

Agency Budget Comparison

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

Agency 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	2,129.26	2,129.26	2,054.32	2,054.32	2,129.26	2,054.32	(74.94)	(3.52)%
Personal Services	142,583,428	154,138,060	158,936,107	158,939,197	296,721,488	317,875,304	21,153,816	7.13%
Operating Expenses	435,605,937	467,407,429	469,830,445	470,960,092	903,013,366	940,790,537	37,777,171	4.18%
Equipment & Intangible Assets	3,257,659	5,276,589	3,257,659	3,257,658	8,534,248	6,515,317	(2,018,931)	(23.66)%
Capital Outlay	12,956,865	19,655,763	12,956,865	12,956,865	32,612,628	25,913,730	(6,698,898)	(20.54)%
Grants	22,022,506	30,666,771	24,284,954	24,284,954	52,689,277	48,569,908	(4,119,369)	(7.82)%
Benefits & Claims	0	750	500	500	750	1,000	250	33.33%
Transfers	1,608,343	1,985,952	1,608,343	1,608,343	3,594,295	3,216,686	(377,609)	(10.51)%
Debt Service	85,270	151,412	85,270	85,270	236,682	170,540	(66,142)	(27.95)%
Total Costs	\$618,120,008	\$679,282,726	\$670,960,143	\$672,092,879	\$1,297,402,734	\$1,343,053,022	\$45,650,288	3.52%
State/Other Special Rev. Funds	234,077,560	248,697,540	254,349,106	255,660,408	482,775,100	510,009,515	27,234,415	5.64%
Federal Spec. Rev. Funds	384,042,448	430,585,186	416,611,037	416,432,471	814,627,634	833,043,507	18,415,873	2.26%
Total Funds	\$618,120,008	\$679,282,726	\$670,960,143	\$672,092,879	\$1,297,402,734	\$1,343,053,022	\$45,650,288	3.52%

Page Reference

Legislative Budget Analysis, C-87

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	2,129.26	2,062.32	2,054.32	(8.00)	2,062.32	2,054.32	(8.00)	(8.00)
Personal Services	142,583,428	162,203,994	158,936,107	(3,267,887)	162,205,507	158,939,197	(3,266,310)	(6,534,197)
Operating Expenses	435,605,937	451,827,384	469,830,445	18,003,061	445,254,921	470,960,092	25,705,171	43,708,232
Equipment & Intangible Assets	3,257,659	3,271,659	3,257,659	(14,000)	3,271,659	3,257,658	(14,001)	(28,001)
Capital Outlay	12,956,865	12,956,865	12,956,865	0	12,956,865	12,956,865	0	0
Grants	22,022,506	25,685,454	24,284,954	(1,400,500)	25,685,454	24,284,954	(1,400,500)	(2,801,000)
Benefits & Claims	0	0	500	500	0	500	500	1,000
Transfers	1,608,343	1,608,343	1,608,343	0	1,608,343	1,608,343	0	0
Debt Service	85,270	85,270	85,270	0	85,270	85,270	0	0
Total Costs	\$618,120,008	\$657,638,969	\$670,960,143	\$13,321,174	\$651,068,019	\$672,092,879	\$21,024,860	\$34,346,034
State/other Special Rev. Funds	234,077,560	254,620,236	254,349,106	(271,130)	254,917,078	255,660,408	743,330	472,201
Federal Spec. Rev. Funds	384,042,448	403,018,733	416,611,037	13,592,304	396,150,941	416,432,471	20,281,530	33,873,833
Total Funds	\$618,120,008	\$657,638,969	\$670,960,143	\$13,321,174	\$651,068,019	\$672,092,879	\$21,024,860	\$34,346,034

The subcommittee adopted a budget that is a net increase of \$13.3 million from the executive proposal in FY 2016 and \$21.0 million in FY 2017. However, the change from the executive does not include the second budget submission, which

increased the executive biennial budget request by \$42.5 million. The legislature adopted the decision package for the second budget submission. With consideration of the second budget request, the legislative budget is \$8.2 million lower than the executive request, or a reduction of 0.6%. In comparison, the legislature did not include::

- The addition of 8.00 FTE, saving total costs of \$676,759 in FY 2016 and \$672,084 in FY 2017

Agency Highlights

Department of Transportation Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted a budget with a reduction of 1.1% from the FY 2015 base • The legislature adopted the addition of 4.05 FTE <ul style="list-style-type: none"> ◦ 1.80 FTE that will make two 0.10 FTE positions full time in the Civil Rights Division ◦ 2.25 FTE to conduct additional motor fuel audits, insuring compliance with laws and rules resulting from increased truck traffic • The legislature adopted the agency request presented in the second budget submission <ul style="list-style-type: none"> ◦ The second submission increases appropriations for contractor payments ◦ This was a \$5.7 million increase in state special revenue and \$36.8 million in federal special revenue in the 2017 biennium • The legislature adopted a housing allowance for workers in the Bakken region of Eastern Montana to address retention issues • The legislature adopted a \$6.4 million project in FY 2016 for improvements to the taxiway at the West Yellowstone airport • The legislature adopted conditional authority of up to \$1.4 million per FY for transit grants, triggered by the receipt of federal funds in an amount greater than the level of appropriation contained in the 2015 base
Legislative Action Issues
<ul style="list-style-type: none"> • Uncertainty related to the level of continued federal funding will continue to make budgeting for MDT dynamic, until the Congress acts on funding for surface transportation

