

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	2,134.96	2,134.96	2,111.26	2,111.26	2,134.96	2,111.26	(23.70)	(1.11%)
Personal Services	129,928,240	142,044,054	136,031,299	137,323,108	271,972,294	273,354,407	1,382,113	0.51%
Operating Expenses	349,392,502	379,613,277	395,432,795	389,286,031	729,005,779	784,718,826	55,713,047	7.64%
Equipment & Intangible Assets	1,902,440	1,736,957	3,032,975	2,086,440	3,639,397	5,119,415	1,480,018	40.67%
Capital Outlay	15,979,768	12,870,929	15,979,768	15,979,768	28,850,697	31,959,536	3,108,839	10.78%
Local Assistance	447,116	407,684	447,116	447,116	854,800	894,232	39,432	4.61%
Grants	14,494,485	24,049,038	18,377,140	16,227,140	38,543,523	34,604,280	(3,939,243)	(10.22%)
Transfers	13,701	10,283	13,701	13,701	23,984	27,402	3,418	14.25%
Debt Service	0	500	0	0	500	0	(500)	(100.00%)
Total Costs	\$512,158,252	\$560,732,722	\$569,314,794	\$561,363,304	\$1,072,890,974	\$1,130,678,098	\$57,787,124	5.39%
General Fund	0	0	2,600,000	0	0	2,600,000	2,600,000	n/a
State Special	210,536,687	245,824,393	232,602,607	229,698,505	456,361,080	462,301,112	5,940,032	1.30%
Federal Special	301,621,565	314,908,329	334,112,187	331,664,799	616,529,894	665,776,986	49,247,092	7.99%
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$512,158,252	\$560,732,722	\$569,314,794	\$561,363,304	\$1,072,890,974	\$1,130,678,098	\$57,787,124	5.39%

Agency Description

Agency Mission: To serve the public by providing a transportation system and services that emphasize quality, safety, cost effectiveness, economic vitality, and sensitivity to the environment.

The Department of Transportation is the agency responsible for administering the multimodal transportation network in Montana. The department plans, designs, builds, and maintains the statewide network of highways. It is responsible for collecting and distributing highway user fees and fuel taxes. The department enforces state and federal laws for commercial motor carriers and registers interstate fleet vehicles. The department also facilitates the operation and infrastructure of airports and airways in Montana, registers aircraft and pilots, and maintains several state-owned airports. The department represents Montana interests in railroad planning issues and supports local entities in overall transportation planning and transit assistance.

Agency Highlights

Department of Transportation HB 2 Budget Highlights	
◆	The combined HB 2 and HB 13 total fund budget for the department increases by \$57.8 million, or 5.4 percent, from the 2009 biennium to the 2011 biennium <ul style="list-style-type: none"> • Contractor payments for the federal-aid construction program account for the largest increase and are at the federal FY 2009 funding levels and corresponding 2008 tentative construction plan • The state funded construction program is moved from the Construction Program to the Maintenance Program and increases by \$12.3 million over the biennium to fund it at \$10.0 million per year or the level of maintenance of effort to maintain favorable federal funding rates • Growth in payments to the Equipment Program adds \$4.5 million • Increasing the pavement marking program to typical annual levels adds \$3.8 million

<ul style="list-style-type: none"> • Continuing to monitor commercial vehicles for safety issues around Montana's northern border adds \$3.5 million federal special revenue • HB 13 2011 biennium pay plan funding adds \$3.4 million of which \$2.8 million is ongoing • Funding for the Motor Carrier Safety Assistance Program and Expanded Commercial Vehicle Information Systems and Networks projects adds \$2.1 million state special revenue funding from Unified Carrier Registration fees • Funding to provide grants to local transit entities to purchase buses adds \$2.1 million federal funds • Funding to provide emergency medical services grants adds \$2.0 million nonrestricted state funds • Higher costs for chemical deicing solution adds \$1.2 million state funds ◆ Staffing in the department was reduced by a net 23.70 FTE due to a combination of reductions and increases: <ul style="list-style-type: none"> • Elimination of positions that were identified on a state human resources report as being vacant for over a year resulted in a reduction of 26.70 FTE • A funding switch moved a current 1.00 FTE from funding under a statutory appropriation to HB 2 funding to administer tribal fuel tax refunds and agreements • The addition of 1.00 FTE to coordinate projects of the department's traffic records strategic plan • The addition of 1.00 FTE to coordinate state and tribal highway safety initiatives
HB 645 Highlights
<ul style="list-style-type: none"> ◆ \$235.6 million in federal stimulus funds are appropriated for highway infrastructure construction and transit capital assistance grants

Summary of Legislative Action

The legislative budget for total funds is \$57.8 million higher than the 2009 biennium and includes funding for HB 2 and HB 13. HB 13 funds the pay plan increases for the 2011 biennium. The legislative budget includes the following:

- Appropriations to fully expend all federal-aid funding for highway construction and maintenance of effort, including all state matching funds
- Movement of the state funded construction program from the Construction Program to the Maintenance Program along with a biennium increase of \$12.3 million to restore the average annual levels of \$10.0 million
- Reestablishment of base year overtime and differential pay of \$11.4 million
- Equipment rental increases of \$4.5 million for payments to the agency's internal equipment pool program
- Elimination of positions that the state human resources system showed were vacant for one year or more, resulting in a biennium reduction of \$2.3 million and elimination of 26.70 FTE
- Funding for surface transportation litigation
- Funding for grants to emergency medical system providers

Agency Discussion

Companion Legislation

The following were approved by the legislature for inclusion in HB 676, the companion bill to HB 2:

- Repeal 15-1-122(2), which annually transferred more than \$3.0 million general fund to the nonrestricted highways state special revenue account

- The Department of Transportation shall report to the Governor and the Legislative Finance Committee not later than November 1 of the year preceding a regular session of the legislature regarding emergency medical services grants that are awarded during each biennium. The report must include a listing of all grant requests and a listing of grants awarded, including a summary of the use of grant funds
- The Department of Transportation shall report to the Children, Families, Health, and Human Services Interim Committee twice during each year of the interim on the results of the emergency medical service grant program funded in HB 2. The reports must include grants submitted, grants processed and awarded, and the remaining balance of the appropriation

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 2011 biennium budget for the department, excluding any federal economic stimulus funds is roughly \$1.1 billion 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 to 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 are expended for other purposes not restricted by the constitution.

Analysis Results

The following figure illustrates the result of working capital analysis of the highways state special revenue account. The figure shows the combined balance for both the restricted and nonrestricted accounts. As illustrated, the legislative budget results in a balance of \$42.8 million at the end of the 2011 biennium. The account balance is significantly higher than the balance anticipated prior to the beginning of the 2009 Legislature. The main difference is an increase in the expected federal indirect cost recovery revenue the department would realize under its negotiated indirect cost recovery agreement with the federal highways administration. The indirect cost recovery revenue has increased by \$47.5 million over the biennium from the estimates reflected earlier by the department.

Working Capital Balance Highways State Special Revenue Fiscal Years 2008 - 2011 (in Millions)				
Description	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget	FY 2011 Budget
Beginning Working Capital Balance	\$24.1	\$41.3	\$15.4	\$27.4
Revenues	292.0	277.5	292.5	295.3
Expenditures	274.4	303.4	280.5	279.8
Revenues less Expenditures	\$17.6	(\$25.9)	\$12.0	\$15.5
Ending Working Capital Balance	<u>\$41.3</u>	<u>\$15.4</u>	<u>\$27.4</u>	<u>\$42.8</u>

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2011 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 General Operations Program	\$ 2,600,000	\$ 47,610,794	\$ 3,110,899	\$ 53,321,693	4.72%
02 Construction Program	-	155,744,147	603,689,968	759,434,115	67.17%
03 Maintenance Program	-	228,339,375	15,109,636	243,449,011	21.53%
22 Motor Carrier Services Div.	-	16,611,584	6,212,239	22,823,823	2.02%
40 Aeronautics Program	-	3,678,218	285,000	3,963,218	0.35%
50 Rail, Transit, & Planning Division	-	10,316,994	37,369,244	47,686,238	4.22%
Grand Total	<u>\$ 2,600,000</u>	<u>\$ 462,301,112</u>	<u>\$ 665,776,986</u>	<u>\$ 1,130,678,098</u>	<u>100.00%</u>

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	512,158,252	512,158,252	1,024,316,504	90.59%
Statewide PL Adjustments	0	0	0	0.00%	6,001,013	6,360,400	12,361,413	1.09%
Other PL Adjustments	0	0	0	0.00%	48,444,484	42,586,388	91,030,872	8.05%
New Proposals	2,600,000	0	2,600,000	100.00%	2,711,045	258,264	2,969,309	0.26%
Total Budget	\$2,600,000	\$0	\$2,600,000		\$569,314,794	\$561,363,304	\$1,130,678,098	

Other Legislation

HB 645 – In addition to the appropriations provided in HB 2, the department is provided \$235.6 million in funding for highway infrastructure construction and transit capital assistance grants through passage and approval of HB 645, the bill that implements and appropriates federal economic stimulus funding.

The following table shows HB 645 funding by program.

Total Agency Funding 2011 Biennium Budget			
Agency Program	Fed Spec.	Grand Total	Total %
02 Construction Program	\$ 220,000,000	\$ 220,000,000	93.37%
50 Rail, Transit, & Planning Division	15,611,710	15,611,710	6.63%
Grand Total	<u>\$ 235,611,710</u>	<u>\$ 235,611,710</u>	<u>100.00%</u>

Funding included in HB 645 for the department falls into two categories: 1) highway infrastructure investment; and 2) transit capital assistance. Stimulus funding is delivered to Montana via the existing formula mechanisms as those currently in the department's existing programs.

In accordance to statute, the Montana highway commission determined which projects would be funded with federal stimulus funds. The following Internet page is devoted to notifying the public on stimulus spending for the department. The site includes a list and map of projects the commission selected for funding.

Department of Transportation federal stimulus site: <http://www.mdt.mt.gov/recovery/>

Highway Infrastructure Investment

Federal stimulus funding for highway infrastructure investment is used for eligible projects under the surface transportation section of Title 23 of the U.S. Codes. The following type of highway infrastructure investment projects are eligible for stimulus funding:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways and bridges
- Capital costs for eligible transit projects
- Carpool projects, fringe and corridor parking facilities and programs, bicycle transportation and pedestrian walkways, and modification of public sidewalks to comply with the Americans with Disabilities Act of 1990
- Highway and transit safety infrastructure improvements and programs, hazard eliminations, projects to mitigate hazards caused by wildlife, and railway-highway grade crossings
- Highway and transit research and development and technology transfer programs
- Capital and operating costs for traffic monitoring, management, and control facilities and programs
- Surface transportation planning programs
- Transportation enhancement activities
- Transportation control measures
- Development and establishment of management systems
- Projects relating to intersections that have disproportionately high accident rates or have high levels of congestion
- Infrastructure-based intelligent transportation systems capital improvements
- Environmental restoration and pollution abatement
- Control of noxious weeds and aquatic noxious weeds and establishment of native species

Transit Capital Assistance

Federal stimulus funding provided under transit capital assistance is for grants to local public transportation systems for eligible costs under the public transportation section of Title 49 of the United States Codes. The following costs are eligible under this funding:

- Acquiring, constructing, supervising, or inspecting equipment or facilities for use in public transportation
- Rehabilitating or remanufacturing buses
- Preventive maintenance
- Leasing equipment or a facility for use in public transportation
- A public transportation improvement that enhances economic development or incorporates private investment
- The introduction of new technology, through innovative and improved products, into public transportation
- Public transportation crime prevention and security projects
- Establishing a debt service reserve, made up of deposits with a bondholder’s trustee, to ensure the timely payment of principal and interest on bonds issued by a grant recipient to finance an eligible project
- Public transportation mobility management

HB 2 and HB 645 Combined

The following table illustrates HB 2 and HB 645 combined. The first two columns show the appropriations in HB 2 and HB 645 side by side, and the third column shows the total funding for the agency from both bills. A detailed explanation of impacts to individual programs, including on-going funding and present law adjustments due to using one-time-only funding from HB 645 in existing programs is presented at the program level when applicable.

