	19,968,564	26,117,224	6,148,660	30.79%
Benefits & Claims	500	0	500	500	500	1,000	500	100.00%
Total Costs	**$455,582,690**	**$502,647,423**	**$470,385,516**	**$470,474,613**	**$958,230,113**	**$940,860,129**	**($17,369,984)**	**(1.81%)**
State Special	75,004,645	83,568,478	79,700,873	79,820,096	158,573,123	159,520,969	947,846	0.60%
Federal Special	380,578,045	419,078,945	390,684,643	390,654,517	799,656,990	781,339,160	(18,317,830)	(2.29%)
Total Funds	**$455,582,690**	**$502,647,423**	**$470,385,516**	**$470,474,613**	**$958,230,113**	**$940,860,129**	**($17,369,984)**	**(1.81%)**

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Funding

Costs eligible for reimbursement under the federal-aid construction program are funded with highways state special revenue funds and federal special revenue funds apportioned to Montana and distributed by the U.S. Department of Transportation. Construction design, construction, and construction management costs, as well as direct administrative costs for construction activities, are generally eligible for federal reimbursement. The state match requirement is based on a sliding scale match, which is currently 86.6% federal with a 13.4% state match for most direct construction related costs. The program also provides a maintenance-of-effort highway construction program funded entirely with highways state special revenue. The primary sources of revenue for the highways state special revenue funds are highway-user fees derived from motor fuel taxes and gross vehicle weight fees.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	455,582,690	455,582,690	911,165,380	96.84%
Statewide PL Adjustments	0	0	0	0.00%	170,093	268,402	438,495	0.05%
Other PL Adjustments	0	0	0	0.00%	14,632,733	14,623,521	29,256,254	3.11%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	**$0**	**$0**	**$0**		**$470,385,516**	**$470,474,613**	**$940,860,129**	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,840,877					2,936,776
Vacancy Savings					(2,647,127)					(2,650,960)
Inflation/Deflation					(9,454)					(4,060)
Fixed Costs					(14,203)					(13,354)
Total Statewide Present Law Adjustments		**$0**	**$1,539,438**	**($1,369,345)**	**$170,093**		**$0**	**$1,594,825**	**($1,326,423)**	**$268,402**
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(1,539,438)	1,369,345	(170,093)	0.00	0	(1,594,825)	1,326,423	(268,402)
DP 51 - Adjustment to Statewide Personal Services	0.00	0	31,897	161,853	193,750	0.00	0	47,055	238,761	285,816
DP 52 - Adjustment for Statewide Operations	0.00	0	(3,895)	(19,762)	(23,657)	0.00	0	(2,867)	(14,547)	(17,414)
DP 53 - Base Funding Switch	0.00	0	1,511,436	(1,511,436)	0	0.00	0	1,550,637	(1,550,637)	0
DP 204 - Equipment Rental	0.00	0	(48,986)	(40,764)	(89,750)	0.00	0	(31,636)	(26,326)	(57,962)
DP 205 - Overtime/Differential	0.00	0	1,753,429	1,543,730	3,297,159	0.00	0	1,753,429	1,543,730	3,297,159
DP 206 - Licensing Fees	0.00	0	139,846	0	139,846	0.00	0	197,846	0	197,846
DP 208 - Right of Way Land Acquisition	0.00	0	1,312,501	9,972,977	11,285,478	0.00	0	1,300,987	9,885,491	11,186,478
Total Other Present Law Adjustments	**0.00**	**$0**	**$3,156,790**	**$11,475,943**	**$14,632,733**	**0.00**	**$0**	**$3,220,626**	**$11,402,895**	**$14,623,521**
Grand Total All Present Law Adjustments	**0.00**	**$0**	**$4,696,228**	**$10,106,598**	**$14,802,826**	**0.00**	**$0**	**$4,815,451**	**$10,076,472**	**$14,891,923**

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment to Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 204 - Equipment Rental - The legislature approved a reduction of operational expenses for equipment usage and associated rate changes from MDT's Equipment Program.

DP 205 - Overtime/Differential - The legislature approved an increase in personal services to reestablish base year overtime and differential pay with associated benefits.

DP 206 - Licensing Fees - The legislature approved an increase in state and federal special revenue authority for the increased costs of third party software licensing fees.

DP 208 - Right of Way Land Acquisition - The legislature approved restoration of the core federal aid program. The adjustment provides sufficient funding for right of way acquisitions expected for the 2015 biennium project schedule.