Funding

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

Total Department of Transportation Funding by Source of Authority 2017 Biennium Budget - Department of Transportation						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
State Special Total	510,009,515	0	44,325,750	554,335,265	37.02 %	
Federal Special Total	833,043,507	0	31,200,000	864,243,507	57.72 %	
Proprietary Total	0	78,734,188	0	78,734,188	5.26 %	
Other Total	0	0	0	0	0.00 %	
Total All Funds	\$1,343,053,022	\$78,734,188	\$75,525,750	\$1,497,312,960		
Percent - Total All Sources	89.70 %	5.26 %	5.04 %			

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 2017 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 these funds for 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

The legislature has paid particular attention to the appropriations from the highway state special revenue restricted account (HSRA),

given that the budget was recommended at a level that exceeded the available revenues and fund balance by more than \$14.8 million. In the work to date, the issues with the negative fund balance have not been resolved. However, recalculated gas tax estimates would provide an improvement of \$17.2 million to the fund. Should the recalculated gas tax

Estimated Fund Balance Highways Special Revenue Accounts (02422 and 02349)				
	Actuals		SABHRS	
	FY 2016	FY 2017		
Combined Account (\$ in Millions)				
Beginning Balance	\$82.9	\$71.3	\$40.5	\$6.9
Revenues	287.9	286.7	289.9	292.9
Expenditures	299.6	363.2	323.6	312.7
Revenues less Expenditures	(11.7)	(76.5)	(33.6)	(19.8)
Adjustments for Estimated Reverted Authority	0.0	45.7	0.0	0.0
Ending Balance	\$71.2	\$40.5	\$6.9	(\$12.9)
Restricted Account - 02422 (\$ Millions)				
Beginning Fund Balance	\$79.9	\$70.4	\$40.0	\$5.8
Total Projected Revenues	277.8	276.4	279.5	282.3
Expenditures				
Montana Department of Transportation (MDT)				
Department of Transportation (MDT) SA				
MDT HB 2	22.1	22.1	22.2	22.2
Other Highway Special Revenue Appropriations				
Department of Justice (DOJ) HB 2	35.7	36.4	38.2	38.5
MDT (HB 10)	0.0	2.0	3.7	0.0
FWP (HB 5)	0.7	2.6	2.0	0.0
MDT (HB 5)	0.9	6.9	6.8	0.0
Total Expenditures	287.4	352.5	313.7	302.8
Revenues Less Expenditures	(9.6)	(76.1)	(34.2)	(20.6)
Calculated Ending Fund Balance	70.4	(5.7)	5.8	(14.8)
Adjustments to Balance*	0.0	45.7	0.0	0.0
Calculated Ending Fund Balance	\$70.4	\$40.0	\$5.8	(\$14.8)
Nonrestricted Account - 02349 (\$ in Millions)				
Beginning Fund Balance	\$3.0	\$0.9	\$0.5	\$1.1
Total Projected Revenues	10.1	10.3	10.4	10.6
Expenditures				
Total Transfer Out (Noxious Weed SSR)	0.3	0.1	0.1	0.1
MDT HB 2	11.5	10.0	9.2	9.2
Fish, Wildlife, & Parks Long-Range Building Projects	0.0	0.1	0.0	0.0
Total Expenditures	\$12.2	\$10.7	\$9.8	\$9.9
Revenues Less Expenditures	(2.1)	(0.4)	0.6	0.7
Calculated Ending Fund Balance	\$0.9	\$0.5	\$1.1	\$1.8

revenues be adopted by the legislature in HJ 2, the fund balance figure will be adjusted to reflect the change. The change would provide a positive balance of \$2.4 million.

In working with the HSRA, the legislature chose to use a fund balance analysis, rather than the usual practice of balancing to a working-capital balance. The fund balance provides a higher available balance than the working capital balance. However, working with the fund balance could result in the need for MDT to liquidate assets (land and/or equipment), should the revenues received not be sufficient to cover all costs. The appropriation details show that:

- The greatest level of appropriations, 85.5% in the 2017 biennium, are made in the MDT budget, where the legislature has collectively reduced HSRA appropriations by \$2.7 million from the executive proposal
- The cost of the Department of Justice (DOJ) accounts for approximately 12.4% of total appropriations
- HB 5 and HB 10 appropriations benefit MDT (\$10.5 million) and Fish, Wildlife, and Parks (\$2.0 million), and appropriations were increased by \$3.0 million due to a funding mistake as introduced in HB 10

While the restricted fund is estimated to have a negative balance of \$14.8 million, the management of the appropriations from the restricted and non-restricted funds are interwoven. With the current level of appropriations, the non-restricted fund has a positive estimated balance of \$1.8 million, providing a combined balance of negative \$12.9 million.

Federal funds provide 62% of the total funding for the agency. The level of federal appropriation provided is to some degree based on funding in the previous biennium. At the time of this writing, Congress has not passed transportation funding legislation. Until Congress acts, there is uncertainty related to the amount of federal funding that will be realized. The executive budget recommendation and the level of legislative appropriation both reflect funding at levels provided in MAP 21, the most recent surface transportation legislation.

