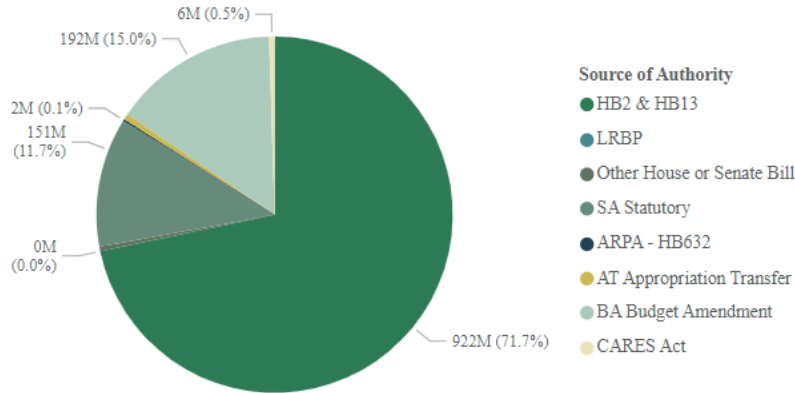


# DEPARTMENT OF TRANSPORTATION

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Transportation is shown in the pie chart below. HB 2 and HB 13 provide 71.7% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

**Total Modified Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	921,885,567	422,067,660	45.8%
AT Appropriation Transfer	7,353,010	483,200	6.6%
BA Budget Amendment	192,259,866	0	0.0%
LRBP	81,250	81,250	100.0%
Other House or Senate Bill	5,034,163	1,651,889	32.8%
SA Statutory	150,848,801	38,689,010	25.6%
CARES	6,416,984	339,238	5.3%
ARPA	1,641,326	3,374	0.2%
<b>Total</b>	<b>1,285,520,967</b>	<b>463,315,621</b>	<b>36.0%</b>

## Budget Amendments

Statute allows agencies to amend the budget to access additional federal revenues (17-7-402(1)(a)(xii), MCA). Most of the budget amendment authority stems from continuing authority from federal redistribution or “grab bag funds” that other states failed to utilize before their obligation limitation expired.

MDT has \$192.3 million in budget authority derived from budget amendments as follows:

- Redistribution of un-utilized funds “grab bag funds” - \$134.3 million
- Bridge Replacement and Rehabilitation Program - \$30.6 million
- Emergency relief funds for spring 2022 floods - \$24.7 million
- Automated weigh station screening system - \$1.1 million
- Montana Motor Carrier Services permit system upgrade - \$1.0 million
- City of Bozeman transit services planning grant - \$451,500

## Statutory Appropriations

Expenditures under statutory authority total \$38.7 million or 8.4% of total expenditures. Statutory appropriation authority for MDT comes primarily from the distributions of gasoline taxes to local and tribal governments, aeronautical grants, and the Local Technical Assistance Program (LTAP).

The 2023 legislature approved HB 536, which created a new state special revenue account; funds in this account are statutorily appropriated for providing state match for additional federal funds. HB 536 transferred \$100.0 million from the general fund into the new account.

Smaller statutory appropriations include appropriations for shared use paths, anti-littering signs, etc.

Statutory expenditures totaling \$38.7 million year to date include:

- HB 536 matching funds - \$20.0 million
- Fuel tax distribution to cities & counties - \$14.8 million
- Tribal governments - \$3.1 million
- Aeronautical Grants - \$697,400
- Local Technical Assistance Program - \$62,500

## Appropriation Transfers

The budget includes \$7.4 million in appropriation transfers that fund long range IT projects in the general operations, and the rail, transit, and planning programs; \$483,200 or 6.6% of the budget has been expended.