2011 Biennium HB 2 and HB 645 Department of Transportation			
Fund	HB 2	One-time HB 645 Appropriations	2011 Biennium Revised Total
General Fund	\$2,600,000	\$0	\$2,600,000
State Special Revenue	459,741,363	0	459,741,363
Federal Special Revenue	<u>664,944,147</u>	<u>235,611,710</u>	<u>900,555,857</u>
Total Funds	<u>\$1,127,285,510</u>	<u>\$235,611,710</u>	<u>\$1,362,897,220</u>

HB 4 – This bill appropriates funds approved in the 2009 biennium via budget amendment authority into the 2011 biennium. For the department, three appropriations were approved in HB 4: 1) federal budget amendment authority for the Pacific Region joint and cooperative project authorized to continue into state fiscal year 2010 for the General Operations Program; 2) federal budget amendment authority for the Montana height modernization program was authorized to continue into federal fiscal year 2011 for the Construction Program; and 3) federal budget amendment authority for the small community air service development grant was authorized to continue into the state fiscal year 2011 for the Aeronautics Program.

HB 5 – This bill appropriates funds for long-range building projects. The bill includes appropriations directly to the department of \$2,625,000 of restricted highways state special revenue for statewide maintenance, repair, and small projects on department facilities and \$24,100,000 of bond proceeds state special revenue for the US Highway 93 project. In addition the bill appropriated \$1,175,000 of restricted highways state special revenue to the Department of Administration for Department of Transportation equipment storage buildings across the state.

HB 85 – This bill creates a grant program for emergency medical service providers and establishes eligibility requirements and review criteria. Funding for the grants was provided in HB 2 via DP 5025 in the Rail, Transit, and Planning Division.

HB 416 – This bill exempts certain biodiesel produced from waste vegetable oil feedstock from the special fuel tax and provided registration and reporting requirements. The fiscal note for the bill indicated that 0.25 FTE and \$30,074 funding would be needed to implement the bill. No funding is included in HB 2 for these estimated costs.

Executive Budget Comparison

The following table compares the legislative budget in the 2011 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2008	Executive Budget Fiscal 2010	Legislative Budget Fiscal 2010	Leg – Exec. Difference Fiscal 2010	Executive Budget Fiscal 2011	Legislative Budget Fiscal 2011	Leg – Exec. Difference Fiscal 2011	Biennium Difference Fiscal 10-11
FTE	2,134.96	2,145.96	2,111.26	(34.70)	2,145.96	2,111.26	(34.70)	
Personal Services	129,928,240	136,785,332	136,031,299	(754,033)	137,323,160	137,323,108	(52)	(754,085)
Operating Expenses	349,392,502	376,052,457	395,432,795	19,380,338	383,789,082	389,286,031	5,496,949	24,877,287
Equipment & Intangible Assets	1,902,440	3,032,975	3,032,975	0	2,086,440	2,086,440	0	0
Capital Outlay	15,979,768	15,979,768	15,979,768	0	15,979,768	15,979,768	0	0
Local Assistance	447,116	447,116	447,116	0	447,116	447,116	0	0
Grants	14,494,485	17,077,140	18,377,140	1,300,000	15,227,140	16,227,140	1,000,000	2,300,000
Transfers	13,701	13,701	13,701	0	13,701	13,701	0	0
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$512,158,252	\$549,388,489	\$569,314,794	\$19,926,305	\$554,866,407	\$561,363,304	\$6,496,897	\$26,423,202
General Fund	0	0	2,600,000	2,600,000	0	0	0	2,600,000
State/Other Special	210,536,687	229,974,326	232,602,607	2,628,281	228,337,831	229,698,505	1,360,674	3,988,955
Federal Special	301,621,565	319,414,163	334,112,187	14,698,024	326,528,576	331,664,799	5,136,223	19,834,247
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$512,158,252	\$549,388,489	\$569,314,794	\$19,926,305	\$554,866,407	\$561,363,304	\$6,496,897	\$26,423,202

The combined HB 2 and HB 13 legislative budget is \$26.4 million in total funds higher than the executive budget with the increase primarily in federal funds associated with a revised request concurred in by the executive that failed to meet the statutory deadline for the executive budget submission. Staffing in the legislative budget is 34.70 FTE lower than in the executive budget. HB 13, the pay plan for the 2011 biennium, contributes nearly \$3.4 million to the total fund increase and of this funding \$621,000 is associated with a one-time pay bonus for employees earning less than \$45,000 annually and will not contribute to the base for the 2013 biennium. The most significant revisions from the executive budget are summarized below.

A request to fund the federal-aid highway construction program was revised by the executive after the December 15 budget was submitted. The request was revised to reflect the construction plan linked to the most current expectations of federal funding for highways. The revision was concurred in by the legislature and increased state special funding by \$3.0 million and federal special funding by \$20.1 million over the biennium. (This increase does not include any funding anticipated due to the federal stimulus bill.)

Other revisions included:

- Funding to provide emergency medical services grants was added, resulting in a biennium increase of \$2.0 million from the nonrestricted highways state special revenue account
- Funding and corresponding positions that appear on the state human resources system as being vacant for one year or more were eliminated, resulting in a biennium reduction of \$2.3 million and 26.70 FTE
- Funding to change motor carrier enforcement from a three region to a five region structure was not approved, resulting in a biennium reduction of \$1.0 million state special revenue
- Funding to increase motor carrier enforcement on the I-90 corridor to 24 hours, 7 days per week coverage was not approved, resulting in a biennium reduction of \$0.9 million state special revenue
- Funding for computer services contracts and maintenance costs was not approved, resulting in a biennium reduction of \$0.5 million
- Funding for grants associated with transportation of senior citizens and persons with disabilities was added, resulting in a biennium increase of \$0.3 million
- Funding for mobile and portable handheld radios was not approved, resulting in a biennium reduction of \$0.2 million

The executive budget included a request for a language appropriation to fund litigation costs associated with rail shipping rates. The legislature appropriated these funds in HB 2 instead of approving the funding in language. This funding reflects an increase of \$2.6 million general fund over the executive when no increase exists. Instead of being an increase, only the form of the appropriation was changed.

Language and Statutory Authority

The legislature included the following language for the department in HB 2:

"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 federal special revenue appropriations in the department are biennial.

All appropriations in the general operations, construction, maintenance, and transportation planning programs are biennial.

All remaining federal pass-through grant appropriations for highway traffic safety, including reversions for the 2009 biennium, are authorized to continue and are appropriated in FY 2010 and FY 2011.

State special revenue for Emergency Medical Services Grants may be decreased and federal special revenue increased by a like amount if federal funds are available for the purposes of House Bill No. 85.

Senior Transportation may be used only for the purposes identified in 7-14-112."

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	187.37	187.37	185.87	185.87	187.37	185.87	(1.50)	(0.80%)
Personal Services	11,519,695	12,917,898	12,612,767	12,744,502	24,437,593	25,357,269	919,676	3.76%
Operating Expenses	10,902,842	12,623,317	15,048,780	12,257,572	23,526,159	27,306,352	3,780,193	16.07%
Equipment & Intangible Assets	31,859	393,141	31,859	31,859	425,000	63,718	(361,282)	(85.01%)
Grants	297,177	649,444	297,177	297,177	946,621	594,354	(352,267)	(37.21%)
Transfers	0	0	0	0	0	0	0	n/a
Debt Service	0	500	0	0	500	0	(500)	(100.00%)
Total Costs	\$22,751,573	\$26,584,300	\$27,990,583	\$25,331,110	\$49,335,873	\$53,321,693	\$3,985,820	8.08%
General Fund	0	0	2,600,000	0	0	2,600,000	2,600,000	n/a
State Special	21,045,984	24,970,490	23,836,688	23,774,106	46,016,474	47,610,794	1,594,320	3.46%
Federal Special	1,705,589	1,613,810	1,553,895	1,557,004	3,319,399	3,110,899	(208,500)	(6.28%)
Total Funds	\$22,751,573	\$26,584,300	\$27,990,583	\$25,331,110	\$49,335,873	\$53,321,693	\$3,985,820	8.08%

Program Description

The General Operations Program provides overall policy direction and management to the agency, administers motor fuel taxes, and provides administrative support services for the department, including general administration and management, accounting and budgeting, public affairs, information technology services, human resources activities, compliance review, and goods and services procurement.

Program Highlights

General Operations HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The combined HB 2 and HB 13 budget for the program grows by just under \$4.0 million, or 8.1 percent, from the 2009 biennium to the 2011 biennium <ul style="list-style-type: none"> • Statewide present law adjustments for personal services and fixed costs account for most of the increase • General fund of \$2.6 million funds surface transportation litigation costs • HB 13, the 2011 biennium pay plan, adds \$280,000, of which \$243,500 is ongoing • Credit card transaction fee increases add \$137,000 • A funding shift to move 1.00 FTE from a statutory appropriation to HB 2 funding to administer tribal fuel tax refunds and agreements adds \$79,400

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
General Operations Program							
Program Funding		Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000	Total General Fund	\$ -	-	\$ 2,600,000	9.3%	\$ -	-
	01100 General Fund	-	-	2,600,000	9.3%	-	-
02000	Total State Special Funds	21,045,984	92.5%	23,836,688	85.2%	23,774,106	93.9%
	02422 Highways Special Revenue	21,045,984	92.5%	23,836,688	85.2%	23,774,106	93.9%
03000	Total Federal Special Funds	1,705,589	7.5%	1,553,895	5.6%	1,557,004	6.1%
	03407 Highway Trust - Sp Rev	1,705,589	7.5%	1,553,895	5.6%	1,557,004	6.1%
Grand	Total	\$ 22,751,573	100.0%	\$ 27,990,583	100.0%	\$ 25,331,110	100.0%