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-----				
	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 %	679,480,018	679,480,018	1,358,960,036	0.00 %	
PL Adjustments	0	0	0	0.00 %	(15,292,711)	(7,387,139)	(22,679,850)	0.00 %	
New Proposals	0	0	0	0.00 %	6,772,836	0	6,772,836	0.00 %	
Total Budget	\$0	\$0	\$0		\$670,960,143	\$672,092,879	\$1,343,053,022		

Program Budget Comparison

The following table summarizes the total proposed 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	195.60	195.60	198.37	195.60	(2.77)	(1.40)%
Personal Services	14,124,805	15,533,334	16,451,972	16,450,823	29,658,139	32,902,795	3,244,656	10.94 %
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)%
Total Costs	\$26,443,601	\$28,759,789	\$30,660,083	\$30,758,541	\$55,203,390	\$61,418,624	\$6,215,234	11.26 %
State/Other Special Rev. Funds	25,711,315	27,252,100	29,757,319	29,837,739	52,963,415	59,595,058	6,631,643	12.52 %
Federal Spec. Rev. Funds	732,286	1,507,689	902,764	920,802	2,239,975	1,823,566	(416,409)	(18.59)%
Total Funds	\$26,443,601	\$28,759,789	\$30,660,083	\$30,758,541	\$55,203,390	\$61,418,624	\$6,215,234	11.26 %

Page Reference

Legislative Budget Analysis, C-98

Funding

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 \$42.8 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-----			
	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	0.00 %
PL Adjustments	0	0	0	0.00 %	3,374,463	3,472,921	6,847,384	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$30,660,083	\$30,758,541	\$61,418,624	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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
Grand Total All Present Law Adjustments	(2.77)	\$0	\$3,671,105	(\$296,642)	\$3,374,463	(2.77)	\$0	\$3,751,525	(\$278,604)	\$3,472,921

**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 related to the costs of 12.00 FTE in the 2017 biennium.

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 would 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.

Program Budget Comparison

The following table summarizes the total proposed 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	911.72	911.72	879.72	879.72	911.72	879.72	(32.00)	(3.51)%
Personal Services	64,050,628	70,062,075	70,929,161	70,924,949	134,112,703	141,854,110	7,741,407	5.77 %
Operating Expenses	336,001,362	365,963,322	353,734,704	361,480,568	701,964,684	715,215,272	13,250,588	1.89 %
Equipment & Intangible Assets	2,665,262	4,678,597	2,665,262	2,665,262	7,343,859	5,330,524	(2,013,335)	(27.42)%
Capital Outlay	12,956,865	19,654,263	12,956,865	12,956,865	32,611,128	25,913,730	(6,697,398)	(20.54)%
Grants	7,130,628	13,058,612	7,130,628	7,130,628	20,189,240	14,261,256	(5,927,984)	(29.36)%
Benefits & Claims	0	500	0	0	500	0	(500)	(100.00)%
Total Costs	\$422,804,745	\$473,417,369	\$447,416,620	\$455,158,272	\$896,222,114	\$902,574,892	\$6,352,778	0.71 %
State/Other Special Rev. Funds	72,689,783	80,530,142	75,208,227	76,257,683	153,219,925	151,465,910	(1,754,015)	(1.14)%
Federal Spec. Rev. Funds	350,114,962	392,887,227	372,208,393	378,900,589	743,002,189	751,108,982	8,106,793	1.09 %
Total Funds	\$422,804,745	\$473,417,369	\$447,416,620	\$455,158,272	\$896,222,114	\$902,574,892	\$6,352,778	0.71 %

Page Reference

Legislative Budget Analysis, C-104

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 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.

The Construction Program is also responsible for \$31.4 million of statutory appropriations. \$200,000 from HSRA-R will be distributed for the purposes and functions of the Montana Local Technical Assistance Transportation Program in Bozeman. Another \$31.2 million will be distributed for the debt service associated with the work on Hwy 93 from the federal Highway Trust special revenue fund.