## Other Bills

The Department of Transportation had approximately \$5.0 million appropriated from other house and senate bills. The appropriations consist of \$3.9 million in state special revenue and \$1.1 million in general fund. The long-range building plan (HB 5) provide state special revenue for maintenance and operation on infrastructure in the state. HB 5 also provides \$1.0 million in general fund to construct new public sidewalks along U.S. highway 2. HB 904 provides general fund authority to implement a commercial driver’s license training program. HB 938 provides \$1,000 in general fund to implement encroachment permits. HB 880 designates the huckleberry as the official state fruit and appropriates \$500 from the general fund to include an image of the huckleberry in state symbols and maps. The table below summarizes authority and expenditures under other house and senate bills.

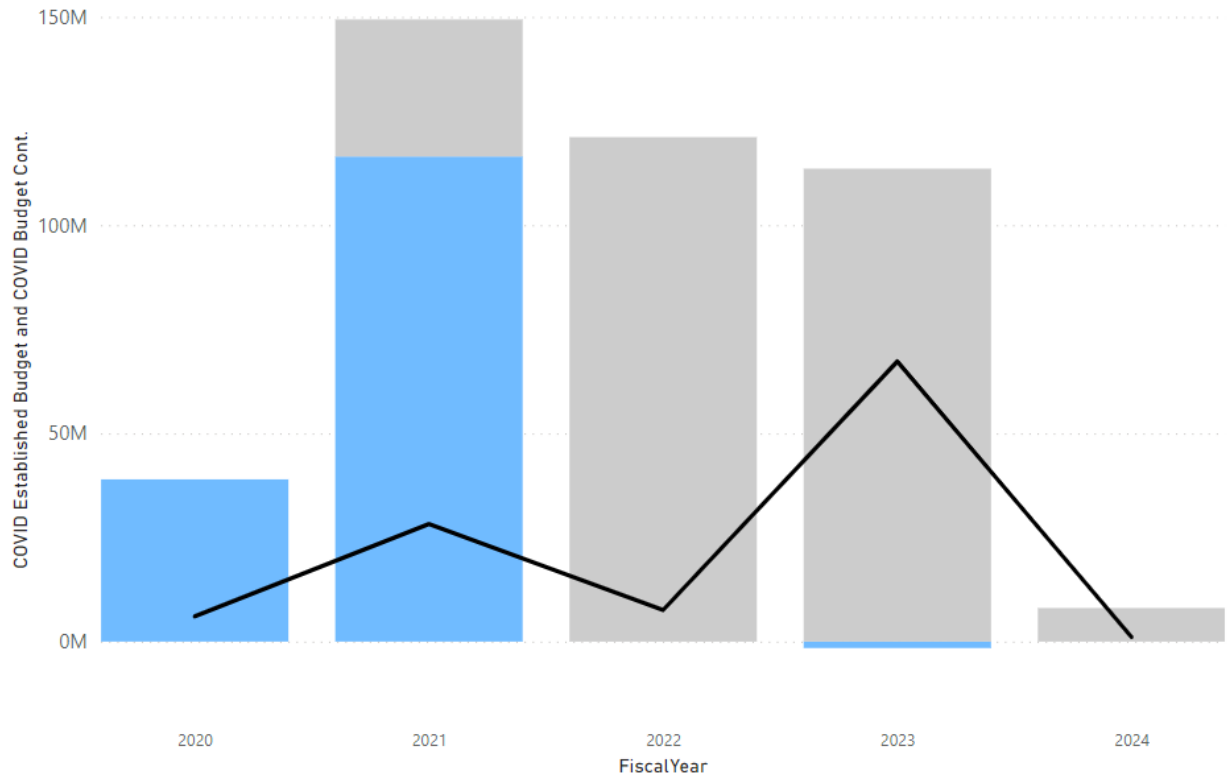
Other House and Senate Bills				
<u>Bill</u>	<u>Fund Type</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Percent Expended</u>
HB 5 - Maintenance, Repair, and Small Projects	State Special	3,000,000	857,327	28.6%
HB 5 - US Highway 2 Sidewalks	General Fund	1,000,000	-	0.0%
HB 5 - Operation and Maintenance	State Special	932,663	794,563	85.2%
HB 904 - Commercial Drivers License Training	General Fund	100,000	-	0.0%
HB 938 - Encroachment	General Fund	1,000	-	0.0%
HB 880 - Huckleberry State Fruit	General Fund	500	-	0.0%
	<b>Total</b>	<b>5,034,163</b>	<b>1,651,890</b>	<b>32.8%</b>

### COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year

● COVID Established Budget ● COVID Budget Cont. ● COVID Expenditures



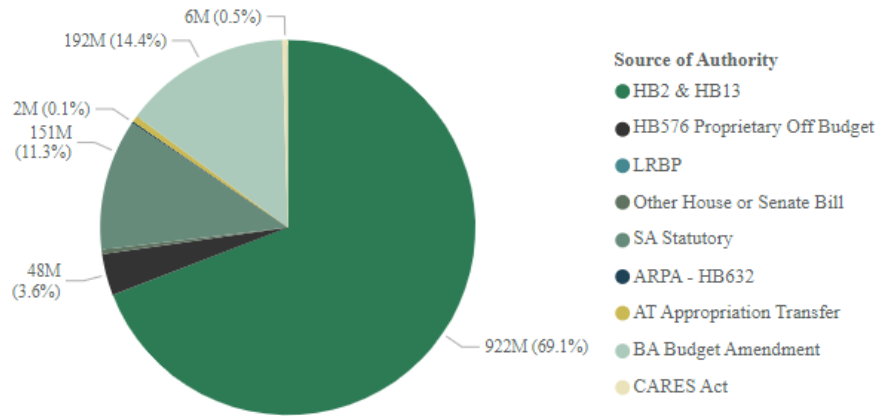
Coronavirus Aid, Relief, and Economic Security (CARES) Act I authority totals \$6.4 million for FY 2024. The Aeronautics Division has expended \$144,000 on operation and maintenance at state owned airports. The rail, transit, and planning program has expended \$195,200 primarily on grants.

American Rescue Plan Act (ARPA) funding from HB 632 (2021 session) provides \$586,883 to the aeronautics program primarily for operating expenses, and \$1.1 million to the rail, transit, and planning program primarily for grants. Year-to date, the aeronautics program has expended \$3,400.

### Expenditure Authority

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

**Modified Budget & Expended Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	921,885,567	422,067,660	45.8%
AT Appropriation Transfer	7,353,010	483,200	6.6%
BA Budget Amendment	192,259,866	0	0.0%
HB576 Proprietary Off Budget	47,699,153	19,611,590	41.1%
LRBP	81,250	81,250	100.0%
Other House or Senate Bill	5,034,163	1,651,889	32.8%
SA Statutory	150,848,801	38,689,010	25.6%
CARES	6,416,984	339,238	5.3%
ARPA	1,641,326	3,374	0.2%
<b>Total</b>	<b>1,333,220,120</b>	<b>482,927,211</b>	<b>36.2%</b>

**Non-budgeted Proprietary Fund Authority**

The state motor pool operates and maintains a fleet of vehicles available to all state offices and employees who conduct official state business. State motor pool revenues are generated through vehicle rental fees charged to the state agencies. On occasion, the program receives revenues resulting from the sale of surplus property and accident damages reimbursed by private individuals or insurance companies.

The equipment program rents and leases equipment only to other programs within MDT such as highways and engineering, motor carrier services, maintenance, and planning. The program charge rental fees for the use of equipment and on occasion generates revenue from the sale of surplus equipment.

The state-owned Yellowstone Airport near the town of West Yellowstone, Montana provides private and commercial air service to Yellowstone National Park. Fees are charged for leases and other services. The table below summarizes the non-budgeted authority for the MDT.