Program Budget Comparison

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

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	765.67	765.67	770.67	770.67	765.67	770.67	5.00	0.65%
Personal Services	45,878,465	50,557,523	48,356,025	48,399,447	96,435,988	96,755,472	319,484	0.33%
Operating Expenses	79,068,886	98,776,819	84,117,159	79,405,923	177,845,705	163,523,082	(14,322,623)	(8.05%)
Equipment & Intangible Assets	423,744	1,622,412	438,744	423,744	2,046,156	862,488	(1,183,668)	(57.85%)
Capital Outlay	1,500	312,800	1,500	1,500	314,300	3,000	(311,300)	(99.05%)
Benefits & Claims	250	0	250	250	250	500	250	100.00%
Total Costs	**$125,372,845**	**$151,269,554**	**$132,913,678**	**$128,230,864**	**$276,642,399**	**$261,144,542**	**($15,497,857)**	**(5.60%)**
State Special	114,651,967	143,194,400	125,245,389	120,562,566	257,846,367	245,807,955	(12,038,412)	(4.67%)
Federal Special	10,720,878	8,075,154	7,668,289	7,668,298	18,796,032	15,336,587	(3,459,445)	(18.41%)
Total Funds	**$125,372,845**	**$151,269,554**	**$132,913,678**	**$128,230,864**	**$276,642,399**	**$261,144,542**	**($15,497,857)**	**(5.60%)**

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Funding

The Maintenance Program is primarily funded with the state special revenue from highways state special revenue funds. The funding includes state special support from both the non-restricted account and the constitutionally restricted account. Federal special revenue also funds qualifying highway maintenance activities determined by the Federal Highway Administration to extend the life of the highway.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	125,372,845	125,372,845	250,745,690	96.02%
Statewide PL Adjustments	0	0	0	0.00%	(65,674)	51,472	(14,202)	(0.01%)
Other PL Adjustments	0	0	0	0.00%	2,606,507	2,806,547	5,413,054	2.07%
New Proposals	0	0	0	0.00%	5,000,000	0	5,000,000	1.91%
Total Budget	**$0**	**$0**	**$0**		**$132,913,678**	**$128,230,864**	**$261,144,542**	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,878,805					1,924,457
Vacancy Savings					(1,910,313)					(1,912,198)
Inflation/Deflation					(34,166)					39,213
Total Statewide Present Law Adjustments		**$0**	**$2,986,915**	**($3,052,589)**	**($65,674)**		**$0**	**$3,104,052**	**($3,052,580)**	**$51,472**
DP 50 - Initial Motion for FY 2012 Base	0.00	0	(2,986,915)	3,052,589	65,674	0.00	0	(3,104,052)	3,052,580	(51,472)
DP 51 - Adjustment to Statewide Personal Services	0.00	0	(28,814)	(2,694)	(31,508)	0.00	0	11,211	1,048	12,259
DP 52 - Adjustment for Statewide Operations	0.00	0	(31,244)	(2,922)	(34,166)	0.00	0	35,860	3,353	39,213
DP 53 - Base Funding Switch	0.00	0	3,046,973	(3,046,973)	0	0.00	0	3,056,981	(3,056,981)	0
DP 301 - Secondary Roads Maintenance	0.00	0	188,864	0	188,864	0.00	0	204,256	0	204,256
DP 303 - Expanded Transportation Infrastructure	5.00	0	384,023	0	384,023	5.00	0	373,186	0	373,186
DP 305 - Equipment Rental	0.00	0	(551,125)	0	(551,125)	0.00	0	(355,924)	0	(355,924)
DP 306 - OT/Differential	0.00	0	2,248,653	0	2,248,653	0.00	0	2,248,653	0	2,248,653
DP 307 - Maintenance Contracts	0.00	0	34,368	0	34,368	0.00	0	34,652	0	34,652
DP 308 - Noxious Weed Program	0.00	0	215,724	0	215,724	0.00	0	215,724	0	215,724
DP 310 - Rest Area Maintenance	0.00	0	86,000	0	86,000	0.00	0	86,000	0	86,000
Total Other Present Law Adjustments	**5.00**	**$0**	**$2,606,507**	**$0**	**$2,606,507**	**5.00**	**$0**	**$2,806,547**	**$0**	**$2,806,547**
Grand Total All Present Law Adjustments	**5.00**	**$0**	**$5,593,422**	**($3,052,589)**	**$2,540,833**	**5.00**	**$0**	**$5,910,599**	**($3,052,580)**	**$2,858,019**

DP 50 - Initial Motion for FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment to Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 301 - Secondary Roads Maintenance - The legislature approved funding for the maintenance of an additional 49.1 secondary road lane miles in the 2015 biennium, an addition to the 6,064 miles currently maintained.