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 %	474,891,538	474,891,538	949,783,076	0.00 %
PL Adjustments	0	0	0	0.00 %	(27,474,918)	(19,733,266)	(47,208,184)	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$447,416,620	\$455,158,272	\$902,574,892	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 515 - State Share Health Insurance	0.00	0	200,260	227,284	427,544	0.00	0	200,260	227,284	427,544
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	619,496	696,620	1,316,116	0.00	0	619,496	696,620	1,316,116
DP 525 - Fixed Cost Adjustment	0.00	0	82	399	481	0.00	0	157	766	923
DP 527 - Inflation/Deflation Adjustment	0.00	0	1,068	5,214	6,282	0.00	0	2,202	10,752	12,954
DP 529 - Longevity and Other Adjustments	0.00	0	(22,239)	(25,079)	(47,318)	0.00	0	66,537	75,031	141,568
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 535 - Program Transfers	0.00	0	(910,000)	0	(910,000)	0.00	0	(910,000)	0	(910,000)
DP 550 - Motor Pool Rate Adjustment	0.00	0	(1,162)	(5,674)	(6,836)	0.00	0	(1,178)	(5,751)	(6,929)
DP 570 - Additional Personal Services Adjustments	0.00	0	(1,804,889)	(2,035,301)	(3,840,190)	0.00	0	(1,895,645)	(2,137,643)	(4,033,288)
DP 580 - Additional Operating Adjustments	0.00	0	(7,575,859)	(36,115,318)	(43,691,177)	0.00	0	(7,575,331)	(36,115,846)	(43,691,177)
DP 200111 - Overtime/Differential Pay - Program 02	0.00	0	1,601,215	1,409,719	3,010,934	0.00	0	1,601,215	1,409,719	3,010,934
DP 200122 - Equipment Rental - Program 02	0.00	0	120,000	99,858	219,858	0.00	0	113,942	94,818	208,760
DP 200133 - Bakken Housing Allowance - Program 02	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 200205 - CADD Software Maintenance Fees	0.00	0	19,280	0	19,280	0.00	0	39,235	0	39,235
DP 200208 - Contractor Pmnts. Second Submission	0.00	0	2,330,833	15,063,444	17,394,277	0.00	0	3,366,651	21,757,612	25,124,263
DP 200444 - Statewide 4% FTE Reduction - Program 02 (32.00)	(32.00)	0	0	0	0	(32.00)	0	0	0	0
Grand Total All Present Law Adjustments	(32.00)	\$0	(\$6,412,801)	(\$21,062,117)	(\$27,474,918)	(32.00)	\$0	(\$5,363,345)	(\$14,369,921)	(\$19,733,266)

**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 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 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 related to the costs of 12.00 FTE in the 2017 biennium.

DP 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$910,000 in state special revenue FY 2016 and FY 2017 from the Construction Program to the Rail, Transit, and Planning Program.

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 200111 - Overtime/Differential Pay - Program 02 -

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

DP 200122 - Equipment Rental - Program 02 -

The legislature adopted equipment rental charges for the 2017 biennium.

DP 200133 - Bakken Housing Allowance - Program 02 -

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

DP 200205 - CADD Software Maintenance Fees -

The legislature adopted an increase in CADD (Computer Aided Design and Drafting) maintenance fees for the 2017 biennium. The CADD system is the source for producing highway and bridge related plans and details used in the bid processes and to construct related projects. Software licensing and maintenance costs will increase approximately 3.5% per year.

DP 200208 - Contractor Pmnts. Second Submission -

The legislature adopted the appropriation for additional contractor payments requested in the second budget submission of the agency.

DP 200444 - Statewide 4% FTE Reduction - Program 02 -

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 200444 includes a reduction of 32.00 FTE each year.

Program Budget Comparison

The following table summarizes the total proposed 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 %

Page Reference

Legislative Budget Analysis, C-112

Funding

The state special revenue funding of the Maintenance 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 the Long Range Building Program bonds.

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	0.00 %
PL Adjustments	0	0	0	0.00 %	8,512,417	8,702,818	17,215,235	0.00 %
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 changes from FY 2015 legislative appropriation to the budget proposed. 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 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 and increased needs of 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 adopted a budget change transferring authority to another agency.

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.

Program Budget Comparison

The following table summarizes the total proposed 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	6.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00 %
Personal Services	349,075	372,516	394,097	394,708	721,591	788,805	67,214	9.31 %
Operating Expenses	2,528,340	2,511,338	2,467,252	2,448,354	5,039,678	4,915,606	(124,072)	(2.46)%
Equipment & Intangible Assets	3,801,753	2,315,314	3,801,753	3,801,753	6,117,067	7,603,506	1,486,439	24.30 %
Debt Service	19,449	106,521	19,449	19,449	125,970	38,898	(87,072)	(69.12)%
Total Costs	\$6,698,617	\$5,305,689	\$6,682,551	\$6,664,264	\$12,004,306	\$13,346,815	\$1,342,509	11.18 %
Proprietary Funds	6,698,617	5,305,689	6,682,551	6,664,264	12,004,306	13,346,815	1,342,509	11.18 %
Total Funds	\$6,698,617	\$5,305,689	\$6,682,551	\$6,664,264	\$12,004,306	\$13,346,815	\$1,342,509	11.18 %

Page Reference

Legislative Budget Analysis, C119

Funding

See Other Issues section of this report.

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 %	5,276,803	5,276,803	10,553,606	0.00 %
PL Adjustments	0	0	0	0.00 %	1,405,748	1,387,461	2,793,209	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$6,682,551	\$6,664,264	\$13,346,815	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 701 - Adjustment to Proprietary Fund	0.00	0	0	0	1,405,464	0.00	0	0	0	1,387,177
DP 700111 - Overtime/Differential Pay - Motor Pool 07	0.00	0	0	0	284	0.00	0	0	0	284
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$1,405,748	0.00	\$0	\$0	\$0	\$1,387,461

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

DP 701 - Adjustment to Proprietary Fund -

The legislature adopted the change in budget level for this program with the adoption of the rates.

DP 700111 - Overtime/Differential Pay - Motor Pool 07 -

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

Other Issues -

Proprietary Program Description

The State Motor Pool operates and maintains a fleet of vehicles available to all state offices and employees who conduct official state business. The State Motor Pool has two basic components:

- Daily rental fleet; and
- Out-stationed lease fleet.