Program	Appropriation	Expended	Percent Expended
Highway Equipment	\$40,359,226	\$16,614,574	41.2%
State Motor Pool	6,829,101	2,947,071	43.2%
Yellowstone Airport	510,826	49,945	13.0%
	<b>\$47,699,153</b>	<b>\$19,611,590</b>	<b>41.1%</b>

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from July 1, 2023, through November 30, 2023. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

### Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
<b>Department of Transportation</b>	<b>921,885,567</b>	<b>921,885,567</b>	<b>0</b>
01 GENERAL OPERATIONS PROGRAM	34,037,342	34,752,873	715,531
02 HIGHWAYS & ENGINEERING	648,008,989	646,096,612	-1,912,377
03 MAINTENANCE PROGRAM	172,999,480	174,052,520	1,053,040
22 MOTOR CARRIER SERVICES	15,109,296	15,109,296	0
40 AERONAUTICS PROGRAM	3,401,192	3,401,192	0
50 RAIL TRANSIT & PLANNING	48,329,268	48,473,074	143,806
<b>Total</b>	<b>921,885,567</b>	<b>921,885,567</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	187,247,617	187,247,617	0
62000 Operating Expenses	683,421,500	682,489,163	-932,338
63000 Equipment & Intangible Assets	4,712,186	5,361,086	648,900
64000 Capital Outlay	13,586,865	13,630,498	43,633
66000 Grants	30,227,643	30,152,643	-75,000
68000 Transfers-out	2,689,756	2,689,756	0
69000 Debt Service		314,805	314,805
<b>Total</b>	<b>921,885,567</b>	<b>921,885,567</b>	<b>0</b>

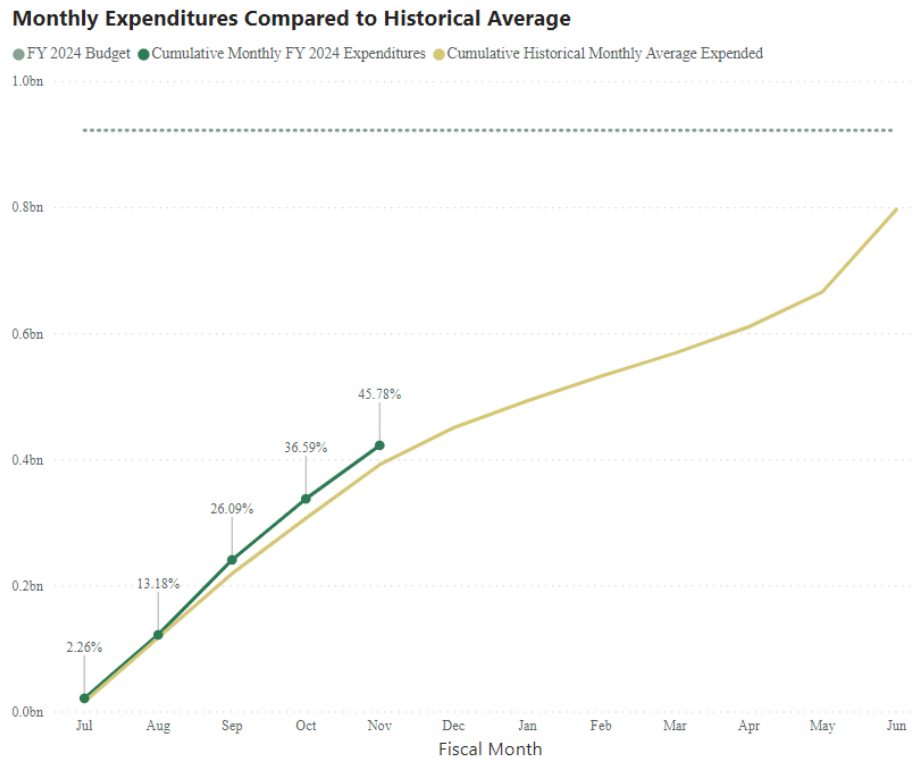
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
02 State/Other Spec Rev	316,413,899	316,520,153	106,254
03 Fed/Other Spec Rev	605,471,668	605,365,414	-106,254
<b>Total</b>	<b>921,885,567</b>	<b>921,885,567</b>	<b>0</b>