DP 303 - Expanded Transportation Infrastructure - The legislature approved an increase in 5.00 FTE and increased appropriation authority from state special revenue (HSRA-R) for additional road maintenance responsibilities due to the increase in lane miles and infrastructure from highway construction projects. This adjustment addresses additional operational costs associated with winter maintenance operations and normal maintenance activities including surface, shoulders, and roadside maintenance.

DP 305 - Equipment Rental - The legislature approved a reduction of operational expenses from state special revenue funding (HSRA-R) for equipment usage and associated rate changes from MDT's Equipment Program.

DP 306 - OT/Differential - The legislature approved an increase in personal services costs from state special revenue (HSRA-R) to reestablish base year overtime and differential pay with associated benefits.

DP 307 - Maintenance Contracts - The legislature approved an increase of state special revenue (HSRA-R) for contract maintenance costs for the City of Missoula and Lincoln County.

DP 308 - Noxious Weed Program - The legislature approved an adjustment to base expenditures to the level of the original budget.

DP 310 - Rest Area Maintenance - The legislature approved increased state special revenue (HSRA-R) appropriation authority for supplies and maintenance at the new rest area in Conrad.

New Proposals

New Proposals	Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 320 - Increase to State Funded Construction Program										
03	0.00	0	5,000,000	0	5,000,000	0.00	0	0	0	0
Total	**0.00**	**$0**	**$5,000,000**	**$0**	**$5,000,000**	**0.00**	**$0**	**$0**	**$0**	**$0**

DP 320 - Increase to State Funded Construction Program - The legislature approved this proposal that will increase the state funded construction program in the 2015 biennium.

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Legislative Budget Analysis, C-91

Proprietary Rates

Proprietary Program Description
The Motor Pool is responsible for the acquisition, operations, maintenance, repair, and administration of all motor vehicles in the custody of the Motor Pool (this does not apply to motor vehicles used in the service of the Governor, attorney general, or the highway patrol). Use of the program is optional to agencies when personnel are required to travel by vehicle for official state business, but is encouraged in the Montana Operations Manual (MOM). In the 2015 biennium, the program does not expect any major changes to the customer base. The State Motor Pool has received requests from state agencies to purchase 55 additional vehicles for lease during the 2015 biennium.

Proprietary Revenues and Expenses

Expenses

Significant biennial costs for the program are:
- Personal services for 6.00 FTE of $687,131 or 6.3% of total costs
- Operating costs of $5.5 million, including:
  - Gasoline, $3.3 million
  - Repair and maintenance costs, $364,606
  - Contracted services to support the motor pool management system, $396,190
  - Insurance and bonds, $194,532
- Equipment costs of $5.5 million
- Debt service costs of $193,583

Direct costs from vehicle usage include fuel, oil, repairs, and tires, and are supported by the usage rates. Indirect costs such as administrative overhead costs, insurance, interest payments, and utility costs are supported by the vehicle possession rates.

Changes in the 2015 biennium the State Motor Pool Program budget include:
- Personal services - projected to decline by $10,668 or 1.5%
- Operating costs – projected to increase by $543,765 or 5.6%
- Total expenses – projected to increase by 533,097 or 5.1%

Revenues

Revenue is primarily generated through vehicle rental fees, which provided 97% of the program revenue in the base year. The following sources of funding were used to pay for the services provided by this program in FY 2012:
- General fund (53.0%)
- State special revenue (26.6%)
- Federal special revenue (18.3%)
- University funds (0.6%)
- Other (10.4%)

Proprietary Rate Explanation
For the 2015 biennium the rates approved by the legislature are listed in Section R of HB 2. Separate rates are charged for the time a vehicle is in the possession of the user (assigned time rate) and for the miles driven (usage rate). The tier 1 rates are based on an assumed gasoline pump price of $3.50 per gallon. The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

For the State Motor Pool, base rates are approved and additional tiers of rates are provided that allows progressively higher rates if the retail price of gasoline increases above $4.00 per gallon (tier 2) and again above $4.50 per gallon (tier 3).