The General Operations Program is funded from general fund, the highways state special revenue fund, and federal special revenue. General fund finances surface transportation litigation costs related to rail rates for Montana captive shippers. 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	22,751,573	22,751,573	45,503,146	85.34%
Statewide PL Adjustments	0	0	0	0.00%	2,794,321	2,628,228	5,422,549	10.17%
Other PL Adjustments	0	0	0	0.00%	190,071	221,521	411,592	0.77%
New Proposals	2,600,000	0	2,600,000	100.00%	2,254,618	(270,212)	1,984,406	3.72%
Total Budget	\$2,600,000	\$0	\$2,600,000		\$27,990,583	\$25,331,110	\$53,321,693	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,956,439					2,005,433
Vacancy Savings					(539,048)					(541,003)
Inflation/Deflation					9,705					10,944
Fixed Costs					1,367,225					1,152,854
Total Statewide Present Law Adjustments		\$0	\$2,951,258	(\$156,937)	\$2,794,321	0.00	\$0	\$2,784,535	(\$156,307)	\$2,628,228
DP 1001 - Equipment Rental	0.00	0	3,065	0	3,065	0.00	0	2,311	0	2,311
DP 1002 - Overtime/Differential	0.00	0	43,417	6,666	50,083	0.00	0	43,417	6,666	50,083
DP 1101 - Office Equipment Cost Reduction	0.00	0	(1,754)	0	(1,754)	0.00	0	(1,754)	0	(1,754)
DP 1301 - Training Reduction	0.00	0	(8,600)	0	(8,600)	0.00	0	(8,600)	0	(8,600)
DP 1302 - District Health & Safety Specialists	0.00	0	45,000	0	45,000	0.00	0	45,000	0	45,000
DP 1401 - Merchant Credit Card Fees	0.00	0	52,590	0	52,590	0.00	0	84,383	0	84,383
DP 1402 - Tribal Refund FTE	1.00	0	39,487	0	39,487	1.00	0	39,905	0	39,905
DP 1404 - Fuel Tax Evasion Travel	0.00	0	0	10,250	10,250	0.00	0	0	10,250	10,250
DP 7101 - Fuel Inflation Reduction	0.00	0	(47)	(3)	(50)	0.00	0	(54)	(3)	(57)
Total Other Present Law Adjustments	1.00	\$0	\$173,158	\$16,913	\$190,071	1.00	\$0	\$204,608	\$16,913	\$221,521
Grand Total All Present Law Adjustments	1.00	\$0	\$3,124,416	(\$140,024)	\$2,984,392	1.00	\$0	\$2,989,143	(\$139,394)	\$2,849,749

DP 1001 - Equipment Rental - A biennium increase of nearly \$5,400 state special revenue funds the program share of increases in the Equipment Program - an internal service program exclusively serving programs of the Department of Transportation. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 1002 - Overtime/Differential - A biennium increase of nearly \$100,200 combined state special and federal special revenue reestablishes base year overtime and differential pay. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 1101 - Office Equipment Cost Reduction - A biennium reduction of \$3,500 state special revenue reduces funding to reflect the purchase of equipment in the base that will not be purchased in the 2011 biennium. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 1301 - Training Reduction - A biennium reduction of \$17,200 state special revenue reduces funding for training. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 1302 - District Health & Safety Specialists - A biennium increase of \$90,000 state special revenue funds occupational health and safety specialist travel costs that were not expended in the base because they were assigned to each district office in May of the base year. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 1401 - Merchant Credit Card Fees - A biennium increase of \$137,000 state special revenue was approved to pay rising merchant credit card fees that result as more permits, licenses and other department services are paid with credit cards. State special revenue funding is entirely from the restricted highways state special revenue account. Funding was designated as restricted and one time only. The agency was requested to investigate alternatives or attempt to negotiate

reduced rates that would minimize similar cost increases in the future and report back to the 2011 Legislature during budget hearings on the steps taken.

DP 1402 - Tribal Refund FTE - A biennium increase of \$79,400 state special revenue funds the movement of 1.00 FTE for an existing position that had been previously funded via a statutory appropriation but will now be funded within HB 2. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 1404 - Fuel Tax Evasion Travel - A biennium increase of \$20,500 federal special revenue funds out-of-state travel and lodging costs associated with fuel tax evasion training. Funding is from a federal fuel tax evasion grant.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

Program	FTE	Fiscal 2010				Fiscal 2011				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1003 - Surface Transportation Litigation										
01	0.00	2,600,000	0	0	2,600,000	0.00	0	0	0	0
DP 1020 - Remove Positions Vacant One Year or More										
01	(2.50)	0	(103,739)	(3,010)	(106,749)	(2.50)	0	(103,772)	(3,011)	(106,783)
DP 6013 - 2011 Biennium Pay Plan - HB 13										
01	0.00	0	58,844	1,692	60,536	0.00	0	177,660	5,264	182,924
DP 6014 - Pay Plan Lump Sum Payment OTO										
01	0.00	0	35,560	1,050	36,610	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Management Program Allocat										
01	0.00	0	68,507	0	68,507	0.00	0	59,399	0	59,399
DP 8101 - Increasing 4% Vacancy Savings to 7%										
01	0.00	0	(392,884)	(11,402)	(404,286)	0.00	0	(394,308)	(11,444)	(405,752)
Total	(2.50)	\$2,600,000	(\$333,712)	(\$11,670)	\$2,254,618	(2.50)	\$0	(\$261,021)	(\$9,191)	(\$270,212)

DP 1003 - Surface Transportation Litigation - A biennium increase of \$2.6 million general fund funds consultants, experts and specialized legal counsel to analyze rail rate and service issues and to pursue legal remedies, including litigation before the Surface Transportation Board and the courts, against unreasonable rail rates and practices, and remedies for regulatory inaction. The funding is designated as biennial, restricted, and one time only.

DP 1020 - Remove Positions Vacant One Year or More - Funding was removed for positions that were identified on the state human resources vacant positions report as being vacant for one year or more. For this division funding for 2.50 FTE in three positions was removed. State special revenue funding is from the restricted account of the highways state special revenue fund.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Program Allocat - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 8101 - Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	974.32	974.32	951.22	951.22	974.32	951.22	(23.10)	(2.37%)
Personal Services	63,449,027	67,682,098	64,093,025	64,735,387	131,131,125	128,828,412	(2,302,713)	(1.76%)
Operating Expenses	274,800,392	289,188,043	298,415,766	296,139,389	563,988,435	594,555,155	30,566,720	5.42%
Equipment & Intangible Assets	1,015,008	1,040,260	1,015,008	1,015,008	2,055,268	2,030,016	(25,252)	(1.23%)
Capital Outlay	15,822,618	12,765,865	15,822,618	15,822,618	28,588,483	31,645,236	3,056,753	10.69%
Grants	1,187,648	372,010	1,187,648	1,187,648	1,559,658	2,375,296	815,638	52.30%
Total Costs	\$356,274,693	\$371,048,276	\$380,534,065	\$378,900,050	\$727,322,969	\$759,434,115	\$32,111,146	4.41%
State Special	81,389,398	93,623,783	78,092,807	77,651,340	175,013,181	155,744,147	(19,269,034)	(11.01%)
Federal Special	274,885,295	277,424,493	302,441,258	301,248,710	552,309,788	603,689,968	51,380,180	9.30%
Total Funds	\$356,274,693	\$371,048,276	\$380,534,065	\$378,900,050	\$727,322,969	\$759,434,115	\$32,111,146	4.41%

Program Description

The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction of the project. Program responsibilities include such tasks as project designs, accessing environmental issues, writing documents, obtaining permits, right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. Contract administration is responsible for the documentation, inspection, and testing of highway construction projects from the time the contract is awarded to a private contractor until the project is completed and the work is approved. The program also provides traffic improvement and educational programs to promote public safety, health, and welfare.

Program Highlights

Construction Program HB 2 Budget Highlights	
◆	The combined HB 2 and HB 13 budget for the program grows by \$32.1 million, or 4.4 percent, from the 2009 biennium to the 2011 biennium <ul style="list-style-type: none"> • Contractor payments for the federal-aid construction program account for the largest increase and are at the federal FY 2009 funding levels and corresponding 2008 tentative construction plan • HB 13, the 2011 biennium pay plan, adds \$1.4 million, of which \$1.2 million is ongoing • The state funded construction program is moved from this program to the Maintenance Program for a \$7.7 million state special revenue reduction • \$1.1 million state special revenue reductions are due to base funding that will not be needed this biennium
HB 645 Budget Highlights	
◆	\$220.0 million in federal stimulus funds are appropriated for highway infrastructure projects

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2008	FY 2008	FY 2010	FY 2010	FY 2011	FY 2011
02000 Total State Special Funds	\$ 81,389,398	22.8%	\$ 78,092,807	20.5%	\$ 77,651,340	20.5%
02422 Highways Special Revenue	81,389,398	22.8%	78,092,807	20.5%	77,651,340	20.5%
03000 Total Federal Special Funds	274,885,295	77.2%	302,441,258	79.5%	301,248,710	79.5%
03407 Highway Trust - Sp Rev	269,779,399	75.7%	302,441,258	79.5%	301,248,710	79.5%
03828 Traffic Safety	5,105,896	1.4%	-	-	-	-
Grand Total	\$ 356,274,693	100.0%	\$ 380,534,065	100.0%	\$ 378,900,050	100.0%

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 87 percent federal with a 13 percent 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. Traffic safety functions are generally funded 100 percent with National Highway Traffic Safety Administration grant funds. The exception is that a 50 percent state special revenue match is required for roughly 1 percent of the administrative costs.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	356,274,693	356,274,693	712,549,386	93.83%
Statewide PL Adjustments	0	0	0	0.00%	344,336	573,369	917,705	0.12%
Other PL Adjustments	0	0	0	0.00%	26,381,655	24,096,678	50,478,333	6.65%
New Proposals	0	0	0	0.00%	(2,466,619)	(2,044,690)	(4,511,309)	(0.59%)
Total Budget	\$0	\$0	\$0		\$380,534,065	\$378,900,050	\$759,434,115	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,933,360					3,163,012
Vacancy Savings					(2,655,268)					(2,664,487)
Inflation/Deflation					51,968					60,135
Fixed Costs					14,276					14,709
Total Statewide Present Law Adjustments		\$0	(\$2,802,083)	\$3,146,419	\$344,336	0.00	\$0	(\$3,118,450)	\$3,691,819	\$573,369
DP 210 - Contractor Payments/Federal Aid	0.00	0	3,578,547	24,033,697	27,612,244	0.00	0	3,298,528	22,153,078	25,451,606
DP 211 - Contractor Payments/State Funded Construction	0.00	0	(3,826,896)	0	(3,826,896)	0.00	0	(3,826,896)	0	(3,826,896)
DP 214 - Equipment Rental	0.00	0	219,042	211,720	430,762	0.00	0	157,398	152,136	309,534
DP 215 - OT/Differential	0.00	0	1,471,780	1,360,745	2,832,525	0.00	0	1,471,780	1,360,745	2,832,525
DP 216 - Training Reduction	0.00	0	(119,924)	0	(119,924)	0.00	0	(119,924)	0	(119,924)
DP 222 - Westlaw Internet License	0.00	0	10,000	0	10,000	0.00	0	10,000	0	10,000
DP 223 - Program Reductions	0.00	0	(536,000)	0	(536,000)	0.00	0	(536,000)	0	(536,000)
DP 7101 - Fuel Inflation Reduction	0.00	0	(4,640)	(16,416)	(21,056)	0.00	0	(5,301)	(18,866)	(24,167)
Total Other Present Law Adjustments	0.00	\$0	\$791,909	\$25,589,746	\$26,381,655	0.00	\$0	\$449,585	\$23,647,093	\$24,096,678
Grand Total All Present Law Adjustments	0.00	\$0	(\$2,010,174)	\$28,736,165	\$26,725,991	0.00	\$0	(\$2,668,865)	\$27,338,912	\$24,670,047

DP 210 - Contractor Payments/Federal Aid - A biennium increase of nearly \$53.1 million combined state special and federal special revenue funds payments to highway construction contractors based on department estimates of federal-aid funding and the corresponding highway construction plan. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 211 - Contractor Payments/State Funded Construction - A biennium reduction of nearly \$7.7 million state special revenue transfers the state funded construction program to the Maintenance Division. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 214 - Equipment Rental - A biennium increase of \$740,000 combined state special and federal special revenue funds the program share of increases in the Equipment Program - an internal service program exclusively serving programs of the Department of Transportation. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 215 - OT/Differential - A biennium increase of nearly \$5.7 million combined state special and federal special revenue reestablishes base year overtime and differential pay. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 216 - Training Reduction - A biennium reduction of nearly \$240,000 state special revenue reduces funding for training. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 222 - Westlaw Internet License - A biennium increase of \$20,000 state special revenue funds the purchase of the license to access the Westlaw Internet site for legal research. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 223 - Program Reductions - A biennium reduction of nearly \$1.1 million state special revenue reduces state special revenue because the base includes costs for the following purposes that will not occur in the 2011 biennium:

- Site Manager program
- City-wide traffic signal upgrades

State special revenue funding is entirely from the restricted highways state special revenue account.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

Program	FTE	Fiscal 2010				Fiscal 2011				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 230 - Remove Positions Vacant One Year or More										
02	(23.10)	0	(509,100)	(473,681)	(982,781)	(23.10)	0	(509,313)	(473,877)	(983,190)
DP 6013 - 2011 Biennium Pay Plan - HB 13										
02	0.00	0	161,168	149,288	310,456	0.00	0	489,468	447,397	936,865
DP 6014 - Pay Plan Lump Sum Payment OTO										
02	0.00	0	103,631	93,526	197,157	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%										
02	0.00	0	(1,042,116)	(949,335)	(1,991,451)	0.00	0	(1,049,348)	(949,017)	(1,998,365)
Total	(23.10)	\$0	(\$1,286,417)	(\$1,180,202)	(\$2,466,619)	(23.10)	\$0	(\$1,069,193)	(\$975,497)	(\$2,044,690)

DP 230 - Remove Positions Vacant One Year or More - Funding was removed for positions that were identified on the state human resources vacant positions report as being vacant for one year or more. For this division funding for 23.10 FTE in 19 positions was removed. State special revenue funding is from the restricted account of the highways state special revenue fund.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	766.67	766.67	765.67	765.67	766.67	765.67	(1.00)	(0.13%)
Personal Services	43,652,415	49,498,900	46,979,498	47,383,319	93,151,315	94,362,817	1,211,502	1.30%
Operating Expenses	57,945,127	66,827,926	73,322,621	72,848,182	124,773,053	146,170,803	21,397,750	17.15%
Equipment & Intangible Assets	795,278	250,068	1,773,813	827,278	1,045,346	2,601,091	1,555,745	148.83%
Capital Outlay	157,150	105,064	157,150	157,150	262,214	314,300	52,086	19.86%
Total Costs	\$102,549,970	\$116,681,958	\$122,233,082	\$121,215,929	\$219,231,928	\$243,449,011	\$24,217,083	11.05%
State Special	96,436,870	108,109,398	114,298,635	114,040,740	204,546,268	228,339,375	23,793,107	11.63%
Federal Special	6,113,100	8,572,560	7,934,447	7,175,189	14,685,660	15,109,636	423,976	2.89%
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$102,549,970	\$116,681,958	\$122,233,082	\$121,215,929	\$219,231,928	\$243,449,011	\$24,217,083	11.05%

Program Description

The Maintenance Program is responsible for the repair, maintenance and preservation of approximately 25,000 lane miles of roadways. Activities include but are not limited to: winter maintenance, reactive and preventive pavement preservation, pavement marking, signing, roadway striping, noxious weed control, traveler information, and other necessary roadway and roadside repairs and maintenance. The program also administers the state funded construction program that serves as the maintenance of effort to receive a favorable match rate on federal-aid highway funds.

Program Highlights

Maintenance Program HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The combined HB 2 and HB 13 budget for the program grows by \$24.2 million, or 11.1 percent, from the 2009 biennium to the 2011 biennium <ul style="list-style-type: none"> • The state funded construction program is moved to this program from the Construction Program and is increased by \$12.3 million over the biennium to \$10 million per year • Statewide present law adjustments account for about \$4.0 million of the growth • Increasing the pavement marking program to typical annual levels adds \$3.8 million • HB 13, the 2011 biennium pay plan, adds \$1.3 million, of which slightly less than \$1.0 million is ongoing • Cost increases for liquid deicer solution adds \$1.2 million • Five variable message signs adds \$947,000 to advise the traveling public of winter road and construction conditions at two Interstate locations

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
02000 Total State Special Funds	\$ 96,436,870	94.0%	\$ 114,298,635	93.5%	\$ 114,040,740	94.1%
02349 Highway Non-Restricted Account	-	-	10,070,000	8.2%	11,120,000	9.2%
02422 Highways Special Revenue	96,436,870	94.0%	104,228,635	85.3%	102,920,740	84.9%
03000 Total Federal Special Funds	6,113,100	6.0%	7,934,447	6.5%	7,175,189	5.9%
03407 Highway Trust - Sp Rev	6,113,100	6.0%	7,934,447	6.5%	7,175,189	5.9%
Grand Total	\$ 102,549,970	100.0%	\$ 122,233,082	100.0%	\$ 121,215,929	100.0%

The Maintenance Program is primarily funded with the state special revenue. All state special revenue is from the constitutionally restricted highways state special revenue 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	102,549,970	102,549,970	205,099,940	84.25%
Statewide PL Adjustments	0	0	0	0.00%	1,877,399	2,121,992	3,999,391	1.64%
Other PL Adjustments	0	0	0	0.00%	18,718,867	17,272,491	35,991,358	14.78%
New Proposals	0	0	0	0.00%	(913,154)	(728,524)	(1,641,678)	(0.67%)
Total Budget	\$0	\$0	\$0		\$122,233,082	\$121,215,929	\$243,449,011	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					3,538,448					3,766,801
Vacancy Savings					(1,887,650)					(1,896,812)
Inflation/Deflation					226,601					252,003
Total Statewide Present Law Adjustments		\$0	\$2,983,047	(\$1,105,648)	\$1,877,399	0.00	\$0	\$3,229,656	(\$1,107,664)	\$2,121,992
DP 301 - OT/Differential	0.00	0	2,589,439	0	2,589,439	0.00	0	2,589,439	0	2,589,439
DP 302 - Equipment Rental	0.00	0	2,095,978	0	2,095,978	0.00	0	1,580,227	0	1,580,227
DP 303 - Training Reduction	0.00	0	(30,628)	0	(30,628)	0.00	0	(30,628)	0	(30,628)
DP 306 - Variable Message Signs	0.00	0	189,307	757,228	946,535	0.00	0	0	0	0
DP 307 - US 93 Ravalli-Ronan Changes	0.00	0	167,221	0	167,221	0.00	0	167,889	0	167,889
DP 308 - Rest Areas - Maintenance & Supplies	0.00	0	153,075	0	153,075	0.00	0	168,061	0	168,061
DP 310 - City Contract Increases	0.00	0	113,018	0	113,018	0.00	0	113,558	0	113,558
DP 312 - Winter Maintenance - Increased Cost of Chemical	0.00	0	78,000	522,000	600,000	0.00	0	78,000	522,000	600,000
DP 314 - Pavement Marking Program	0.00	0	246,232	1,647,859	1,894,091	0.00	0	246,232	1,647,859	1,894,091
DP 316 - Noxious Weed Program	0.00	0	192,061	0	192,061	0.00	0	192,061	0	192,061
DP 318 - State Funded Construction - Program Transfer	0.00	0	10,000,000	0	10,000,000	0.00	0	10,000,000	0	10,000,000
DP 7101 - Fuel Inflation Reduction	0.00	0	(1,831)	(92)	(1,923)	0.00	0	(2,101)	(106)	(2,207)
Total Other Present Law Adjustments	0.00	\$0	\$15,791,872	\$2,926,995	\$18,718,867	0.00	\$0	\$15,102,738	\$2,169,753	\$17,272,491
Grand Total All Present Law Adjustments	0.00	\$0	\$18,774,919	\$1,821,347	\$20,596,266	0.00	\$0	\$18,332,394	\$1,062,089	\$19,394,483

DP 301 - OT/Differential - A biennium increase of nearly \$5.2 million state special revenue reestablishes base year overtime and differential pay. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 302 - Equipment Rental - A biennium increase of \$3.7 million state special revenue funds the program share of increases in the Equipment Program - an internal service program exclusively serving programs of the Department of Transportation. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 303 - Training Reduction - A biennium reduction of nearly \$61,300 state special revenue reduces funding for training. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 306 - Variable Message Signs - A biennium increase of \$947,000 combined state special and federal special revenue funds the addition and replacement of five variable message signs (VMS) and four support structures to address traveler notification needs at Lookout Pass and Rocker. Variable message signs are used to alert travelers about various road and weather conditions such as construction work, winter maintenance alerts, road closures and detours. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 307 - US 93 Ravalli-Ronan Changes - A biennium increase of \$335,000 state special revenue funds utility and maintenance costs for 371 new luminaries and seven traffic signals added in the Ravalli-Ronan area during new construction on Highway 93. Funding is also to buy additional deicer solution to address additional needs in the area. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 308 - Rest Areas - Maintenance & Supplies - A biennium increase of \$321,000 state special revenue funds increased costs related to the maintenance of several rest areas. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 310 - City Contract Increases - A biennium increase of \$227,000 state special revenue funds cost increases for maintenance contracts in which cities perform routine maintenance on state roadways that are within city limits. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 312 - Winter Maintenance - Increased Cost of Chemical - A biennium increase of \$1.2 million combined state special and federal special revenue funds increased costs of chemical deicer. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 314 - Pavement Marking Program - A biennium increase of \$3.8 million combined state special and federal special revenue adjusts funding for the pavement marking program to annual planned levels. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 316 - Noxious Weed Program - A biennium increase of \$384,000 state special revenue adjusts funding for the noxious weed program to annual planned levels. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 318 - State Funded Construction - Program Transfer - A biennium increase of \$20.0 million state special revenue moves the state funded construction program from the Construction Program to the Maintenance Program and increases it by \$12.3 million over the biennium to a \$10.0 million annual funding level, which is the average maintenance of effort to maintain a favorable federal participation rate of 87 percent for the federal-aid construction program for Montana. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals	-----Fiscal 2010-----					-----Fiscal 2011-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 320 - State Special Revenue Funding Switch	03	0.00	0	0	0	0	0.00	0	0	0	0
DP 330 - Remove Positions Vacant One Year or More	03	(1.00)	0	(54,973)	0	(54,973)	(1.00)	0	(55,106)	0	(55,106)
DP 6013 - 2011 Biennium Pay Plan - HB 13	03	0.00	0	247,977	0	247,977	0.00	0	749,191	0	749,191
DP 6014 - Pay Plan Lump Sum Payment OTO	03	0.00	0	309,580	0	309,580	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%	03	0.00	0	(1,415,738)	0	(1,415,738)	0.00	0	(1,422,609)	0	(1,422,609)
Total		(1.00)	\$0	(\$913,154)	\$0	(\$913,154)	(1.00)	\$0	(\$728,524)	\$0	(\$728,524)

DP 320 - State Special Revenue Funding Switch - A funding switch reduces biennium funding from the highways restricted account by \$20,190,000 and increases funding from the highways nonrestricted account by a like amount.

DP 330 - Remove Positions Vacant One Year or More - Funding was removed for positions that were identified on the state human resources vacant positions report as being vacant for one year or more. For this division funding for 1.00 FTE in one position was removed. State special revenue funding is from the restricted account of the highways state special revenue fund.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

Program Highlights

State Motor Pool HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ A multi-tier rate structure was approved and pool vehicle rental rates could increase to user agencies if fuel prices rise above trigger levels

Language and Statutory Authority

The legislature included the following language for the program in HB 2:

“In the motor pool program, if the price of gasoline goes above \$3.71, Tier 2 rates may be charged if approved by the Office of Budget and Program Planning. If the price of gasoline goes above \$4.21, Tier 3 rates may be charged if approved by the Office of Budget and Program Planning.”

