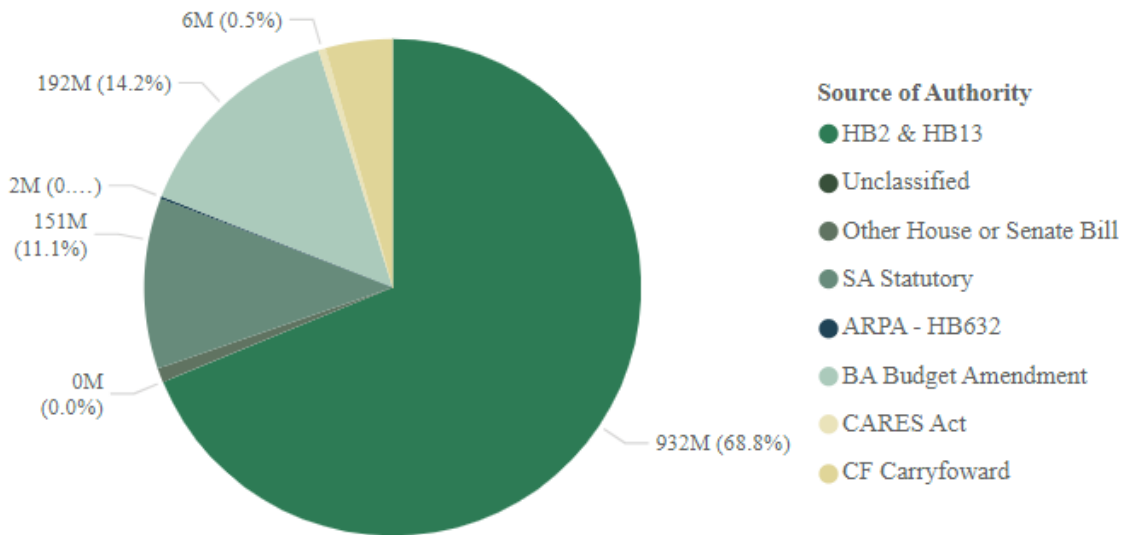


DEPARTMENT OF TRANSPORTATION

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 68.8% 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	931,557,709	675,656,961	72.5%
BA Budget Amendment	192,341,116	46,665,910	24.3%
CF Carryforward	59,025,745	296,222	0.5%
Other House or Senate Bill	12,287,173	2,117,185	17.2%
SA Statutory	150,848,801	70,263,775	46.6%
Unclassified	57,732		
CARES	6,416,984	479,870	7.5%
ARPA	1,641,326	816,494	49.7%
Total	1,354,176,586	796,296,416	58.8%

Budget Amendments

- Budget amendment authority is currently 24.3% expended. The following shows a breakdown of the \$192.3 million in federal special revenue budget amendment authority, the majority of which is continuing authority:
 - \$134.4 million – Federal Highway Administration (FHWA) redistribution funds federally obligated for the construction program
 - \$30.6 million – Bridge replacement and rehabilitation – 100% expended
 - \$24.7 million – Emergency flood funds - \$16.6 million or 67.2% expended
 - \$1.1 million – Federal grant for Motor Carrier Services to implement a truck parking information software system for truck drivers to be able to identify parking stall availability in advance at the Columbus I-90 Westbound rest area and the Homestake I-90 Eastbound truck parking area. This is expected to help alleviate unauthorized parking on non-Interstate routes
 - \$1.0 million – Motor Carrier Services (MCS) permitting system grant
 - \$451,500 - Federal Transit Administration (FTA) pass-through grant for the City of Bozeman for the planning of new transit services

Carryforward

Carryforward authority in the amount of \$59.0 million consists of \$8.2 million state special revenue funds and \$50.8 million of federal special revenue funds. These funds are budgeted for federal project delivery functions such as consultant design and construction activities. The MDT internship program is funded with \$200,000 in state special revenue, which is allocated to personal services of which \$101,322 has been expended. State special revenue funds in the amount of \$500,000 are appropriated to purchase trailers and equipment for the Bozeman maintenance shop of which \$194,900 has been expended.