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Legislative Budget Analysis, C-94

Proprietary Rates

Proprietary Program Description
The Equipment Program is responsible for the acquisition, disposal, repair, and maintenance of a fleet of approximately 4,600 individual units. The fleet is comprised of light duty vehicles, single and tandem axle dump trucks, specialized snow removal units, roadway maintenance units, and other specialized equipment. The various programs within the Montana Department of Transportation (MDT) such as Construction, Motor Carrier Services, Maintenance, and Right-of-Way use the fleet exclusively. All units are assigned to the various user programs and are charged rental on a bi-weekly basis. The Equipment Program supports 123.00 FTE. Alternate sources for vehicles and equipment include renting heavy equipment from a rental company and renting or leasing light duty vehicles from a private rental agency contract.

Proprietary Revenues and Expenses

Expenses

Significant costs for the program are for:
- Personal services for 123.00 FTE, $15.3 million or 27.6% of total costs
- Operating costs of $27.5 million, including:
  - Gasoline and diesel fuel, $16.2 million
  - Equipment repair and maintenance costs, $8.3 million
  - Insurance and bonds, $427,953
- Equipment costs of $13.6 million

In the 2015 biennium the Equipment Program budget includes:
- Personal services - projected to increase by $100,259, or 0.7%
- Operating costs – projected to decline by $2,342,487, or 5.5%
- Total expenses – projected to decline by $2,242,228 or 3.9%

Revenues

Revenue is generated through the vehicle/equipment rental fees, gains on the sale of surplus assets, and reimbursements from equipment accidents caused by an outside party. Vehicle rental fees provide the majority of the revenue for the program. Revenues for the fleet are functionally tied to the severity of the winter, construction program workload, and travel requirements of the various department users. Annual mileage and hours of usage can vary significantly. The rental rates are set on a fee basis to recover revenue to meet the program's obligations. Rental rates are calculated each year and billed to the agency users biweekly.

Proprietary Rate Explanation
For the 2015 biennium the legislature approved allowing the Equipment Program the flexibility to charge various rates while operating at no more than a 60-day working capital balance.

Program Budget Comparison

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

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	123.00	123.00	134.00	134.00	123.00	134.00	11.00	8.94%
Personal Services	7,140,175	7,234,547	7,934,738	7,936,487	14,374,722	15,871,225	1,496,503	10.41%
Operating Expenses	3,060,205	3,769,945	3,498,847	3,255,065	6,830,150	6,753,912	(76,238)	(1.12%)
Equipment & Intangible Assets	16,233	0	140,041	16,233	16,233	156,274	140,041	862.69%
Transfers	41,850	2,250	41,850	41,850	44,100	83,700	39,600	89.80%
Total Costs	**$10,258,463**	**$11,006,742**	**$11,615,476**	**$11,249,635**	**$21,265,205**	**$22,865,111**	**$1,599,906**	**7.52%**
State Special	7,630,748	7,788,221	8,517,509	8,200,713	15,418,969	16,718,222	1,299,253	8.43%
Federal Special	2,627,715	3,218,521	3,097,967	3,048,922	5,846,236	6,146,889	300,653	5.14%
Total Funds	**$10,258,463**	**$11,006,742**	**$11,615,476**	**$11,249,635**	**$21,265,205**	**$22,865,111**	**$1,599,906**	**7.52%**

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Legislative Budget Analysis, C-97

Funding

The Motor Carrier Services Division is funded by the highways state special revenue fund and federal special revenue. State funds are revenue from highway user fees such as motor fuel taxes and gross vehicle weight fees. Except for a small portion funded with unified carrier registration state special revenue all remaining state special revenue for the 2015 biennium is from the highways state special revenue account and non-restricted account. Federal funds are from federal Motor Carrier Safety Assistance Program and border enforcement grants.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	10,258,463	10,258,463	20,516,926	89.73%
Statewide PL Adjustments	0	0	0	0.00%	19,727	24,649	44,376	0.19%
Other PL Adjustments	0	0	0	0.00%	376,467	277,799	654,266	2.86%
New Proposals	0	0	0	0.00%	960,819	688,724	1,649,543	7.21%
Total Budget	**$0**	**$0**	**$0**		**$11,615,476**	**$11,249,635**	**$22,865,111**	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					317,665					320,379
Vacancy Savings					(298,321)					(298,432)
Inflation/Deflation					383					2,702
Total Statewide Present Law Adjustments		**$0**	**$15,303**	**$4,424**	**$19,727**		**$0**	**$18,888**	**$5,761**	**$24,649**
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(15,303)	(4,424)	(19,727)	0.00	0	(18,888)	(5,761)	(24,649)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	14,389	4,955	19,344	0.00	0	16,325	5,622	21,947
DP 52 - Adjustment for Statewide Operations	0.00	0	284	99	383	0.00	0	2,010	692	2,702
DP 53 - Base Funding Switch	0.00	0	630	(630)	0	0.00	0	553	(553)	0
DP 2204 - Equipment Rental	0.00	0	(6,441)	(3,625)	(10,066)	0.00	0	(4,160)	(2,341)	(6,501)
DP 2205 - Overtime/Differential	0.00	0	143,306	41,774	185,080	0.00	0	143,306	41,774	185,080
DP 2209 - CVIEW & CCAMS Projects (Bien/OTO)	0.00	0	51,117	51,116	102,233	0.00	0	0	0	0
DP 2210 - Wyoming/Montana Joint Port Project	0.00	0	85,062	0	85,062	0.00	0	85,062	0	85,062
DP 2214 - Scale Site Repair (OTO/RST)	0.00	0	14,158	0	14,158	0.00	0	14,158	0	14,158
Total Other Present Law Adjustments	**0.00**	**$0**	**$287,202**	**$89,265**	**$376,467**	**0.00**	**$0**	**$238,366**	**$39,433**	**$277,799**
Grand Total All Present Law Adjustments	**0.00**	**$0**	**$302,505**	**$93,689**	**$396,194**	**0.00**	**$0**	**$257,254**	**$45,194**	**$302,448**