Proprietary Rates

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: 1) the daily rental fleet; and 2) the out-stationed lease fleet. The daily rental program operates out of the Helena headquarters facility and provides vehicles for short-term use. The leasing program provides vehicles for extended assignment (biennial lease) to agencies statewide.

The following budget adjustments were concurred in when rates for the program were approved.

Proprietary Present Law Adjustments

DP 0701 - OT/Differential - A biennium amount of \$2,300 reestablishes base year overtime and differential pay. This funding has no impact on the rates as it only requests continuation of actual base costs on zero based items of the budget.

DP 7101 Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

DP 0705 - Increased Repair & Maintenance Costs – A biennium increase of \$35,500 funds increased costs of motor oil and tires. The impact of this funding is an estimated \$0.00113 per mile increase on the usage rates in each year of the biennium.

DP 0706 - EVMS Maintenance Contract Increase - A biennium increase of \$2,454 funds a 2.5 percent increase in the maintenance contract with Agile Assets for the Equipment and Vehicle Management System (EVMS). This funding addresses half of the increases with the other half being funded in the Equipment Program. This funding has a negligible impact on the assigned time rates for the biennium.

DP 0707 - Vehicle Purchases - A biennium increase of \$1.1 million funds costs to purchase new and replacement vehicles for the fleet and has three components:

- An increase in the quantity of vehicles purchased
- An increase in the cost per vehicle
- Fuel to operate the additional vehicles (\$64,300 in FY 2011)

This funding has the following estimated impacts on the rates for the 2011 biennium:

- \$0.0046 per hour increase in the assigned rates in each year of the biennium
- \$0.0041 per mile increase on the mileage usage rate in FY 2011

Proprietary New Proposals

DP 0704 - Fixed Cost Workers Comp Mgmt Program Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration. This funding has a negligible impact on the assigned time rates for the biennium.

DP 8101 Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

Proprietary Rates

For the 2011 biennium the rates approved by the legislature are listed in Section R of HB2. Separate rates are charged for the time a vehicle is in the possession of a user (assigned time rate) and for the miles driven (usage rate).

For the State Motor Pool, base rates were approved and two additional tiers of rates were provided with language that allows progressively higher rates if the retail price of gasoline increases above \$3.71 per gallon (tier 2) and again above \$4.21 per gallon (tier 3).

Program Highlights

Equipment Program HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ Increases in the Equipment Program result in \$4.5 million in increases to appropriated programs of the Department of Transportation <ul style="list-style-type: none"> • Increases in costs for diesel fuel and gasoline account for most of the program cost increases and add \$3.4 million over the biennium to costs of the program • Statewide present law adjustments are also major factors for the growth and are primarily due to personal services

Proprietary Rates

Proprietary Program Description

The Equipment Program is responsible for the acquisition, disposal, repair and maintenance of a fleet of 4,555 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 Department of Transportation's various programs 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 following decision packages were concurred in when rates for the program were approved.

Present Law Adjustments

DP 0801 - OT/Differential - 801 - A biennium increase of \$114,300 reestablishes base year overtime and differential pay. The funding increases the assigned rates by \$0.00603 per hour in each year of the biennium.

DP 7101 Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

DP 0805 - Equipment Purchases – A biennium increase of \$864,000 funds the purchase of new equipment to be used throughout the equipment program. Equipment to be purchased include:

- Six tank trailers for use in the salt brining operation
- A pug mill and stacker belt for mixing sand and salt for winter road maintenance
- Used excavator for use in the Missoula district
- Two tandem trucks, one each for Ravalli and Ronan, to meet maintenance needs on US 93 between Ravalli and Ronan

This funding has no impact on the rates charged by the program.

DP - 0806 - FTE for St. Regis Shop – A biennium increase of \$114,800 funds the addition of 1.00 FTE to address workload issues for mechanic work in the St. Regis shop attributable to severe winter conditions on passes in the area. The funds increase the assigned rates by \$0.006048 per hour in FY 2010 and \$0.006063 per hour in FY 2011.

DP - 0807 - Equipment Repair & Maintenance – A biennium increase of \$369,400 funds increased costs of automotive parts and vehicle maintenance products. The increases are for:

- Grease and lube, tires and repair parts (\$115,926)
- Oil (\$98,185)
- Tires (\$155,262)

The funds increase the usage rates by \$0.008465 per mile in FY 2010 and \$0.008531 per mile in FY 2011.

DP 0808 - EVMS Maintenance Contract Increases – A biennium increase of \$2,454 funds a 2.5 percent increase in the maintenance contract with Agile Assets for the Equipment and Vehicle Management System (EVMS). This adjustment addresses half of the increases with the other half being funded in the State Motor Pool Program. The funds increase the assigned rate by \$0.000129 per hour in each year of the 2011 biennium.

New Proposals

DP 0804 - Fixed Cost Workers Comp Mgmt Prog Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration. This adjustment represents approximately 0.014 percent of the assigned rate.

DP 8101 Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

Proprietary Rates

For the 2011 biennium the ability to operate below a 60-day working capital reserve was adopted as the rate for the Equipment 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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	123.00	123.00	123.00	123.00	123.00	123.00	0.00	0.00%
Personal Services	6,118,243	6,534,617	6,741,737	6,786,717	12,652,860	13,528,454	875,594	6.92%
Operating Expenses	1,477,519	3,197,172	4,551,152	4,412,013	4,674,691	8,963,165	4,288,474	91.74%
Equipment & Intangible Assets	14,102	22,348	166,102	166,102	36,450	332,204	295,754	811.40%
Total Costs	\$7,609,864	\$9,754,137	\$11,458,991	\$11,364,832	\$17,364,001	\$22,823,823	\$5,459,822	31.44%
State Special	6,050,642	7,075,583	8,301,961	8,309,623	13,126,225	16,611,584	3,485,359	26.55%
Federal Special	1,559,222	2,678,554	3,157,030	3,055,209	4,237,776	6,212,239	1,974,463	46.59%
Total Funds	\$7,609,864	\$9,754,137	\$11,458,991	\$11,364,832	\$17,364,001	\$22,823,823	\$5,459,822	31.44%

Program Description

The Motor Carrier Services Division enforces state and federal commercial motor carrier laws including laws on vehicle size and weight, insurance, licensing, fuel, and vehicle and driver safety. The Licensing and Permit Bureau registers interstate fleet vehicles, issues commercial vehicle licenses and oversize/overweight permits, and collects and distributes fees and taxes. The Enforcement Bureau operates a statewide weigh station and mobile enforcement program and assigns uniformed officers to inspect commercial vehicles for compliance with state and federal safety, registration, fuel, insurance, and size/weight laws. The Motor Carrier Safety Assistance Program (MCSAP) conducts commercial motor carrier safety compliance reviews and safety audits.

Program Highlights

Motor Carrier Services Division HB 2 Budget Highlights	
◆	The combined HB 2 and HB 13 budget for the division grows by \$5.5 million, or 31.4 percent, from the 2009 biennium to the 2011 biennium <ul style="list-style-type: none"> • \$3.5 million federal special revenue funding continues monitoring commercial vehicles for safety issues around Montana's northern border • \$2.1 million state special revenue funding from Unified Carrier Registration fees funds the Motor Carrier Safety Assistance Program and Expanded Commercial Vehicle Information Systems and Networks projects • Statewide adjustments add \$1.1 million to the growth • \$492,000 state special revenue funds increased operating costs at a joint port-of-entry at the Montana/Wyoming border • HB 13, the 2011 biennium pay plan, adds \$234,000, of which \$171,500 is ongoing

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
02000 Total State Special Funds	\$ 6,050,642	79.5%	\$ 8,301,961	72.4%	\$ 8,309,623	73.1%
02294 Ucr Fund	259,581	3.4%	1,308,578	11.4%	1,308,577	11.5%
02422 Highways Special Revenue	5,791,061	76.1%	6,993,383	61.0%	7,001,046	61.6%
03000 Total Federal Special Funds	1,559,222	20.5%	3,157,030	27.6%	3,055,209	26.9%
03166 Mcsap-Truck Inspection Program	932,632	12.3%	3,157,030	27.6%	3,055,209	26.9%
03407 Highway Trust - Sp Rev	626,590	8.2%	-	-	-	-
Grand Total	\$ 7,609,864	100.0%	\$ 11,458,991	100.0%	\$ 11,364,832	100.0%

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 \$2.6 million unified carrier registration state special revenue all remaining state special revenue for the 2011 biennium is from the constitutionally restricted highways state special revenue account. Federal funds are from federal Motor Carrier Safety Assistance Program grants.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	7,609,864	7,609,864	15,219,728	66.68%
Statewide PL Adjustments	0	0	0	0.00%	558,415	581,427	1,139,842	4.99%
Other PL Adjustments	0	0	0	0.00%	1,489,247	1,490,250	2,979,497	13.05%
New Proposals	0	0	0	0.00%	1,801,465	1,683,291	3,484,756	15.27%
Total Budget	\$0	\$0	\$0		\$11,458,991	\$11,364,832	\$22,823,823	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					827,735					849,794
Vacancy Savings					(277,846)					(278,722)
Inflation/Deflation					8,526					10,355
Total Statewide Present Law Adjustments		\$0	\$915,665	(\$357,250)	\$558,415	0.00	\$0	\$900,501	(\$319,074)	\$581,427
DP 2202 - Montana-Wyoming Joint Port Project	0.00	0	245,977	0	245,977	0.00	0	245,977	0	245,977
DP 2205 - Unified Carrier Registration (UCR)	0.00	0	1,027,574	0	1,027,574	0.00	0	1,027,574	0	1,027,574
DP 2208 - Equipment Rental	0.00	0	20,712	11,659	32,371	0.00	0	15,772	8,633	24,405
DP 2210 - OT/Differential	0.00	0	133,524	44,220	177,744	0.00	0	133,524	44,220	177,744
DP 2211 - Training Adjustment	0.00	0	(12,355)	0	(12,355)	0.00	0	(12,355)	0	(12,355)
DP 2215 - Motor Carrier Safety Assistance Program (MCSAP)	0.00	0	3,596	14,384	17,980	0.00	0	3,596	14,384	17,980
DP 2216 - Laptop Communication Aircard Maintenance	0.00	0	0	0	0	0.00	0	8,976	0	8,976
DP 7101 - Fuel Inflation Reduction	0.00	0	(38)	(6)	(44)	0.00	0	(43)	(8)	(51)
Total Other Present Law Adjustments	0.00	\$0	\$1,418,990	\$70,257	\$1,489,247	0.00	\$0	\$1,423,021	\$67,229	\$1,490,250
Grand Total All Present Law Adjustments	0.00	\$0	\$2,334,655	(\$286,993)	\$2,047,662	0.00	\$0	\$2,323,522	(\$251,845)	\$2,071,677

DP 2202 - Montana-Wyoming Joint Port Project - A biennium increase of \$492,000 state special revenue funds half of the maintenance expenses and contracted services for half of the salaries of Wyoming state employees operating the port of entry station operating at Dietz, Wyoming, on the Montana and Wyoming border. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 2205 - Unified Carrier Registration (UCR) - A biennium increase of \$2.1 million state special revenue funds Motor Carrier Safety Assistance Program (MCSAP) and Expanded Commercial Vehicle Information Systems and Networks (ECVISN) projects.

