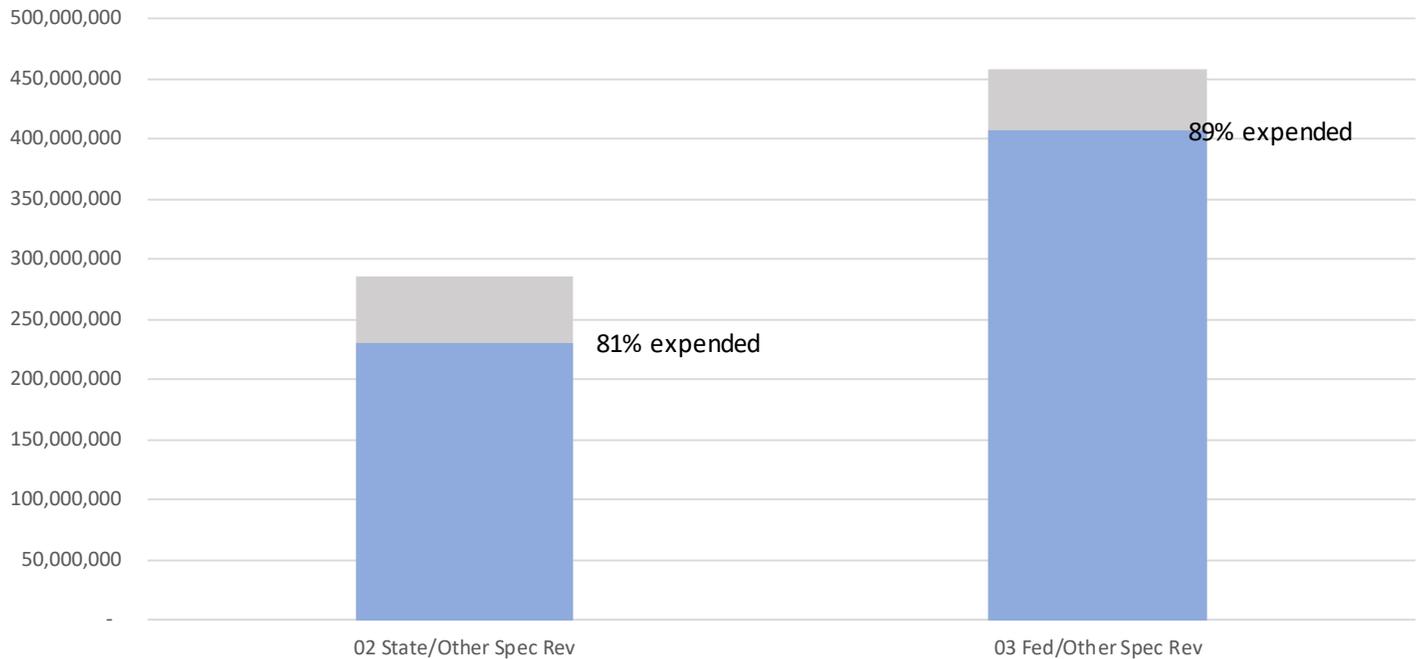


Department of Transportation has \$991,774,213 in total authority, \$743,785,342 (75%) is HB 2 authority
HB 2 Expenditures

86% of the agency's total HB2 budget was expended, **85%** is the 5 year average

Budgeted vs. Expended

by fund type



| Expenditure Account | Budgeted | Expended | % Expended |
|-------------------------------|--------------------|--------------------|------------|
| Personal Services | 168,770,253 | 159,699,882 | 95% |
| Operating Expenses | 513,420,766 | 449,130,519 | 87% |
| Equipment & Intangible Assets | 4,839,600 | 2,172,100 | 45% |
| Capital Outlay | 19,448,776 | 6,388,342 | 33% |
| Grants | 34,264,237 | 19,363,308 | 57% |
| Transfers-out | 2,935,123 | 1,688,114 | 58% |
| Debt Service | 106,588 | - | 0% |
| Agency Program | Budgeted | Expended | % Expended |
| 01 General Operations Program | 34,196,288 | 30,540,536 | 89% |
| 02 Highways & Engineering | 510,166,532 | 431,725,805 | 85% |
| 03 Maintenance Program | 141,579,757 | 132,153,253 | 93% |
| 22 Motor Carrier Services | 13,681,675 | 11,276,005 | 82% |
| 40 Aeronautics Program | 3,665,782 | 2,170,368 | 59% |
| 50 Rail Transit & Planning | 40,495,308 | 30,576,298 | 76% |
| Total | 743,785,342 | 638,442,265 | 86% |