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 2204 - Equipment Rental - The legislature approved a reduction of operational expenses for equipment usage and associated rate changes from MDT's Equipment Program.

DP 2205 - Overtime/Differential - The legislature approved an increase in personal services costs to reestablish base year overtime and differential pay with associated benefits.

DP 2209 - CVIEW & CCAMS Projects (Bien/OTO) - The legislature approved appropriation authority to support the development of two information technology projects:

- Commercial Carrier Account Management System (CCAMS) Project which is expected to improve the accuracy and consistency of Motor Carrier account information across registration, licensing and safety systems
- Commercial Vehicle Information Exchange Window (CVIEW) Enhancement Project which is expected to make in-state vehicle registration information available to officers at the roadside

The legislature designated the funding as one-time-only.

DP 2210 - Wyoming/Montana Joint Port Project - The legislature approved a present law adjustment to bring base year expenditures up to the Dietz, Wyoming joint port-of-entry weigh station facility contract levels.

DP 2214 - Scale Site Repair (OTO/RST) - The legislature approved additional appropriation authority in FY 2014 to retrofit/repair the scale pit at the Lima weigh station facility and in FY 2015 to retrofit/repair the Bozeman 4 corners weigh scale facility. The funding was designated as one-time-only and was restricted to the use of this purpose only.

New Proposals

New Proposals	Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2201 - MCS Patrol FTE										
22	4.00	0	584,256	0	584,256	4.00	0	312,711	0	312,711
DP 2202 - Border Enforcement FTE										
22	7.00	0	0	376,563	376,563	7.00	0	0	376,013	376,013
Total	**11.00**	**$0**	**$584,256**	**$376,563**	**$960,819**	**11.00**	**$0**	**$312,711**	**$376,013**	**$688,724**

DP 2201 - MCS Patrol FTE - The legislature approved funding for 4.00 FTE to establish a roving patrol program to address activities, as seen in areas such as Teton and Cascade Counties, where manufacturing activities supporting Oil Sands operations in Canada have increased commercial trucking activities. The program will allow flexibility to adapt to changing trucking activities and is funded with restricted Highway Special Revenue (HSRA-R).

DP 2202 - Border Enforcement FTE - The legislature approved funding for 7.00 FTE to increase and sustain safety compliance of commercial vehicles that cross the US/Canadian border. The border Enforcement Grant (BEG) program is primarily a Montana/Canada border program with the objective of assuring compliance with state and federal safety laws and regulations. In conjunction with safety inspections, MDT also screens for and enforces illegal transport of goods, including volatile commodities and drug interdiction. This addition is funded with MCS federal grants funds.