Other Bills

A portion (0.1%) of the Department of Transportation's budget comes from other house and senate bill authority. Other house and senate bill authority for FY 2024 totals \$12.3 million and \$2.1 million has been expended to date. The majority of other house and senate bill authority comes from HB 5 and HB 10 long range building projects, information technology projects and operations and maintenance (O&M). Most of the HB 5 appropriations (\$3.8 million) are state special revenue funds for repair and projects on smaller buildings throughout the state. Of this, \$1.9 million or 50.0% has been expended at this time. HB 5 includes a general fund appropriation of \$1.0 million for sidewalks along Highway 2. Appropriations for HB 10 consist of long range information technology (IT) projects. These total \$7.4 million, of which \$243,200 has been expended at this time. Currently MDT has multiple IT projects on hold. Further details on IT projects are in the IT section of this report. Smaller appropriations from other bills include the following:

- [HB 904](#) appropriated \$100,000 for commercial driver's license (CDL) training

- [HB 880](#) appropriated \$500 in general fund to update the state highway map to include the huckleberry as the state fruit
- [HB 938](#) appropriated \$1,000 in general fund for encroachment permitting

Statutory Appropriations

Statutory appropriations account for 11.1% or \$150.8 million of the Department of Transportation’s total FY 2024 budget and consists of 100.0% state special revenue. This appropriation has been 46.6% expended as of June 1, 2024. Statutory appropriation authority for MDT is primarily used for the distributions of fuel taxes to local and tribal governments, aeronautics grants, and the Local Technical Assistance Program (LTAP.)

The 2023 Legislature approved SB 536, which transferred general fund into a new state special revenue account; of the funds in this account, \$80.0 million are statutorily appropriated for providing state match for additional federal funds, while \$20.0 million was distributed to cities with populations of 10,000 or fewer. Smaller statutory appropriations include those for shared use paths, anti-littering signs, etc.

Statutory expenditures totaling \$70.3 million year-to-date include:

- SB 536 local roads and bridges – \$20.0 million
- SB 536 matching funds – \$9.0 million
- Fuel tax distributions to cities & counties - \$34.1 million
- Fuel tax distributions to tribal governments - \$6.1 million
- Aeronautics grant program - \$859,891
- Rural technical assistance - \$125,000

Unclassified

Workers compensation reductions in the amount of \$57,732 make up the entirety of unclassified appropriations. Per 39-71-403(1)(b)(iv), MCA, when workers’ compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor’s Office of Budget and Program Planning (OBPP) requires state agencies to:

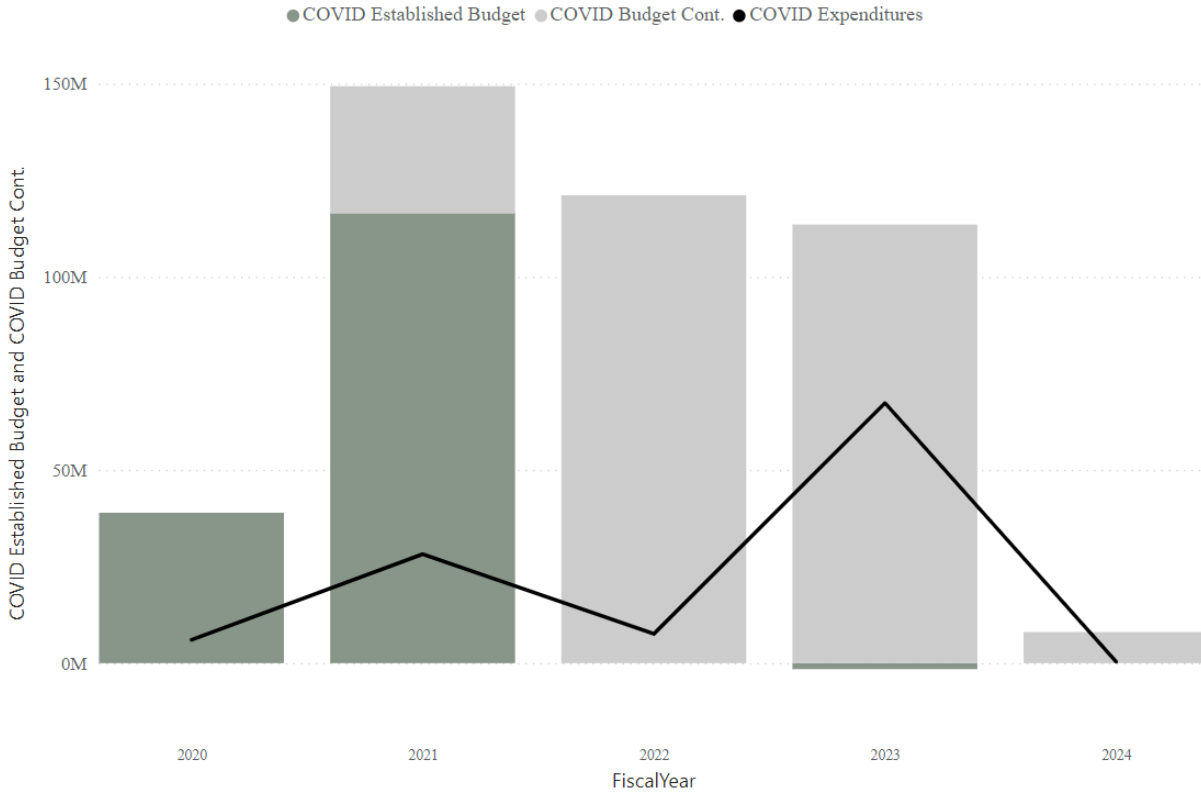
- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers’ compensation entries

The offsetting entries are identified as “frozen” appropriations, which means the appropriations will not be spent unless authorized by OBPP.

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



Coronavirus Aid, Relief, and Economic Security (CARES) Act, totals \$6.4 million for 2024. The Aeronautics Program has expended \$400,357 of its \$425,105 appropriation on personal services, operating expenses and equipment as part of operations and maintenance of the Yellowstone Airport. The remaining \$6.0 million of CARES Act funds are budgeted in the Rail, Transit & Planning Division, primarily for transit-related grants. Of this \$162,485 has been expended; there is no expiration of this funding.

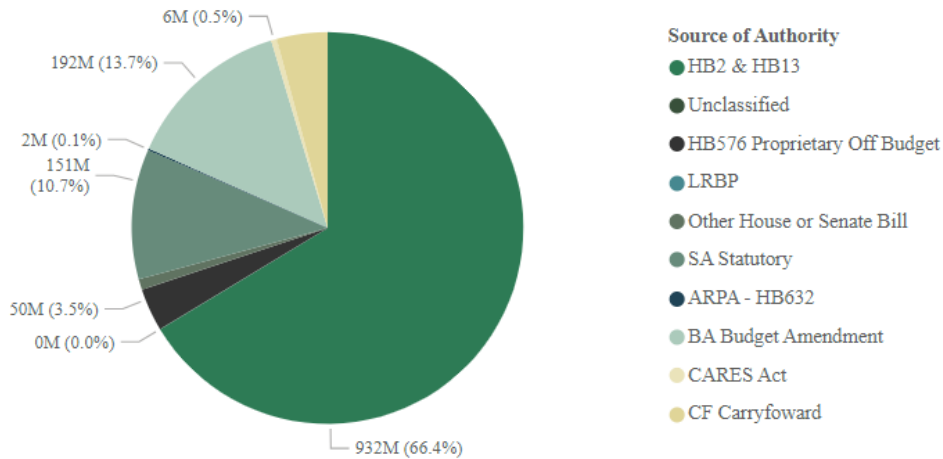
American Rescue Plan Act (ARPA) funding from HB 632 (2021 session) totaling \$1.6 million provides \$586,883 to the Aeronautics Program of which \$3,386 has been expended, this appropriation expires in November of 2025. The Rail, Transit & Planning Division has an ARPA appropriation of \$1.1 million of which \$813,109 has been expended on grants to cities, counties and tribal governments. This appropriation must be obligated by September 2024 and spent by September of 2029.