The daily rental program operates out of the Helena headquarters facility and provides a fleet of 181 vehicles for short-term use. The leasing program provides vehicles for extended assignment (biennial lease) to agencies statewide. Use of the program is optional to agencies when personnel are required to travel by vehicle for official state business.

		State Motor Pool Rates							
		FY 2016				FY 2017			
		Tier 1	Tier 2	Tier 3		Tier 1	Tier 2	Tier 3	
		\$2.50/gal	\$3.00/gal	\$3.50/gal		\$2.50/gal	\$3.00/gal	\$3.50/gal	
Class	Type	Assigned Usage	Usage	Usage	Assigned Usage	Usage	Usage	Usage	
		(per hour)	(per mile)	(per mile)	(per hour)	(per mile)	(per mile)	(per mile)	
2	Small Utilities	\$1.121	\$0.126	\$0.146	\$0.166	\$1.249	\$0.125	\$0.145	\$0.165
3	Hybrid SUV	2.372	0.141	0.160	0.180	2.383	0.142	0.161	0.181
4	Large Utilities	1.636	0.156	0.185	0.214	1.675	0.157	0.186	0.215
5	Hybrid Sedans	1.755	0.091	0.104	0.116	1.766	0.092	0.104	0.117
6	Passenger Car	0.702	0.125	0.144	0.163	0.721	0.125	0.144	0.163
7	Small Pickup	0.121	0.189	0.220	0.250	0.132	0.190	0.221	0.251
11	Large Pickup	0.716	0.195	0.228	0.261	0.714	0.197	0.230	0.263
12	Vans	0.983	0.156	0.179	0.203	1.043	0.157	0.180	0.204

The legislature adopted reduced rates for the State Motor Pool, with consideration of the lower cost of gasoline. The rates are budgeted in the agencies, the rates are calculated (based on usage) as an inflation/deflation rate that is then applied to base expenditures. In the 2017 biennium, the proposed rate structure would result in the following adjustments to the agencies' base:

- FY 2016 - (21.30%)
- FY 2017 - (19.72%)

For the 2017 biennium, the revised State Motor Pool rates are shown in shown in the figure below. This rate schedule would be included in the "R" section of HB 2.

Program Budget Comparison

The following table summarizes the total proposed 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	123.00	123.00	123.00	123.00	123.00	123.00	0.00	0.00 %
Personal Services	8,156,350	8,312,782	8,915,358	8,916,379	16,469,132	17,831,737	1,362,605	8.27 %
Operating Expenses	15,854,340	13,859,518	15,443,322	15,353,031	29,713,858	30,796,353	1,082,495	3.64 %
Equipment & Intangible Assets	7,115,128	6,400,232	8,420,128	7,115,128	13,515,360	15,535,256	2,019,896	14.95 %
Total Costs	\$31,125,818	\$28,572,532	\$32,778,808	\$31,384,538	\$59,698,350	\$64,163,346	\$4,464,996	7.48 %
Proprietary Funds	31,125,818	28,572,532	32,778,808	31,384,538	59,698,350	64,163,346	4,464,996	7.48 %
Total Funds	\$31,125,818	\$28,572,532	\$32,778,808	\$31,384,538	\$59,698,350	\$64,163,346	\$4,464,996	7.48 %

Page Reference

Legislative Budget Analysis, C-125

Funding

See the Other Issues section of this report.

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 %	27,939,485	27,939,485	55,878,970	0.00 %
PL Adjustments	0	0	0	0.00 %	4,839,323	3,445,053	8,284,376	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$32,778,808	\$31,384,538	\$64,163,346	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 701 - Adjustment to Proprietary Fund										
0.00	0	0	0	3,443,043		0.00	0	0	0	3,353,773
DP 800111 - Overtime/Differential Pay - Equipment 08										
0.00	0	0	0	91,280		0.00	0	0	0	91,280
DP 800801 - Additional Equipment										
0.00	0	0	0	1,305,000		0.00	0	0	0	0
Grand Total All Present Law Adjustments										
0.00	\$0	\$0	\$0	\$4,839,323		0.00	\$0	\$0	\$0	\$3,445,053

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

DP 701 - Adjustment to Proprietary Fund -

The legislature adopted the change in budget level for this program with the adoption of the rates.

DP 800111 - Overtime/Differential Pay - Equipment 08 -

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

DP 800801 - Additional Equipment -

The legislature adopted the purchase of additional equipment to support winter maintenance and city maintenance activities. This request is tied to the Maintenance Division taking on additional routes and right of way. There is no impact to the equipment program rates. Planned purchases include:

- 5 Tow Plows
- 2 Vacuum Trucks

Other Issues -

Proprietary Program Description

Equipment 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. Exclusively, the various programs within the Montana Department of Transportation (MDT) such as construction, motor carrier services, maintenance, and right-of-way use the fleet. 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.

The Equipment Program is funded under the rules and guidelines of proprietary funded programs, meaning that the legislature determines the maximum rates the program can charge but does not appropriate an operating budget. The program is strictly internal to the Department of Transportation and is not used by any outside entity.

Equipment Program Rates

The legislature adopted the Equipment Program rates based on the 60-day working capital projections. The rates are based on a dual structure, as users pay a usage rate and an assigned rate. The usage rate is a mileage rate that is applied according to the actual miles/hours used by a vehicle or piece of equipment.