Program Budget Comparison

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

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	9.00	9.00	9.00	9.00	9.00	9.00	0.00	0.00%
Personal Services	627,813	648,142	639,093	642,339	1,275,955	1,281,432	5,477	0.43%
Operating Expenses	617,251	1,496,226	1,058,717	890,734	2,113,477	1,949,451	(164,026)	(7.76%)
Grants	458,323	519,859	488,000	488,000	978,182	976,000	(2,182)	(0.22%)
Transfers	7,478	10,818	7,478	7,478	18,296	14,956	(3,340)	(18.26%)
Total Costs	**$1,710,865**	**$2,675,045**	**$2,193,288**	**$2,028,551**	**$4,385,910**	**$4,221,839**	**($164,071)**	**(3.74%)**
State Special	1,638,236	1,825,191	1,844,071	1,829,334	3,463,427	3,673,405	209,978	6.06%
Federal Special	72,629	849,854	349,217	199,217	922,483	548,434	(374,049)	(40.55%)
Total Funds	**$1,710,865**	**$2,675,045**	**$2,193,288**	**$2,028,551**	**$4,385,910**	**$4,221,839**	**($164,071)**	**(3.74%)**

Page Reference

Legislative Budget Analysis, C-101

Funding

The Aeronautics Program is funded by both state and federal special revenue funds. State special revenue funds are derived primarily from state aviation fuel taxes and aviation license fees. Federal special revenue comes from Federal Aviation Administration grants.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	1,710,865	1,710,865	3,421,730	81.05%
Statewide PL Adjustments	0	0	0	0.00%	3,698	5,559	9,257	0.22%
Other PL Adjustments	0	0	0	0.00%	312,058	312,127	624,185	14.78%
New Proposals	0	0	0	0.00%	166,667	0	166,667	3.95%
Total Budget	**$0**	**$0**	**$0**		**$2,193,288**	**$2,028,551**	**$4,221,839**	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					37,417					40,798
Vacancy Savings					(26,537)					(26,672)
Inflation/Deflation					(3,206)					(1,917)
Fixed Costs					(3,976)					(6,650)
Total Statewide Present Law Adjustments		**$0**	**$12,110**	**($8,412)**	**$3,698**		**$0**	**$13,971**	**($8,412)**	**$5,559**
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(12,110)	8,412	(3,698)	0.00	0	(13,971)	8,412	(5,559)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	10,419	461	10,880	0.00	0	13,527	599	14,126
DP 52 - Adjustment for Statewide Operations	0.00	0	(6,877)	(305)	(7,182)	0.00	0	(8,203)	(364)	(8,567)
DP 53 - Base Funding Switch	0.00	0	8,568	(8,568)	0	0.00	0	8,647	(8,647)	0
DP 4006 - Aero Grants, Loans & Pavement Preservation (BIEN)	0.00	0	143,851	0	143,851	0.00	0	143,851	0	143,851
DP 4007 - Aeronautics State System Plan (BIEN)	0.00	0	15,000	135,000	150,000	0.00	0	15,000	135,000	150,000
DP 4008 - Reestablish Aeronautics Base	0.00	0	18,207	0	18,207	0.00	0	18,276	0	18,276
Total Other Present Law Adjustments	**0.00**	**$0**	**$177,058**	**$135,000**	**$312,058**	**0.00**	**$0**	**$177,127**	**$135,000**	**$312,127**
Grand Total All Present Law Adjustments	**0.00**	**$0**	**$189,168**	**$126,588**	**$315,756**	**0.00**	**$0**	**$191,098**	**$126,588**	**$317,686**

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 4006 - Aero Grants, Loans & Pavement Preservation (BIEN) - The legislature approved an increase of the base budget to the original budgeted amount for the 2013 biennium and new appropriation authority for grant, loan and pavement preservation budgets. Airport grants for safety and development are issued based upon application and available funds. Airport loans for safety and development are issued based upon application and available funds. Pavement preservation grants are given to the seven large commercial service airports in the state for the purpose of preserving the runways and are awarded by the Aeronautics Board. The funding is designated as biennial.

DP 4007 - Aeronautics State System Plan (BIEN) - The legislature approved appropriation authority of state special and federal special revenue that will fund an update to the annual state aviation system plan. Federal funds for this update are from a system planning grant from the FAA. The system plan provides both voluntary and mandated infrastructure and capital improvement plans that the FAA, state, and local communities use to develop individual airport projects around the state. The funding is designated as biennial.

DP 4008 - Reestablish Aeronautics Base - The legislature approved appropriation authority that would reestablish the base budget for fuel, travel, supplies and equipment for the search and rescue program. Expenditures in this program were below average (59.2%) due to the lack of extended air searches during the base budget period. This request would also increase the Aeronautics Board per diem, travel, and meeting expenditures.

New Proposals

New Proposals	Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4002 - Lincoln Airport Runway Improvements (OTO/BIEN)										
40	0.00	0	16,667	150,000	166,667	0.00	0	0	0	0
Total	**0.00**	**$0**	**$16,667**	**$150,000**	**$166,667**	**0.00**	**$0**	**$0**	**$0**	**$0**

DP 4002 - Lincoln Airport Runway Improvements (OTO/BIEN) - The legislature approved appropriation authority for improvements at the Lincoln airport runway. The improvements are to meet current FAA pavement requirements and rehabilitation of the runway surfaces at the airport. The funding was designated as one-time-only and the appropriation is biennial.