DP 2208 - Equipment Rental - A biennium increase of \$56,800 combined state special and federal special revenue funds the program share of increases in the Equipment Program - an internal service program exclusively serving programs of the Department of Transportation. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 2210 - OT/Differential - A biennium increase of \$355,500 combined state special and federal special revenue reestablishes base year overtime and differential pay. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 2211 - Training Adjustment - A biennium reduction of \$24,700 state special revenue reduces funding for training. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 2215 - Motor Carrier Safety Assistance Program (MCSAP) - A biennium increase of nearly \$36,000 combined state special and federal special revenue funds increased training and vehicle rental costs of the Motor Carrier Safety Assistance Program (MCSAP). State special revenue funding is entirely from the restricted highways state special revenue account.

DP 2216 - Laptop Communication Aircard Maintenance - An increase of nearly \$9,000 state special revenue for FY 2011 funds monthly air-card charges. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 2206 - Performance Registration Info Systems Mgmt - OTO	22	0.00	0	0	173,562	173,562	0.00	0	0	0	0
DP 2207 - Border Enforcement Grant (BEG)	22	0.00	0	0	1,732,042	1,732,042	0.00	0	0	1,763,633	1,763,633
DP 6013 - 2011 Biennium Pay Plan - HB 13	22	0.00	0	34,056	8,712	42,768	0.00	0	102,696	26,004	128,700
DP 6014 - Pay Plan Lump Sum Payment OTO	22	0.00	0	49,324	12,154	61,478	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%	22	0.00	0	(166,716)	(41,669)	(208,385)	0.00	0	(167,237)	(41,805)	(209,042)
Total	0.00	\$0	(\$83,336)	\$1,884,801	\$1,801,465	\$1,801,465	0.00	\$0	(\$64,541)	\$1,747,832	\$1,683,291

DP 2206 - Performance Registration Info Systems Mgmt - OTO - An increase of \$173,562 federal special revenue for FY 2010 funds the Performance Registration Information Systems Management (PRISM) project. Funding is designated as one time only.

DP 2207 - Border Enforcement Grant (BEG) - A biennium increase of \$3.5 million federal special revenue funds monitoring of commercial vehicle safety associated with commercial vehicles on all international ports-of-entry along Montana's northern border with Canada.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification - The division has identified a corridor that stretches from Idaho on Montana's western border to the North Dakota border in the East. The corridor's southern boundary is US Highway 2 and the Canadian border is the northern boundary. All north/south routes within the corridor boundary will be patrolled by division personnel or monitored using technology as the result of this grant.

The purpose of the grant is to ensure commercial motor vehicles entering the US from a foreign country are in compliance with commercial vehicle safety standards and regulations, financial responsibility regulations and registration requirements of the US and to ensure drivers of those vehicles are qualified and properly licensed to operate the commercial motor vehicle.

The purpose is to increase the safety and security on state and federal highways in Montana by conducting safety inspections and commercial driver license checks and reducing illegal transport operations on commercial motor vehicles entering the United States via Montana/Canadian Ports along and around the northern border. In addition to the safety and credential checks, size and weight and evidence of fuel tax evasion checks are conducted at the same time.

A border enforcement special activity was completed in July of 2008. A total of 326 safety inspections were completed with 46 commercial vehicles placed out of service and 19 drivers placed out of service over a three day period. Had this not been completed, these drivers and commercial vehicles would have been operating unsafely and/or illegally in Montana.

Although Montana and Alberta have jointly operated the Port of Sweet Grass at Coumts, which by the nature of its location is all international traffic, the twelve remaining ports and associated roadways statewide within the corridor have received no international commercial motor vehicle focus. This is due in part to lack of resources. Previous studies have shown that illegal commercial motor vehicle safety and other activities are occurring across the border, so this issue needs to be addressed.

Goal - To detect illegal international commercial motor vehicle safety, credentials and other criminal activities on Montana roadways within and throughout an approximately 600x50 mile corridor across Montana and immediately south of Canada, and enforce federal and state regulations and laws to improve highway safety and security. In addition, detect the commercial motor vehicle illegal transport of cargo and sabotage and reduce these activities through enforcement of applicable federal regulations and state laws.

These outcomes fit into the Montana Department of Transportations mission statement by providing a safe transportation system and protecting Montana's infrastructure investment.

Performance Criteria - The following performance criteria have been identified:

- Annually perform 1650 commercial motor vehicle safety inspections within the border enforcement corridor. Of the 1650 inspections, 500 will be a full safety inspection of the driver and the vehicle with 100 of these being commercial motor vehicles carrying hazardous materials, 150 safety inspections will be a vehicle walk around, and 1000 safety inspections will be driver only. The performance measure will be the actual number of inspections of each type conducted during the year
- Annually conduct 1300 federal and state credential checks including operating authority, commercial driver license, and insurance. The performance measure is the percentage of out of service drivers as a result of commercial driver license and operating authority violations during the year
- Annually conduct 600 fuel cargo tank checks and certifications. The performance measure is the actual number of cargo tank checks and inspections reported during the year
- At the end of each year, an evaluation based on the percent of violations in each category will be performed. The different levels of each performance criteria will be adjusted the following year to reflect the results of the evaluation

Milestones - The following milestones have been identified:

- Hiring FTE – the seven FTE have already been hired
- Equipment to support enforcement and safety operations – most of the equipment was purchased during the spring and summer of 2008; the remaining cost will be to maintain the equipment
- Upgrade existing and construct new roadside facilities to provide safe locations to stop and inspect commercial motor vehicles – The roadside facilities consist of a paved lane at the roadside with signs, lighting and safety equipment. Two roadside facilities have been installed, one in June of 2008 and the other in September of 2008. In federal FY 2009, another two sites will be installed. No future sites beyond the sites installed in federal FY 2009 have been identified
- Virtual Ports of Entry – Motor Carrier Services Division is in the process of evaluating two virtual ports of entry. These systems will remotely weigh and photograph commercial motor vehicles to identify visual safety or weight violations. The photographs will also read a commercial motor vehicles name and carrier assigned number (US DOT #) which can be used to check credentials and operating authority. The systems can be monitored statewide and enforcement can be dispatched when violations are noticed. The two systems were installed in September 2008. The evaluation will be based on data collected one year prior to September 2008 as the base year and compared with data collected in the next two years. Additional virtual ports of entry will be added in the future depending on the outcome of the evaluation

FTE - Under the current budget amendment funding in the 2009 biennium 7.00 modified FTE were added and all 7.00 FTE have already been hired. Motor Carrier Services (MCS) used modified FTE over contracted services for the following reasons; (1) MCS officers go through the law enforcement training academy and national safety certified training before seeing duty as an officer in the field; (2) MCS officers must report through a chain of command providing better management control, where as a contracted services manager would normally only communicate with a Bureau Chief or program manager; (3) legal considerations for enforcing and issuing commercial motor vehicle and/or driver fines; (4) better control over reporting mandates; and (5) consistency and quality control in reporting of performance measures. 6.00 modified FTE are motor carrier services enforcement officers and the other position is a special projects manager. The 6.00 modified FTE will be patrol enforcement officers focused entirely on border enforcement of commercial motor vehicles. The special projects manager will coordinate and monitor border enforcement activities. This position will also manage the border enforcement grant including purchasing, budgeting, reporting, and compliance with federal regulations. Currently, there are no recruitment issues.

Funding - The funding is 100 percent federal funds and is available through the end of the current federal highway bill (SAFETEA-LU). The department expects the same level of funding to be available through the next federal highway bill.

Obstacles - Future virtual ports of entry may not be funded based on the results of the evaluation. If the results are unfavorable, other technology can be used to focus resources or the technologies will not be implemented.

The federal funding may not be available in the next federal highway bill. If this happens, the agency will absorb the modified FTE as enforcement positions are vacated.

Risks - The increase presence of enforcement on the border deters illegal commercial motor vehicle activities along Montana's 600 plus mile border with Canada. Without enforcement presence, the border in Montana is open to these illegal and dangerous commercial motor vehicle activities.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	9.00	9.00	9.00	9.00	9.00	9.00	0.00	0.00%
Personal Services	616,085	620,178	578,890	586,421	1,236,263	1,165,311	(70,952)	(5.74%)
Operating Expenses	950,314	1,693,345	597,889	294,408	2,643,659	892,297	(1,751,362)	(66.25%)
Equipment & Intangible Assets	10,104	12,800	10,104	10,104	22,904	20,208	(2,696)	(11.77%)
Grants	880,588	973,412	1,854,000	4,000	1,854,000	1,858,000	4,000	0.22%
Transfers	13,701	10,283	13,701	13,701	23,984	27,402	3,418	14.25%
Total Costs	\$2,470,792	\$3,310,018	\$3,054,584	\$908,634	\$5,780,810	\$3,963,218	(\$1,817,592)	(31.44%)
State Special	1,889,421	1,921,746	2,769,584	908,634	3,811,167	3,678,218	(132,949)	(3.49%)
Federal Special	581,371	1,388,272	285,000	0	1,969,643	285,000	(1,684,643)	(85.53%)
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$2,470,792	\$3,310,018	\$3,054,584	\$908,634	\$5,780,810	\$3,963,218	(\$1,817,592)	(31.44%)

Program Description

The Montana Aeronautics Division: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; and fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; and 4) coordinates and supervises aerial search and rescue operations. The division administers a loan and grant program to municipal governments to fund airport improvement projects. The Aeronautics Board approves all loan and grant requests and advises on matters pertaining to aeronautics.

The division serves as a liaison between the State of Montana and various other entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA), other federal and state entities, and commercial airlines in order to assure the retention and continuation of airline service to Montana's rural communities. The division is also responsible for operation of the air carrier airport at West Yellowstone and for 14 other state-owned airports.