Program Budget Comparison

The following table summarizes the total proposed 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	134.00	134.00	128.94	128.94	134.00	128.94	(5.06)	(3.78)%
Personal Services	7,717,304	8,413,326	8,613,769	8,615,045	16,130,630	17,228,814	1,098,184	6.81 %
Operating Expenses	2,474,895	3,255,065	3,108,874	3,108,925	5,729,960	6,217,799	487,839	8.51 %
Equipment & Intangible Assets	197,716	16,233	197,716	197,716	213,949	395,432	181,483	84.83 %
Transfers	6,216	41,850	6,216	6,216	48,066	12,432	(35,634)	(74.14)%
Total Costs	\$10,396,131	\$11,726,474	\$11,926,575	\$11,927,902	\$22,122,605	\$23,854,477	\$1,731,872	7.83 %
State/Other Special Rev. Funds	7,952,960	8,530,431	9,095,103	9,095,034	16,483,391	18,190,137	1,706,746	10.35 %
Federal Spec. Rev. Funds	2,443,171	3,196,043	2,831,472	2,832,868	5,639,214	5,664,340	25,126	0.45 %
Total Funds	\$10,396,131	\$11,726,474	\$11,926,575	\$11,927,902	\$22,122,605	\$23,854,477	\$1,731,872	7.83 %

Page Reference

Legislative Budget Analysis, C-129

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. Most of the funding in the 2017 biennium is derived from the constitutionally restricted highway state special revenue account (02422). Other state special revenues supporting program activities include unified carrier registration fees and the highway non-restricted account. Federal funds are derived from federal grants programs and distributions from the federal highway trust.

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 %	11,712,316	11,712,316	23,424,632	0.00 %
PL Adjustments	0	0	0	0.00 %	214,259	215,586	429,845	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$11,926,575	\$11,927,902	\$23,854,477	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 515 - State Share Health Insurance	0.00	0	48,310	14,355	62,665	0.00	0	48,310	14,355	62,665
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	119,776	40,566	160,342	0.00	0	119,776	40,566	160,342
DP 527 - Inflation/Deflation Adjustment	0.00	0	6,163	0	6,163	0.00	0	7,379	0	7,379
DP 529 - Longevity and Other Adjustments	0.00	0	8,405	2,511	10,916	0.00	0	29,757	8,889	38,646
DP 550 - Motor Pool Rate Adjustment	0.00	0	(444)	0	(444)	0.00	0	(450)	0	(450)
DP 570 - Additional Personal Services Adjustments	0.00	0	(156,998)	(46,895)	(203,893)	0.00	0	(177,367)	(52,980)	(230,347)
DP 580 - Additional Operating Adjustments	0.00	0	209,077	(444,740)	(235,663)	0.00	0	207,700	(443,363)	(235,663)
DP 2200111 - Overtime/Differential Pay- Program 22	0.00	0	129,624	40,789	170,413	0.00	0	129,624	40,789	170,413
DP 2200122 - Equipment Rental - Program 22	0.00	0	21,917	22,843	44,760	0.00	0	21,032	22,569	43,601
DP 2200133 - Bakken Housing Allowance - Program 22	0.00	0	30,000	6,000	36,000	0.00	0	30,000	6,000	36,000
DP 2200444 - Statewide 4% FTE Reduction - Program 22	(5.06)	0	0	0	0	(5.06)	0	0	0	0
DP 2202203 - Static Scale Integration	0.00	0	163,000	0	163,000	0.00	0	163,000	0	163,000
Grand Total All Present Law Adjustments	(5.06)	\$0	\$578,830	(\$364,571)	\$214,259	(5.06)	\$0	\$578,761	(\$363,175)	\$215,586

***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 2200111 - Overtime/Differential Pay- Program 22 -

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

DP 2200122 - Equipment Rental - Program 22 -

The legislature adopted equipment rental charges for the 2017 biennium.

DP 2200133 - Bakken Housing Allowance - Program 22 -

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

DP 2200444 - Statewide 4% FTE Reduction - Program 22 -

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 2200444 includes a reduction of 5.06 FTE.

DP 2202203 - Static Scale Integration -

The legislature adopted funding for a project that will automate the weigh station static scale read out into the PrePass system and consolidate the different computer screen read outs at the weigh station into one screen.

Program Budget Comparison

The following table summarizes the total proposed 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	9.00	9.00	9.00	9.00	9.00	9.00	0.00	0.00 %
Personal Services	675,136	680,874	748,143	749,082	1,356,010	1,497,225	141,215	10.41 %
Operating Expenses	702,263	791,284	7,797,545	894,443	1,493,547	8,691,988	7,198,441	481.97 %
Grants	386,052	426,000	424,000	424,000	812,052	848,000	35,948	4.43 %
Transfers	6,901	7,478	6,901	6,901	14,379	13,802	(577)	(4.01)%
Total Costs	\$1,770,352	\$1,905,636	\$8,976,589	\$2,074,426	\$3,675,988	\$11,051,015	\$7,375,027	200.63 %
State/Other Special Rev. Funds	1,585,078	1,704,848	1,885,137	1,883,024	3,289,926	3,768,162	478,236	14.54 %
Federal Spec. Rev. Funds	185,274	200,788	7,091,452	191,402	386,062	7,282,853	6,896,791	1,786.45 %
Total Funds	\$1,770,352	\$1,905,636	\$8,976,589	\$2,074,426	\$3,675,988	\$11,051,015	\$7,375,027	200.63 %