Proprietary Rates

Proprietary Program Description

The Yellowstone Airport located in West Yellowstone, Montana provides the closest private and commercial air service to Yellowstone National Park, as well as service for other recreational opportunities in the surrounding greater Yellowstone area. Commercial air service is available seasonally from June 1st to September 30th annually and the airport is open for private aircraft operations usually from mid-May through mid-November. The airport accomplishes these missions with extensive facilities to accommodate all sized aircraft and operations ranging from large, four engine, commercial service jets to small, single engine, piston aircraft.

Fees for leases and other business services are both market and recovery based. Additional operating expenses planned in the 2015 biennium include a minor runway maintenance project funded with 90% FAA airport improvement program funds and performed in accordance with FAA mandates and advisory circulars. There is one airport manager who works 8 months full time and 4 months half time. The airport also has two other employees, an airport operations chief and an airport fire fighter who are employed seasonally.

Proprietary Revenues and Expenses

Most landing fees did not increase for the 2015 biennium. Car rental and airline rates will increase from $2.25 a square foot to $2.50 a square foot and the building lease agreement with Nevada Testing will go from $5.50 a square foot to $6.00 a square foot.

The enterprise revenue sources when combined with existing working capital balances are projected to recover sufficient cash to fund projected expenditures at the airport. The cash needed for 60-days of personal services and operating expenses average out to approximately $35,240.

Annual budgeted expenses at the Yellowstone Airport, for a three year period, average $213,490/year. The Yellowstone Airport currently supports 2.00 FTE. The FTE are needed to maintain federal airport certification requirements.

The Yellowstone Airport proprietary fund balance is forecast to decrease slightly with a decrease in operating expenses. Management objectives are to use part of the available fund balance as needed to satisfy recent necessary federal airport certification requirements. There is no anticipated fluctuation of cash into the program and conservation of fund equity is to remain a high priority to offset additional Federal Airport Certification and Security requirements.

West Yellowstone Airport has maintained a cash balance to meet operational needs and match federal airport improvement grants as they become available.

Proprietary Rate Explanation

Fees for provided services are market based. There are only slight increases planned in the 2015 biennium for counter fees, building fees, gross percentages, sales receipts, and non-aero rentals. These fee increases are justified to help bring the current charged fees closer to common state industry standards based upon rates and charges schedules as reported by airport operators throughout the state. In addition, some of the changes are to standardize and even out current rates, which are charged at different levels for similar services.

Program Budget Comparison

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

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	103.50	103.50	105.50	105.50	103.50	105.50	2.00	1.93%
Personal Services	7,083,186	7,433,288	7,667,303	7,675,920	14,516,474	15,343,223	826,749	5.70%
Operating Expenses	4,208,419	5,409,568	5,516,206	5,333,745	9,617,987	10,849,951	1,231,964	12.81%
Equipment & Intangible Assets	87,728	64,787	152,728	152,728	152,515	305,456	152,941	100.28%
Grants	13,040,360	15,681,856	17,002,993	16,820,993	28,722,216	33,823,986	5,101,770	17.76%
Benefits & Claims	500	1,500	500	500	2,000	1,000	(1,000)	(50.00%)
Transfers	1,516,624	1,821,433	2,211,624	1,936,624	3,338,057	4,148,248	810,191	24.27%
Total Costs	**$25,936,817**	**$30,412,432**	**$32,551,354**	**$31,920,510**	**$56,349,249**	**$64,471,864**	**$8,122,615**	**14.41%**
State Special	5,313,420	6,136,576	7,100,763	7,105,085	11,449,996	14,205,848	2,755,852	24.07%
Federal Special	20,623,397	24,275,856	25,450,591	24,815,425	44,899,253	50,266,016	5,366,763	11.95%
Total Funds	**$25,936,817**	**$30,412,432**	**$32,551,354**	**$31,920,510**	**$56,349,249**	**$64,471,864**	**$8,122,615**	**14.41%**

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Legislative Budget Analysis, C-106