The Department of Transportation had several HB 2 budget modifications between July 1, 2023, and November 30, 2023. Changes in the operating plan moved \$1.0 million in authority for operating expenses and grants to equipment, debt service, and capital outlay. Other changes to the operating plan decreased federal authority by \$106,254 and increased state special revenue by a like amount. Language in HB 2 allows the agency to shift authority between state special revenue and federal revenue with certain limitations. Program transfers that reallocated state-wide present law adjustments moved authority from the highways and engineering program to the maintenance, operations, and rail, transit, and planning programs.

There was no net change in the overall budget.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2023.



The tables below show expenditure rates through November 2023 for the agency compared to average expenditure rates over the previous five years.

Program Name	Modified Budget	Expended Budget	% Expended	5-Year Avg
01 GENERAL OPERATIONS PROGRAM	34,752,873	13,120,590	37.8%	43.2%
02 HIGHWAYS & ENGINEERING	646,096,612	337,190,116	52.2%	44.1%
03 MAINTENANCE PROGRAM	174,052,520	57,375,895	33.0%	34.5%
22 MOTOR CARRIER SERVICES	15,109,296	5,315,493	35.2%	30.9%
40 AERONAUTICS PROGRAM	3,401,192	645,430	19.0%	9.9%
50 RAIL TRANSIT & PLANNING	48,473,074	8,420,137	17.4%	18.7%

Expenditure Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
Personal Services	187,247,617	70,003,895	37.4%	33.3%
Operating Expenses	682,489,163	341,866,771	50.1%	48.4%
Equipment & Intangible Assets	5,361,086	1,458,685	27.2%	8.3%
Capital Outlay	13,630,498	6,845,203	50.2%	22.0%
Grants	30,152,643	1,747,682	5.8%	7.9%
Transfers-out	2,689,756	119,191	4.4%	9.6%
Debt Service	314,805	26,234	8.3%	0.0%

Fund Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
02 State/Other Spec Rev	316,520,153	128,147,947	40.5%	39.1%
03 Fed/Other Spec Rev	605,365,414	293,919,713	48.6%	44.4%
<b>Total</b>	<b>921,885,567</b>	<b>422,067,660</b>	<b>45.8%</b>	<b>42.5%</b>

The Department of Transportation expended 45.8% of its \$921.9 million HB 2 modified budget through November 30, 2023. This compares to an average expenditure rate over the same period in the previous five years of 42.5%.

The three largest programs by budget, highways & engineering, general operations, and maintenance combine expended at a rate of 47.7% through November; this compares to 42.0% in previous years. Rail, transit and planning program expended 17.4% of the budget compared to an average of 11.1%. Other programs also expended at higher rates.

### Personal Services

Appropriations for personal services in the Department of Transportation total \$187.2 million and are 37.4% expended through November 30, 2023. The department has 2,021.27 HB 2 FTE, of which 331.77 are classified as aggregate positions. Aggregate positions are historically more seasonal or temporary in their nature. Multiple people may be employed under these position numbers throughout the year. The table below shows the budgeted FTE for MDT. The equipment program and the motor pool fund FTE from proprietary sources and therefore are not part of the HB 2 budget.

Department of Transportation HB 2 FTE					
Program	HB 2			Proprietary	Total
	Regular	Aggregated	Total HB 2		
General Operations	185.80	-	185.80	-	185.80
Highways & Engineering	586.50	274.22	860.72	-	860.72
Maintenance	684.00	57.55	741.55	-	741.55
State Motor Pool	-	-	-	7.00	7.00
Equipment	-	-	-	123.00	123.00
Motor Carrier Services	124.44	-	124.44	-	124.44
Aeronautics	9.00	-	9.00	-	9.00
Rail, Transit & Planning	99.76	-	99.76	-	99.76
<b>Total</b>	<b>1,689.50</b>	<b>331.77</b>	<b>2,021.27</b>	<b>130.00</b>	<b>2,151.27</b>

The agency has posted hiring notices for 208 positions. On average, the postings have been open for 36 days and typically receive eight responses. The most difficult positions to hire are construction managers, mechanics, and engineers; those are receiving five or fewer submissions. Since July, 56 agency employees have left state government, 17 retired, and three transferred to another agency.