Page Reference

Legislative Budget Analysis, C-134

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 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 %	2,067,086	2,067,086	4,134,172	0.00 %
PL Adjustments	0	0	0	0.00 %	136,667	7,340	144,007	0.00 %
New Proposals	0	0	0	0.00 %	6,772,836	0	6,772,836	0.00 %
Total Budget	\$0	\$0	\$0		\$8,976,589	\$2,074,426	\$11,051,015	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 515 - State Share Health Insurance	0.00	0	4,166	208	4,374	0.00	0	4,166	208	4,374
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	13,241	0	13,241	0.00	0	13,241	0	13,241
DP 525 - Fixed Cost Adjustment	0.00	0	6,238	0	6,238	0.00	0	6,935	0	6,935
DP 527 - Inflation/Deflation Adjustment	0.00	0	(11,383)	0	(11,383)	0.00	0	(8,911)	0	(8,911)
DP 529 - Longevity and Other Adjustments	0.00	0	4,331	228	4,559	0.00	0	7,031	371	7,402
DP 550 - Motor Pool Rate Adjustment	0.00	0	(36)	0	(36)	0.00	0	(36)	0	(36)
DP 570 - Additional Personal Services Adjustments	0.00	0	42,840	2,255	45,095	0.00	0	41,031	2,160	43,191
DP 580 - Additional Operating Adjustments	0.00	0	(56,579)	(11,758)	(68,337)	0.00	0	(59,647)	(12,125)	(71,772)
DP 4000122 - Equipment Rental - Program 40	0.00	0	7,600	0	7,600	0.00	0	7,600	0	7,600
DP 4004001 - Aeronautic Loans and Grants	0.00	0	146,766	0	146,766	0.00	0	146,766	0	146,766
DP 4004003 - Aeronautic Charts (OTO)	0.00	0	0	0	0	0.00	0	20,000	0	20,000
DP 4004005 - Pavement Condition & System Plan	0.00	0	15,000	135,000	150,000	0.00	0	0	0	0
DP 4004009 - Combination of Biennial Authority	0.00	0	(161,450)	0	(161,450)	0.00	0	(161,450)	0	(161,450)
Grand Total All Present Law Adjustments	0.00	\$0	\$10,734	\$125,933	\$136,667	0.00	\$0	\$16,726	(\$9,386)	\$7,340

***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 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 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 4000122 - Equipment Rental - Program 40 -

The legislature adopted equipment rental charges for the 2017 biennium.

DP 4004001 - Aeronautic Loans and Grants -

The legislature adopted the authority for airport safety and development grants and loans. Communities often leverage these grants and loans against federal funds available for safety and development.

DP 4004003 - Aeronautic Charts (OTO) -

The legislature adopted the authority for producing an aeronautical chart, which is produced every four years. This chart incorporates the latest federal FAA aeronautical information. It also identifies and graphically depicts aeronautical items unique to Montana that are not reflected on other federally produced charts. It is not possible to produce this chart in house. This decision package is considered an OTO.

DP 4004005 - Pavement Condition & System Plan -

The legislature adopted the authority for the Pavement Condition Index. The system plan provides voluntary and mandated infrastructure and capital improvement plans that the Federal Aviation Administration (FAA) and state and local communities use to develop airport projects around the state.

DP 4004009 - Combination of Biennial Authority -

The legislature adopted a budget change combining biennial authority in the 2015 biennium.

New Proposals -

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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 4004004 - Yellowstone Airport Taxiway	0.00	0	0	6,421,831	6,421,831	0.00	0	0	0	0
DP 4004006 - Lincoln Airport Improvements	0.00	0	8,105	342,900	351,005	0.00	0	0	0	0
Total	0.00	\$0	\$8,105	\$6,764,731	\$6,772,836	0.00	\$0	\$0	\$0	\$0

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

DP 4004004 - Yellowstone Airport Taxiway -

The legislature adopted a request for \$6,421,831 in federal special revenue for engineering design services necessary to prepare a complete set of plans and specifications for the reconstruction of the apron area and to reconstruct the only taxiway at the Yellowstone Airport. These pavement surfaces must meet federal requirements to maintain the airport's commercial operating certificate and host scheduled air carrier service.

DP 4004006 - Lincoln Airport Improvements -

The legislature adopted authority for consulting and professional services related to the construction of a hangar taxi-lane, which will create opportunities for an additional 20 hangar building sites. There are currently 10 hangars at the airport and 2 additional sites are available for future construction. Hangar site rent paid is the only revenue generating source of income for the airport.

Other Issues -

Proprietary Program Description

West Yellowstone Airport

The Yellowstone Airport is located in West Yellowstone, one mile from Yellowstone National Park. Commercial air service is available seasonally from June 1st to September 30th and the airport is usually open for private aircraft operations from mid-May through mid-November. The airport accomplishes its missions with extensive facilities to accommodate all sized aircraft and operations ranging from large commercial service jets to small piston aircraft.