Funding

The Rail, Transit, and Planning Division is funded with a combination of state and federal special revenue funds. Transit grants provided through the program are based on a sliding scale. The state match is provided by the local entity receiving services or on a rare occasion with the constitutionally restricted highways state special revenue funds. The remaining division activities after deducting federal transit grants and local matching funds are funded with federal planning and research funds and state special revenue funds.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	25,936,817	25,936,817	51,873,634	80.46%
Statewide PL Adjustments	0	0	0	0.00%	415,508	424,635	840,143	1.30%
Other PL Adjustments	0	0	0	0.00%	6,199,029	5,559,058	11,758,087	18.24%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	**$0**	**$0**	**$0**		**$32,551,354**	**$31,920,510**	**$64,471,864**	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					728,297					737,496
Vacancy Savings					(312,459)					(312,835)
Inflation/Deflation					(543)					(239)
Fixed Costs					213					213
Total Statewide Present Law Adjustments		**$0**	**$670,601**	**($255,093)**	**$415,508**		**$0**	**$674,321**	**($249,686)**	**$424,635**
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(670,601)	255,093	(415,508)	0.00	0	(674,321)	249,686	(424,635)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	85,189	330,649	415,838	0.00	0	86,996	337,665	424,661
DP 52 - Adjustment for Statewide Operations	0.00	0	(68)	(262)	(330)	0.00	0	(5)	(21)	(26)
DP 53 - Base Funding Switch	0.00	0	585,480	(585,480)	0	0.00	0	587,330	(587,330)	0
DP 5003 - Overtime/Differential	0.00	0	30,295	0	30,295	0.00	0	30,295	0	30,295
DP 5004 - Equipment Rental	0.00	0	(5,040)	0	(5,040)	0.00	0	(3,255)	0	(3,255)
DP 5006 - MAP 21 Adjustment to Grant Programs	0.00	0	470,000	4,668,900	5,138,900	0.00	0	470,000	4,033,100	4,503,100
DP 5008 - MAP21 Performance Based Planning	2.00	0	103,347	413,387	516,734	2.00	0	102,164	408,614	510,778
DP 5009 - City Park Rest Areas	0.00	0	17,507	0	17,507	0.00	0	17,507	0	17,507
DP 5010 - Pollution Prevention & Abatement (RST)	0.00	0	320,000	0	320,000	0.00	0	320,000	0	320,000
DP 5011 - EMS Grant Local Match	0.00	0	130,633	0	130,633	0.00	0	130,633	0	130,633
DP 5020 - Rail Service Competition Council	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
Total Other Present Law Adjustments	**2.00**	**$0**	**$1,116,742**	**$5,082,287**	**$6,199,029**	**2.00**	**$0**	**$1,117,344**	**$4,441,714**	**$5,559,058**
Grand Total All Present Law Adjustments	**2.00**	**$0**	**$1,787,343**	**$4,827,194**	**$6,614,537**	**2.00**	**$0**	**$1,791,665**	**$4,192,028**	**$5,983,693**

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 5003 - Overtime/Differential - The legislature approved an increase in personal services to reestablish base year overtime and differential pay with associated benefits. The addition is funded with HSRA-R state special revenues.

DP 5004 - Equipment Rental - The legislature approved a reduction of operational expenses for equipment usage and associated rate changes from MDT's Equipment Program.

DP 5006 - MAP 21 Adjustment to Grant Programs - The legislature approved base restoration and additional spending authority of combined state special and federal special revenue for the biennium to fund transit operating costs and transit grants, and highway safety operating costs and safety grants due to newly passed surface transportation legislation (MAP 21).

DP 5008 - MAP21 Performance Based Planning - The legislature approved an adjustment to combine state special and federal special revenue in the biennium to fund personal services and operating costs for 2.00 FTE, contracted services, and equipment due to more extensive statutory requirements for transportation planning and programming under MAP 21.

DP 5009 - City Park Rest Areas - The legislature approved an adjustment in appropriation authority for funding assistance to local governments for routine maintenance and minor improvements of City Park Rest Areas.

DP 5010 - Pollution Prevention & Abatement (RST) - The legislature approved an adjustment in appropriation authority to fund revised environmental fees for storm water permits and Clean Water Act certifications, along with new requirements for monitoring stream mitigation projects and storm water management and pollution prevention within small municipal separate storm sewer system (MS4) facilities.

DP 5011 - EMS Grant Local Match - The legislature approved base restoration and an increase for the EMS program to bring the budget to $1,300,000. The Emergency Medical Services grant program expenses were less than the base spending and statutory match due to the late processing of purchase orders in the base year.

DP 5020 - Rail Service Competition Council - The legislature approved funding for the Rail Service Competition Council. The funding is provided through the Highway State Special Revenue non-restricted fund.