The agency paid contractors about \$244.9 million. The agency does use contractors to balance workload depending on complexity of the project, vacant positions, and deadlines. The Construction program accounted for 96.3% or \$235.8 million of contracting expense, maintenance programs accounted for 2.7% or \$6.6 million, and general operations accounted for 0.7% or \$1.7 million. Other programs accounted for the remainder.

Overtime pay totaled about \$1.9 million between July and the end of October. Most of this overtime, \$1.3 million or 68.4% was in the construction program which is typical for this program during the construction season and not related to vacant positions. In other programs about \$100,700 in overtime was the result of existing staff covering vacant positions. Vacant positions driving overtime include enforcement officers, budgeting and accounting professionals, maintenance techs, and engineers.

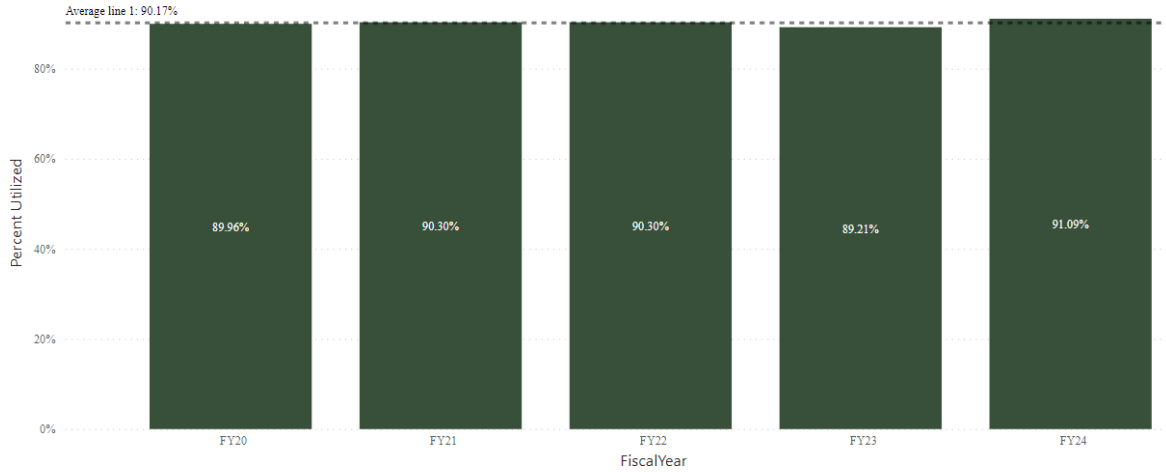
As of November 1, the agency had 130.29 FTE positions vacant. The table that follows shows vacancies by program for HB 2 positions only.