Federal funds make up 61.2% of all funds appropriated to the Department of Transportation (MDT). With state special revenue comprising the remainder.

The expenditures in capital outlay appeared low for FY 2019. This account is primarily used to purchase right-of-way for upcoming construction projects. The department needs to have sufficient authority to purchase land for this purpose. Needs vary greatly dependent upon the construction mix in any given year, therefore having unexpended authority in this account is not unusual. Grants were 57% expended, the budget included funds for the CTEP program which expired in FY 2018.

Most agency programs spent at levels consistent with historical averages, however MDT's entire budget is biennial, which can lead to the appearance of unusually low spending during the second year of the budget cycle, especially in the smaller programs. All unused authority from the first year of the biennium is continued in the second year. The Aeronautics Program's HB 2 budget was 59% due to unused authority from incomplete projects that were budgeted in the first year of the biennium and not started. The Rail, Transit and Planning Division expended 76% of its budget which is lower than the historical average. This was in part due to the revegetation program being placed on hold as well as other planned projects being delayed.

HB 2 Modifications

Negative modifications vs. positive modifications, by program

The net budget modifications were \$0.

| Agency Program | April Budget | FYE Modified Budget | Net Modifications |
|-------------------------------|--------------------|---------------------|-------------------|
| 01 General Operations Program | 34,196,288 | 34,196,288 | - |
| 02 Highways & Engineering | 510,166,532 | 510,166,532 | - |
| 03 Maintenance Program | 141,579,757 | 141,579,757 | - |
| 22 Motor Carrier Services | 13,681,675 | 13,681,675 | - |
| 40 Aeronautics Program | 3,665,782 | 3,665,782 | - |
| 50 Rail Transit & Planning | 40,495,308 | 40,495,308 | - |
| Expenditure Account | April Budget | FYE Modified Budget | Net Modifications |
| Personal Services | 168,770,253 | 168,770,253 | - |
| Operating Expenses | 513,574,966 | 513,420,766 | (154,200) |
| Equipment & Intangible Assets | 4,839,600 | 4,839,600 | - |
| Capital Outlay | 19,448,776 | 19,448,776 | - |
| Grants | 34,150,037 | 34,264,237 | 114,200 |
| Transfers-out | 2,895,123 | 2,935,123 | 40,000 |
| Debt Service | 106,588 | 106,588 | - |
| Fund Type | April Budget | FYE Modified Budget | Net Modifications |
| 02 State/Other Spec Rev | 295,664,828 | 285,231,216 | (10,433,612) |
| 03 Fed/Other Spec Rev | 448,120,514 | 458,554,126 | 10,433,612 |
| Total | 743,785,342 | 743,785,342 | - |

There were few modifications to the budget since May, and most modifications were accounting adjustments used to meet fiscal year end funding needs and requirements. Overall, grants had a positive net modification of \$114,200, which included a transfer within the Aeronautics Program, and a transfer in the Rail Transit and Planning program of \$40,000 which was split between operating expenses and transfers-out. A net reduction of \$154,200 operating expenses in the Aeronautics Division was a result of a HB 661 change. The program needed to transfer authority to the correct account in order to make Pavement Preservation payments in FY 2019 rather than in FY 2020 as planned.

At the end of each fiscal year the department of transportation makes adjustment to its HB 2 appropriations between state special revenue and federal special revenue as allowed by language in HB 2. For FY 2019 these modifications transferred \$10.4 million of authority from state special funds to federal funds, which results in a greater use of federal funds.