Program Highlights

Aeronautics Division HB 2 Budget Highlights	
◆	The combined HB 2 and HB 13 budget for the division decreases by \$1.8 million, or 31.4 percent, from the 2009 biennium to the 2011 biennium <ul style="list-style-type: none"> • Total funds are reduced by \$1.0 million to remove base funding associated with airport rehabilitation projects undertaken in the base that will not recur in the 2011 biennium • Unspecified program reductions of \$153,000 were approved to contain expenditures within revenues

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
Aeronautics Program							
Program Funding		Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
02000	Total State Special Funds	\$ 1,889,421	76.5%	\$ 2,769,584	90.7%	\$ 908,634	100.0%
	02286 Aeronautical Loan Account	345,495	14.0%	800,000	26.2%	-	-
	02287 Aeronautical Grant Account	447,093	18.1%	800,000	26.2%	-	-
	02827 Aeronautics Division	1,012,833	41.0%	919,584	30.1%	908,634	100.0%
	02962 Airport Pvm. Preservation	84,000	3.4%	250,000	8.2%	-	-
03000	Total Federal Special Funds	581,371	23.5%	285,000	9.3%	-	-
	03060 Aeronautics Division	581,371	23.5%	285,000	9.3%	-	-
Grand	Total	\$ 2,470,792	100.0%	\$ 3,054,584	100.0%	\$ 908,634	100.0%

The Aeronautics Program, excluding the operations of the West Yellowstone Airport, 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. Operations of the West Yellowstone Airport are funded from an enterprise type proprietary fund with revenues that include local property taxes, rentals and leases, concession sales receipts, and landing fees, and the legislature does not approve either an appropriation or the fees for the program. Because the proprietary funds do not require an appropriation, they are not included in the above table.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	2,470,792	2,470,792	4,941,584	124.69%
Statewide PL Adjustments	0	0	0	0.00%	28,425	33,904	62,329	1.57%
Other PL Adjustments	0	0	0	0.00%	570,256	(1,585,312)	(1,015,056)	(25.61%)
New Proposals	0	0	0	0.00%	(14,889)	(10,750)	(25,639)	(0.65%)
Total Budget	\$0	\$0	\$0		\$3,054,584	\$908,634	\$3,963,218	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					40,611					44,108
Vacancy Savings					(26,268)					(26,408)
Inflation/Deflation					7,543					8,927
Fixed Costs					6,539					7,277
Total Statewide Present Law Adjustments		\$0	\$8,453	\$19,972	\$28,425	0.00	\$0	\$13,970	\$19,934	\$33,904
DP 4003 - OT/Differential	0.00	0	1,950	0	1,950	0.00	0	1,950	0	1,950
DP 4006 - Training Reduction	0.00	0	(3,942)	0	(3,942)	0.00	0	(3,942)	0	(3,942)
DP 4007 - Aeronautic Grants - BIEN	0.00	0	352,907	0	352,907	0.00	0	(447,093)	0	(447,093)
DP 4008 - Aeronautic Loans - BIEN	0.00	0	454,207	0	454,207	0.00	0	(345,495)	0	(345,495)
DP 4009 - Pavement Preservation System - BIEN	0.00	0	166,000	0	166,000	0.00	0	(84,000)	0	(84,000)
DP 4010 - State System Plan - BIEN	0.00	0	9,871	187,551	197,422	0.00	0	(5,129)	(97,449)	(102,578)
DP 4011 - Aeronautics Division Cost Reduction	0.00	0	(57,110)	(16,810)	(73,920)	0.00	0	(62,159)	(16,772)	(78,931)
DP 4015 - Aeronautics Division Airport Adjustment	0.00	0	(31,500)	(487,084)	(518,584)	0.00	0	(31,500)	(487,084)	(518,584)
DP 7101 - Fuel Inflation Reduction	0.00	0	(5,784)	0	(5,784)	0.00	0	(6,639)	0	(6,639)
Total Other Present Law Adjustments	0.00	\$0	\$886,599	(\$316,343)	\$570,256	0.00	\$0	(\$984,007)	(\$601,305)	(\$1,585,312)
Grand Total All Present Law Adjustments	0.00	\$0	\$895,052	(\$296,371)	\$598,681	0.00	\$0	(\$970,037)	(\$581,371)	(\$1,551,408)

DP 4003 - OT/Differential - A biennium increase of \$3,900 state special revenue reestablishes the Aeronautics Board per diem to the base level.

DP 4006 - Training Reduction - A biennium reduction of nearly \$7,900 state special revenue reduces funding for training.

DP 4007 - Aeronautic Grants - BIEN - A reduction of about \$94,200 state special revenue establishes a biennium funding level of \$800,000 for airport safety and development grants in the first year of the biennium. Funding is designated as biennial.

DP 4008 - Aeronautic Loans - BIEN - An increase of \$108,400 state special revenue establishes a biennium funding level of \$800,000 for the aeronautics loan program in the first year of the biennium. Funding is designated as biennial.

DP 4009 - Pavement Preservation System - BIEN - An increase of \$82,000 state special revenue establishes a biennium funding level of \$250,000 for the pavement preservation grants program in the first year of the biennium. Funding is designated as biennial.

DP 4010 - State System Plan - BIEN - An increase of \$94,800 combined state special and federal special revenue establishes a biennium funding level of \$300,000 to update the Montana aviation system plan in a cooperative effort between the department and the Federal Aviation Administration. Funding is designated as biennial.

DP 4011 - Aeronautics Division Cost Reduction - A biennium reduction of nearly \$152,900 combined state special and federal special revenue reduces the program's funding for unspecified program reductions in personal services and operating expenses.

DP 4015 - Aeronautics Division Airport Adjustment - A biennium reduction of just over \$1.0 million combined state special and federal special revenue removes funding for major projects at the Lincoln and West Yellowstone Airports that occurred in the base but will not occur in the 2011 biennium.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

Program	FTE	Fiscal 2010				Fiscal 2011				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13										
40	0.00	0	2,898	0	2,898	0.00	0	8,757	0	8,757
DP 6014 - Pay Plan Lump Sum Payment OTO										
40	0.00	0	1,569	0	1,569	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Mgmt Program										
40	0.00	0	345	0	345	0.00	0	299	0	299
DP 8101 - Increasing 4% Vacancy Savings to 7%										
40	0.00	0	(19,701)	0	(19,701)	0.00	0	(19,806)	0	(19,806)
Total	0.00	\$0	(\$14,889)	\$0	(\$14,889)	0.00	\$0	(\$10,750)	\$0	(\$10,750)

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Mgmt Program - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 8101 - Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

Proprietary Rates

Proprietary Program Description

The West Yellowstone Airport provides a fly-in gateway to the town of West Yellowstone, Yellowstone Park, and surrounding US Forest Service area recreational opportunities. The airport is seasonal in its operation matching the peak tourist demand of the area from June 1 to September 30. The airport serves as an inter-agency fire control center with both smoke jumpers and fire retardant bombers located at the airport. The airport accomplishes these missions with extensive facilities to accommodate aircraft of various sizes. The airport has a terminal building with tenants that provide the following functions: cafe, gift shop, two car rental agencies, fixed based operation (FBO) serving general

aviation, and Skywest Airlines. The operation of the West Yellowstone Airport is funded from an enterprise type proprietary fund.

Proprietary Rate Explanation

Except for the HB 2 funding discussed above, the remainder of the program is funded with enterprise type proprietary funds. Revenues deposited into the enterprise fund are derived from landing fees, building space rental fees, fuel flowage fees, sales receipts, and non-aero rentals.

The legislature does not approve rates or appropriate funds for the proprietary portion of the program. The legislature reviewed the financial report for the enterprise fund and identified no concerns with the financial position of the fund. Rates for the West Yellowstone Airport are established:

- If aviation related, by industry standard and approved by the Federal Aviation Administration
- If not aviation related, market based

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	74.60	74.60	76.50	76.50	74.60	76.50	1.90	2.55%
Personal Services	4,572,775	4,790,363	5,025,382	5,086,762	9,363,138	10,112,144	749,006	8.00%
Operating Expenses	3,316,308	6,083,474	3,496,587	3,334,467	9,399,782	6,831,054	(2,568,728)	(27.33%)
Equipment & Intangible Assets	36,089	18,340	36,089	36,089	54,429	72,178	17,749	32.61%
Local Assistance	447,116	407,684	447,116	447,116	854,800	894,232	39,432	4.61%
Grants	12,129,072	22,054,172	15,038,315	14,738,315	34,183,244	29,776,630	(4,406,614)	(12.89%)
Total Costs	\$20,501,360	\$33,354,033	\$24,043,489	\$23,642,749	\$53,855,393	\$47,686,238	(\$6,169,155)	(11.46%)
General Fund	0	0	0	0	0	0	0	n/a
State Special	3,724,372	10,123,393	5,302,932	5,014,062	13,847,765	10,316,994	(3,530,771)	(25.50%)
Federal Special	16,776,988	23,230,640	18,740,557	18,628,687	40,007,628	37,369,244	(2,638,384)	(6.59%)
Total Funds	\$20,501,360	\$33,354,033	\$24,043,489	\$23,642,749	\$53,855,393	\$47,686,238	(\$6,169,155)	(11.46%)

Program Description

The Rail, Transit, and Planning Division provides: 1) a continuous statewide multimodal transportation planning process used to allocate highway program resources to ensure highway system performance goals are maintained and federal-aid highway and transit grant eligibility is maintained within the federal surface transportation programs; 2) an inventory of transportation infrastructure for the allocation of state fuel taxes to local governments; 3) support for the state's comprehensive statewide highway safety plan including technical analysis, performance tracking and coordination with multiple administrative agencies and jurisdictions; 4) the point of contact for MDT for major developers seeking access onto the state's highway system; 5) mapping functions to aid in the publication of the state tourist map and geo-spatial infrastructure inventories; 6) transportation planning and programming assistance to metropolitan and urban areas; 7) administration and implementation of safety programs that help reduce traffic deaths, injuries, and property losses resulting from traffic crashes; and 8) responses to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US Department of Transportation, the Surface Transportation Board, and others. statewide planning program and assistance to local area transportation planning. The planning function addresses system areas that include buses for transit systems, street and highway improvements, railroad track rehabilitation, and transportation enhancements for non-motorized and beautification improvements.

Program Highlights

Rail, Transit, and Planning Division HB 2 Budget Highlights	
<ul style="list-style-type: none"> ◆ \$2.1 million federal funds are added to provide grants to local transit entities to purchase buses ◆ \$915,400 federal funds are added to fund projects to implement the department's traffic records strategic plan and to add 1.00 FTE to coordinate the projects ◆ \$344,000 state special revenue is added to increase funding for transit assistance to elderly and disabled individuals to align with revenue projections ◆ \$150,000 is added to provide stipends for maintenance of city park rest areas ◆ A shift in expenditure categories with no funding impacts provides funding to add 1.00 FTE to coordinate state and tribal highway safety initiatives 	

HB 645 Budget Highlights

- ◆ \$15.6 million in federal stimulus funds are appropriated for transit capital assistance grants to local transit entities

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Rail, Transit, & Planning Division						
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2008	FY 2008	FY 2010	FY 2010	FY 2011	FY 2011
02000 Total State Special Funds	\$ 3,724,372	18.2%	\$ 5,302,932	22.1%	\$ 5,014,062	21.2%
02282 Fta Local Match	612,354	3.0%	615,898	2.6%	616,193	2.6%
02349 Highway Non-Restricted Account	-	-	1,000,000	4.2%	1,000,000	4.2%
02422 Highways Special Revenue	2,883,622	14.1%	2,986,443	12.4%	2,997,279	12.7%
02795 Trans Aid Special Revenue	228,396	1.1%	700,591	2.9%	400,590	1.7%
03000 Total Federal Special Funds	16,776,988	81.8%	18,740,557	77.9%	18,628,687	78.8%
03147 Fta Grants	7,758,410	37.8%	8,850,369	36.8%	8,853,404	37.4%
03407 Highway Trust - Sp Rev	5,809,160	28.3%	6,032,139	25.1%	6,059,702	25.6%
03828 Traffic Safety	3,209,418	15.7%	3,858,049	16.0%	3,715,581	15.7%
Grand Total	\$ 20,501,360	100.0%	\$ 24,043,489	100.0%	\$ 23,642,749	100.0%

