



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: April 25, 2015

TO: Members of the Legislative Finance Committee and the Revenue and Transportation Interim Committee

FROM: Chairman Carl Glimm and the members of the Natural Resource and Transportation Joint Subcommittee from the 64th Legislature
(through the Legislative Fiscal Division)

RE: Transportation Infrastructure Funding Through the Highway State Special Revenue Account

The Joint Subcommittee of Natural Resources and Transportation requests your consideration of the formation of an interim committee to review the appropriations and revenues of the highway state special restricted revenue account (HSRA), with the goal of providing recommendations to the Sixty-fifth Legislature.

The problems in HSRA result from both revenue and appropriation matters. The sources of revenue have remained substantially flat over time while the appropriations made from the account have increased. For several years, the appropriations have exceeded the revenues, leading to a dependence on fund balance to cover the costs to the account. The reliance on fund balance in support of growing appropriations can only be relied on as short-term solution to the problem. For the 2017 biennium budget, the subcommittee struggled to create a balanced budget and faced the need to reduce the highway construction budget. Without a plan to mitigate the multi-faceted issues related to the account, the same situation will occur in future years.

For the reasons outlined above, the Natural Resources and Transportation Subcommittee asks that you consider the analysis of the following elements of the HSRA:

- Current uses of the HSRA as related to highway construction, maintenance, and safety
- Short and long-term sufficiency of funding in support of highway maintenance and construction
- Short and long-term sufficiency of funding in support of the functions of the highway patrol

Thank you for your consideration.