Department of Transportation Vacancies As of November 1, 2023							
<u>Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>		<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>
<b>Rail, Transit &amp; Planning</b>				<b>Highways &amp; Engineering</b>			
Environmental PE	1.00	2.4	\$40.97	Accountant 2	1.00	13.4	\$29.57
Grants BC	1.00	11.4	62.81	Appraisal Supervisor	1.00	22.9	36.25
Transportation Planner	2.50	13.6	35.17	Bridge Area Engineer	2.00	6.2	45.06
Transportation Planner 3	0.80	28.0	39.79	Bridge Eng	1.00	3.1	40.97
<b>Division Total / Average<sup>1</sup></b>	5.30	13.2	\$42.18	Bridge Inspector Lead	3.00	70.9	54.39
<b>General Operations Program</b>				Bridge Management Eng			
ACB/ACS Program Accountant	2.00	3.4	\$29.57	Butte CE IV	1.00	7.2	45.06
Accountant	3.00	251.0	23.11	CE Tech	1.00	9.5	37.90
Accounting Technician 1	0.50	25.5	16.23	Core Driller	2.00	8.7	20.27
Admin Supervisor	1.00	48.9	18.85	Design Supervisor	1.00	2.7	30.19
Auditor 1	2.00	25.5	25.55	Designer 1	1.00	2.7	35.61
Budget Analyst	1.00	10.7	33.52	DFO	1.00	0.9	29.24
Commitment Management BC	1.00	4.0	56.34	District Adm in	1.00	17.6	34.56
Document Imaging Assistant	1.00	4.5	19.90	District Adm ins	1.00	11.9	21.48
Federal Budget Analyst	1.00	15.5	33.52	Eng Ops Systems Supv	2.00	8.2	21.48
Fiscal Ops Supervisors	1.00	0.4	34.56	Engineer Supervisor	1.00	28.0	42.63
Human Resources Assistant	1.00	0.6	20.60	Engineering Analyst	1.00	23.1	45.06
Lawyer	1.00	2.2	41.36	Engineering Analyst 2	3.00	7.2	32.08
MCS Spec	1.00	50.9	26.11	Engineering Project Manager	1.00	12.8	40.97
Procurement Agent	1.00	54.1	28.54	Geotech Engineers	1.00	14.6	55.28
Project Manager	0.25	4.5	47.69	IT Systems Analyst	1.00	0.8	40.97
Public Relations Specialist 2	1.00	126.1	38.19	Materials Lab Jr. Coordinator	1.00	16.0	35.19
Software Developer	1.30	6.1	41.22	Materials Lab Supervisor	1.00	16.0	31.07
Software Developer 3	2.00	55.9	45.80	Materials Tech	1.00	14.6	48.58
<b>Division Total / Average<sup>1</sup></b>	22.05	57.3	\$31.58	Photogrammetrist	1.00	2.7	19.39
<b>Maintenance Program</b>				Research Manager			
Admin Assist	1	2.8	\$18.15	Right of Way Agent 3	1.00	3.6	31.13
Custodian	1	1.6	23.10	Road Design Checker	2.00	1.6	41.60
District AAA	2	1.4	29.57	Road Design Eng	2.00	5.3	34.46
Maintenance Carpenter	1	5.0	24.40	ROW Checker	1.00	2.2	37.90
Maintenance Crew Leader (P)	2	0.8	27.10	Surveyor	1.00	3.1	34.46
Maintenance Tech I	9	1.6	25.10	Traffic Design Engineer	1.00	4.5	32.86
Maintenance Tech II	2	2.1	24.60	Traffic Designer	1.00	5.0	32.08
Maintenance Tech III	1	9.4	21.50	Unmanned Aircraft Systems Mgr	1.00	2.2	34.46
Maintenance Tech IV	18	0.4	21.50	<b>Division Total / Average<sup>1</sup></b>	43.00	13.7	47.69
Mtnce Section Supv	4	1.4	55.28	<b>Motor Carrier Services</b>			
Striping Foreman	1	0.4	26.60	MCS Admin	0.94	1.7	\$18.15
STRIPING MACHINE OPR/DRIVER	1	4.6	23.40	MCS Enforcement	12.00	79.2	25.96
Veg&Noxious Weed Spray Forema	1	1.3	23.40	MCSAP Compliance Specialist	2.00	5.0	34.66
<b>Division Total / Average<sup>1</sup></b>	44.00	1.4	\$26.30	<b>Division Total / Average<sup>1</sup></b>	14.94	64.4	\$26.63
<b>Aeronautics Program</b>							
Program Specialist 1	1.00	1.5	\$27.86				
<b>Division Total / Average<sup>1</sup></b>	1.00	1.5	\$27.86	<b>Grand Total<sup>1</sup></b>	130.29	22.6	\$31.24

<sup>1</sup> Averages for months vacant and pay rate are weighted by FTE



The chart below shows the hourly utilization percentage for the Department of Transportation between July 1 and November 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 91.1% of the hours budgeted for FY 2024 through November compared to a utilization of 90.17% in previous years.