The Rail, Transit, and Planning Division is funded with a combination of state and federal special revenue funds. Transit grants are based on a sliding scale, which for Montana is a federal participation rate of 86.58 percent funded with Federal Transit Administration funds. 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 at a ratio of 72.9 percent federal and 27.1 percent state special revenue for the 2011 biennium. State special revenue funds include \$1.2 million in local match pass-through authority, \$0.8 million transportation aid funds, \$6.0 million restricted account funds for the 2011 biennium, and \$2.0 million nonrestricted account funds for emergency medical services grants.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	20,501,360	20,501,360	41,002,720	85.98%
Statewide PL Adjustments	0	0	0	0.00%	398,117	421,480	819,597	1.72%
Other PL Adjustments	0	0	0	0.00%	1,094,388	1,090,760	2,185,148	4.58%
New Proposals	0	0	0	0.00%	2,049,624	1,629,149	3,678,773	7.71%
Total Budget	\$0	\$0	\$0		\$24,043,489	\$23,642,749	\$47,686,238	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					601,287					624,281
Vacancy Savings					(206,961)					(207,881)
Inflation/Deflation					3,379					4,668
Fixed Costs					412					412
Total Statewide Present Law Adjustments		\$0	\$21,548	\$376,569	\$398,117	0.00	\$0	\$26,932	\$394,548	\$421,480
DP 5001 - Training Reduction	0.00	0	(540)	0	(540)	0.00	0	(540)	0	(540)
DP 5002 - Equipment Rental	0.00	0	4,081	10,665	14,746	0.00	0	3,077	8,041	11,118
DP 5003 - OT/Differential	0.00	0	18,147	10,942	29,089	0.00	0	18,147	10,942	29,089
DP 5004 - Bus Purchases (Federal)	0.00	0	0	1,051,099	1,051,099	0.00	0	0	1,051,099	1,051,099
DP 7101 - Fuel Inflation Reduction	0.00	0	(1)	(5)	(6)	0.00	0	(1)	(5)	(6)
Total Other Present Law Adjustments	0.00	\$0	\$21,687	\$1,072,701	\$1,094,388	0.00	\$0	\$20,683	\$1,070,077	\$1,090,760
Grand Total All Present Law Adjustments	0.00	\$0	\$43,235	\$1,449,270	\$1,492,505	0.00	\$0	\$47,615	\$1,464,625	\$1,512,240

DP 5001 - Training Reduction - A biennium reduction of \$1,080 state special revenue reduces funding for training. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 5002 - Equipment Rental - A biennium increase of \$26,000 combined state special and federal special revenue funds the program share of increases in the Equipment Program - an internal service program exclusively serving programs of the Department of Transportation. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 5003 - OT/Differential - A biennium increase of \$58,200 combined state special and federal special revenue reestablishes base year overtime and differential pay. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 5004 - Bus Purchases (Federal) - A biennium increase of \$2.1 million federal special revenue funds grants to purchase buses for local transit entities at the level funded by the 2007 Legislature.

DP 7101 - Fuel Inflation Reduction - This reduces funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals	-----Fiscal 2010-----					-----Fiscal 2011-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5005 - Rest Area Stipend	50	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 5006 - Highway Traffic Safety Section 408	50	1.00	0	0	531,575	531,575	1.00	0	0	383,838	383,838
DP 5008 - State Elderly & Disabled Transit Assistance	50	0.00	0	172,194	0	172,194	0.00	0	172,194	0	172,194
DP 5009 - TRANSCAD Software	50	0.00	0	1,799	7,196	8,995	0.00	0	199	796	995
DP 5010 - Traffic Data Collection Support	50	0.00	0	7,412	29,647	37,059	0.00	0	7,412	29,647	37,059
DP 5011 - Tribal Safety Coordinator	50	1.00	0	0	0	0	1.00	0	0	0	0
DP 5012 - Weigh-In-Motion (WIM) Support	50	0.00	0	5,912	23,648	29,560	0.00	0	5,912	23,648	29,560
DP 5013 - Accounting Adjustments	50	0.00	0	1,333	12,000	13,333	0.00	0	1,333	12,000	13,333
DP 5020 - Remove Positions Vacant One Year or More	50	(0.10)	0	(690)	(1,772)	(2,462)	(0.10)	0	(690)	(1,773)	(2,463)
DP 5025 - Emergency Medical Services Grants (Restr/Biennial)	50	0.00	0	1,000,000	0	1,000,000	0.00	0	1,000,000	0	1,000,000
DP 5035 - Senior Transportation (Restricted/Biennial/OTO)	50	0.00	0	300,000	0	300,000	0.00	0	0	0	0
DP 6013 - 2011 Biennium Pay Plan - HB 13	50	0.00	0	5,929	19,096	25,025	0.00	0	17,941	57,596	75,537
DP 6014 - Pay Plan Lump Sum Payment OTO	50	0.00	0	3,500	11,060	14,560	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%	50	0.00	0	(37,064)	(118,151)	(155,215)	0.00	0	(37,226)	(118,678)	(155,904)
Total	1.90	\$0	\$1,535,325	\$514,299	\$2,049,624	1.90	\$0	\$1,242,075	\$387,074	\$1,629,149	

DP 5005 - Rest Area Stipend - A biennium increase of \$150,000 state special revenue funds payments for stipends to the city park rest area communities for minor or routine repairs on these rest areas with the understanding that the rest areas are open 24/7 during summer months. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 5006 - Highway Traffic Safety Section 408 - A biennium increase of \$915,400 federal special revenue funds the addition of 1.00 FTE to provide project management oversight, team leadership, and coordination for contracted information technology (IT) architecture activities for the federally funded federal transportation safety grant program and intra-agency coordinating committee supporting the implementation of Traffic Records Strategic Plan. Included in the funding is \$750,000 unspecified operating costs to fund indirect, administrative, and training costs along with the following IT projects:

- Emergency Medical Services (EMS)/Health Information and Resource Management System (HIRMS)
- An interface with the Judicial Branch court system
- Enhancements to the Department of Justice SmartCop program

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: Section 408 (23 U.S.C. Section 408 for Transportation Safety) grant monies were used during the last biennium to contract information technology (IT) services to design and establish a linked data system. To continue this program, the state still needs resources for the future implementation and management of that system. The funds support the program manager to facilitate the Traffic Records Coordinating Committee (TRCC) responsible for implementing the Traffic Records Strategic Plan.

The traffic records project is a major component of Montana's Comprehensive Highway Safety Plan that addresses improvements in timely and accurate traffic safety data collection for use by key stakeholders. Through the implementation phase, this project will eventually improve the storage, processing, and accessibility of traffic safety related data by multiple state and federal agencies. The project will add cost efficiencies related to the use and sharing of data while preventing duplication of efforts. Additionally, the program manager funded by Section 408 develops reports for the National Highway Traffic Safety Administration (NHTSA) on the progress of the Montana's traffic records program. The department will apply for additional Section 408 grant funds in FY 2009 to continue this project.

Goal: Improvements to the timely and accurate collection of traffic safety data as well as the storage, processing, and accessibility to that data by multiple state and federal agencies. This project will also improve the interoperability of the various traffic safety databases throughout the state at the state and local level.

Performance Criteria: Each key activity or sub-project within the 408 program has specific performance measures that must be met to ensure the continuance of funding each year. There are approximately 20 sub-projects under the program (please reference attachment A).

Milestones: Each sub-project within the program has multiple activities and dates (please reference attachment B).

FTE: 1.00 FTE would provide project management oversight and team leadership, and would coordinate contracted information technology (IT) architecture. Each project has a defined lead agency and project lead. The contracted program manager funded in this request coordinates the traffic records related projects for the agencies participating in this program

Funding: Current funding is from a grant funded by the National Highway Transportation Administration (NHTSA) from federal fiscal years 2006 through 2009. Qualified states including Montana received \$300,000 the first year, \$500,000 in 2007, and \$500,000 in 2008. Each state has to meet performance measures in accordance with the requirement of the grant based upon the Traffic Records Strategic Plan. MDT will apply for \$500,000 in federal FY 2009. Applications submitted each year to NHTSA includes information about proposed programs defining the purpose, goals, performance measures, key milestones, risks, and costs. After the 2011 biennium, this program will require approximately \$85,000 per year for personal services and \$300,000 per year for operating expenses.

Obstacles: The most significant challenge is the participation level and coordination of the members of the Traffic Records Coordinating Committee (TRCC). The TRCC is responsible for determining the traffic records related projects in support of the goals and objectives of the Section 408 grant.

Risk: The impacts for not adopting the proposal include:

- Traffic safety data will not be accurate, timely, and complete, nor readily exchanged between state and local agencies
- Traffic safety data analysis results will not be readily accessible to the Montana Highway Patrol and local law enforcement for operational decisions including placement of their law enforcement personnel to counter driving-while-intoxicated (DUI) occurrences and other critical traffic violations
- Department safety engineering and pre-construction teams, highway design groups, and maintenance crews rely on current data to assist them in developing strategies that make existing and future roadways safer for the traveling public i.e. placement of rumble strips, guardrails, curb straightening, etc.
- Existing data exchange systems with other states are severely limited and not in compliance with national standards

DP 5008 - State Elderly & Disabled Transit Assistance - A biennium increase of nearly \$344,400 state special revenue increases funding for operating grants for transportation services for persons 60 years of age or older and for persons with disabilities. The funding increase aligns funding with anticipated revenues from an allocation of a general fund transfer to the dedicated fund established for this purpose.

DP 5009 - TRANSCAD Software - A biennium increase of nearly \$10,000 combined state and federal special revenue funds additional traffic modeling software licenses and the associated modeling functions in response to increased demands for traffic demand modeling in urban areas. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 5010 - Traffic Data Collection Support - A biennium increase of \$74,100 combined state and federal special revenue funds hiring of temporary contracted employees to obtain statewide traffic data. The increase also funds travel and equipment costs for the temporary employees.

DP 5011 - Tribal Safety Coordinator - Base year contracted services funding was redirected to personal services to fund 1.00 FTE as a tribal safety coordinator.

DP 5012 - Weigh-In-Motion (WIM) Support - A biennium increase of \$59,100 combined state and federal special revenue funds support for weigh-in-motion (WIM) sites installed as a part of the federal Border Enforcement Grant (BEG). Funding consists of a 20 percent state match for federal funds and: 1) provides support for the video monitoring equipment at the sites; 2) annualizes site support costs that occurred after the close of the base year due to grant timing delays; and 3) provides additional travel to remote and distant sites not represented in base funding. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 5013 - Accounting Adjustments - A biennium increase of about \$26,700 combined state and federal special revenue funds: 1) a no cost accounting change that moves base expenditures from contracted services to the grants expenditure category; and 2) an increase in communications of \$13,333 per year to adjust funding to compensate for an ongoing expenditure the department erroneously recorded against a one-time-only appropriation in FY 2008. State special revenue funding is entirely from the restricted highways state special revenue account.

DP 5020 - Remove Positions Vacant One Year or More - Funding was removed for positions that were identified on the state human resources vacant positions report as being vacant for one year or more. For this division funding for 0.10 FTE in one position was removed. State special revenue funding is from the restricted account of the highways state special revenue fund.

DP 5025 - Emergency Medical Services Grants (Restr/Biennial) - A biennium increase of \$2.0 million state special revenue funds grants to emergency medical services providers. The funding is designated as biennial and restricted only for providing grants and administering the grant program. State special revenue funding is entirely from the nonrestricted highways state special revenue account.

DP 5035 - Senior Transportation (Restricted/Biennial/OTO) - An increase of \$300,000 state special revenue funds transportation service grants for senior citizens and persons with disabilities. Funding is restricted only for the purposes of 7-14-112, MCA and is further designated as biennial and one time only. Contingency language voids the appropriation if HB 645, the economic stimulus bill, does not contain a transfer for \$300,000 from the general fund to the senior citizens and persons with disabilities transportation services account.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - An additional 3 percent per year vacancy savings reduction was added to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment for a total reduction of 7 percent.

Language and Statutory Authority

The legislature included the following language for the division in HB 2:

"Senior Transportation may be used only for the purposes identified in 7-14-112.

State special revenue for Emergency Medical Services Grants may be decreased and federal special revenue increased by a like amount if federal funds are available for the purposes of House Bill No. 85."