Fees for leases and other business services are both market and recovery based. Additional operating expenses planned in the 2017 biennium include a runway maintenance project funded with 90% FAA AIP money and performed in accordance with FAA mandates and advisory circulars.

The West Yellowstone Airport program is funded with an enterprise proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

Rate and Rate Explanation

The West Yellowstone Airport is managed as an enterprise program, and the legislature does not approve rates for this program.

Program Budget Comparison

The following table summarizes the total proposed 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	105.50	105.50	100.51	100.51	105.50	100.51	(4.99)	(4.73)%
Personal Services	7,214,716	8,218,269	8,299,493	8,302,681	15,432,985	16,602,174	1,169,189	7.58 %
Operating Expenses	5,318,330	5,332,745	5,839,014	5,838,887	10,651,075	11,677,901	1,026,826	9.64 %
Equipment & Intangible Assets	123,669	152,728	123,669	123,669	276,397	247,338	(29,059)	(10.51)%
Grants	14,373,858	16,821,493	16,548,358	16,548,358	31,195,351	33,096,716	1,901,365	6.10 %
Benefits & Claims	0	0	500	500	0	1,000	1,000	0.00 %
Transfers	1,595,226	1,936,624	1,595,226	1,595,226	3,531,850	3,190,452	(341,398)	(9.67)%
Total Costs	\$28,625,799	\$32,461,859	\$32,406,260	\$32,409,321	\$61,087,658	\$64,815,581	\$3,727,923	6.10 %
State/Other Special Rev. Funds	6,323,746	7,336,718	7,047,057	7,045,039	13,660,464	14,092,096	431,632	3.16 %
Federal Spec. Rev. Funds	22,302,053	25,125,141	25,359,203	25,364,282	47,427,194	50,723,485	3,296,291	6.95 %
Total Funds	\$28,625,799	\$32,461,859	\$32,406,260	\$32,409,321	\$61,087,658	\$64,815,581	\$3,727,923	6.10 %

Page Reference

Legislative Budget Analysis, C-144

Funding

The Rail, Transit, and Planning Division is funded with a combination of state and federal special revenue funds. State special funding in the program is primarily provided through fuel taxes through the highway restricted fund. Highway state special revenue from both the restricted and non-restricted funds supports the overall administrative and operational costs of the program. Other state special funding includes:

- Federal transit authority (FTA) local match funds, which provides a local entity match for FTA grants
- Trans-aid special revenue, which in large part provides funding for transit services that serve the elderly and disabled (and can be used to match federal transit funds)
- County DUI prevention funds, which provide assistance to county DUI task force activities

Funding through the federal highway trust (03407) provides for costs of program administration, activities, and projects.

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 %	32,461,859	32,461,859	64,923,718	0.00 %
PL Adjustments	0	0	0	0.00 %	(55,599)	(52,538)	(108,137)	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$32,406,260	\$32,409,321	\$64,815,581	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 515 - State Share Health Insurance	0.00	0	14,474	34,374	48,848	0.00	0	14,532	34,316	48,848
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	57,459	100,699	158,158	0.00	0	57,459	100,699	158,158
DP 525 - Fixed Cost Adjustment	0.00	0	25	60	85	0.00	0	25	60	85
DP 527 - Inflation/Deflation Adjustment	0.00	0	2,912	6,797	9,709	0.00	0	3,057	7,133	10,190
DP 529 - Longevity and Other Adjustments	0.00	0	7,240	16,901	24,141	0.00	0	15,263	35,617	50,880
DP 535 - Program Transfers	0.00	0	910,000	0	910,000	0.00	0	910,000	0	910,000
DP 550 - Motor Pool Rate Adjustment	0.00	0	(516)	(1,202)	(1,718)	0.00	0	(523)	(1,219)	(1,742)
DP 570 - Additional Personal Services Adjustments	0.00	0	(58,154)	(135,693)	(193,847)	0.00	0	(65,219)	(152,179)	(217,398)
DP 580 - Additional Operating Adjustments	0.00	0	(1,205,133)	137,626	(1,067,507)	0.00	0	(1,207,721)	140,214	(1,067,507)
DP 5000111 - Overtime/Differential Pay - Program 50	0.00	0	44,924	0	44,924	0.00	0	44,924	0	44,924
DP 5000122 - Equipment Rental - Program 50	0.00	0	11,608	0	11,608	0.00	0	11,024	0	11,024
DP 5000444 - Statewide 4% FTE Reduction - Program 50	(4.99)	0	0	0	0	(4.99)	0	0	0	0
Grand Total All Present Law Adjustments	(4.99)	\$0	(\$215,161)	\$159,562	(\$55,599)	(4.99)	\$0	(\$217,179)	\$164,641	(\$52,538)

**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 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 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 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$910,000 in state special revenue FY 2016 and FY 2017 from the Construction Program to the Rail, Transit, and Planning Program.

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 5000111 - Overtime/Differential Pay - Program 50 -

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

DP 5000122 - Equipment Rental - Program 50 -

The legislature adopted equipment rental charges for the 2017 biennium.

DP 5000444 - Statewide 4% FTE Reduction - Program 50 -

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 5000444 includes a reduction of 4.99 FTE.