## OTHER ISSUES

### Information Technology Project Expenditures

The table below summarizes major IT projects for the Department of Transportation. Detailed descriptions of each project follow below.

Large Information Technology Projects Original and Revised Budgets						
Project	Start Date	Status	Original Budget	Revised Budget	Expended	Percent Expended
Federal Billing Project	10/1/2019	On-Hold	5,964,440	10,160,640	7,294,855	71.8%
The Program and Project Management System (PPMS)	6/24/2019	On-Hold	2,972,349	2,972,349	1,845,470	62.1%
Montana Citizen Portal Prototype	7/1/2022	Complete	542,261	542,261	542,261	100.0%

The Federal Billing Project was originally planned to satisfy billing requirements of the Federal Highway Administration (FHWA). However, the project was re-scoped when it was discovered that to make the project costing module effective the system needed to become an enterprise and human resource solution to capture all costs.

The Program and Project Management System (PPMS) will create and manage all parts of the project management and nomination process for the FHWA.

Montana Citizen Portal Prototype - The State of Montana has multiple places citizens must navigate online to access government services. Additionally, citizens must know the destination site/webpage/form before beginning to find what they are seeking. State agencies, including MDT, Department of Corrections, and Department of Administration/Statewide Information Technology Services Division hope to implement a Citizen Portal through ServiceNow to provide “no wrong door” for customers to engage with government

services online by focusing on the digital customer 9 experience. This is a prototype project, to prove the Citizen Portal vision for a one-stop, shop anytime, anywhere solution.

**Status of Line-Itemed Decision Packages, 2023 Legislature**

The table below summarizes the agency’s expenditures against legislative appropriations for decision packages that appear as line items in HB 2. A detailed discussion of each decision package is provided below.

<b>The Department of Transportation</b>				
Legislative Appropriation and Expenditures for the 2025 Biennium FY 2024				
<u>Decision Package</u>	<u>Legislative Appropriation</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Percent Expended</u>
DP 110 - 5G Cellular Network (OTO)	\$175,000	\$175,000	\$162,780	93.0%
DP 317 - CARES Act II Maintenance Projects (OTO)	3,520,000	3,520,000	3,520,000	100.0%
DP 4017 - Bonanza A36 Engine Replacement (Biennial/OTO)	85,000	85,000	-	0.0%
<b>Total of HB 2 Line Itemed Decision Packages</b>	<b>\$3,780,000</b>	<b>\$3,780,000</b>	<b>\$3,682,780</b>	<b>97.4%</b>

DP 110 - 5G Cellular Network (OTO)

FY 2024 – \$175,000 State Special Revenue  
 FY 2025 – \$175,000 State Special Revenue

The legislature adopted a one-time-only increase to the state special revenue appropriation in FY 2024 and FY 2025 to carry out program delivery functions. The increase will fund 5G cellular network upgrades. The 5G network will provide greater data transmission speeds, lower latency, and the ability to expand the number of connected devices across the state.

DP 317 - CARES Act II Maintenance Projects (OTO)

FY 2024 – \$3,520,000 Federal Special Revenue

The legislature adopted an increase to the federal special revenue appropriation in FY2024 based on the remaining CARES Act II projects authorized through HB 630 from the Sixty-seventh Legislature.

DP 4017 - Bonanza A36 Engine Replacement (Biennial/OTO)

FY 2024 – \$85,000 State Special Revenue

The legislature adopted a one-time-only increase in state special revenue appropriations in FY 2024. The increase will fund replacement of the Bonanza A36 airplane engine with an overhauled engine, per the manufacturer's recommendation. The aircraft is used to carry out the mission and goals of the aeronautics program and as a secondary search and rescue asset.