The remaining CARES Act II/HB 630 funding in the amount of \$12.3 million has been fully expended on the state-funded construction program.

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	931,557,709	599,466,546	64.4%
BA Budget Amendment	192,259,866	46,584,661	24.2%
CF Carryforward	59,025,745	296,222	0.5%
HB576 Proprietary Off Budget	49,591,212	40,068,392	80.8%
LRBP	81,250	81,250	100.0%
Other House or Senate Bill	12,287,173	2,253,303	18.3%
SA Statutory	150,848,801	67,216,900	44.6%
Unclassified	57,732		
CARES	6,416,984	246,110	3.8%
ARPA	1,641,326	739,042	45.0%
Total	1,403,767,798	756,952,425	53.9%

Non-budgeted Proprietary Fund Authority

The MDT has two programs that operate entirely on proprietary funds: the State Motor Pool and the Equipment Program. The MDT-owned Yellowstone Airport in West Yellowstone, MT is part of the Aeronautics Program and is also run on proprietary funding.

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 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 State Motor Pool has expended \$7.9 million or 90.8% of its \$8.7 million budget estimate in FY 2024. Of the amount expended \$4.8 million has been on equipment purchases. Of the remaining \$3.9 million, \$1.9 million has been spent on operating costs, \$544,720 on personal services, and \$267,460 has been spent on debt service.

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 charges rental fees for the use of equipment and on occasion generates revenue from the sale of surplus equipment. The Equipment Program has expended \$35.6 million or 88.2% of its \$40.4 million budget estimate in FY 2024. Of this \$9.5 million was spent

on personal services, \$16.8 million on operating expenses and \$9.2 million was spent on equipment purchases and major maintenance.

The state-owned Yellowstone Airport near the town of West Yellowstone, Montana provides private and commercial air service. Fees are charged for leases and other services. Unlike the State Motor Pool and the Equipment Program, the airport is not an entirely proprietary program and receives operating funds from other sources such as federal grants. Of the proprietary estimated budget of \$510,770, the Yellowstone Airport expended \$52,573 on personal services, \$101,865 on operating expenses, and \$58,1749 on equipment and intangible assets.

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 March 1, 2024 through June 1, 2024. 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	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
Department of Transportation	921,885,567	9,672,142	931,557,709	0	931,557,709
AERONAUTICS PROGRAM	3,401,192	-136	3,401,056		3,401,056
GENERAL OPERATIONS PROGRAM	34,037,342	715,531	34,752,873	195,907	34,948,780
HIGHWAYS & ENGINEERING	648,008,989	7,802,614	655,811,603	-195,907	655,615,696
MAINTENANCE PROGRAM	172,999,480	1,012,017	174,011,497		174,011,497
MOTOR CARRIER SERVICES	15,109,296	-870	15,108,426	0	15,108,426
RAIL TRANSIT & PLANNING	48,329,268	142,986	48,472,254	0	48,472,254
Total	921,885,567	9,672,142	931,557,709	0	931,557,709

Acct & Lvl 1 DESC	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
61000 Personal Services	187,247,617	-49,791	187,197,826	0	187,197,826
62000 Operating Expenses	683,421,500	9,323,645	692,745,145	-961,992	691,783,152
63000 Equipment & Intangible Assets	4,712,186	97,140	4,809,326	257,899	5,067,225
64000 Capital Outlay	13,586,865	43,633	13,630,498		13,630,498
66000 Grants	30,227,643	-384,950	29,842,693	78,125	29,920,818
68000 Transfers-out	2,689,756	78,125	2,767,881	-78,025	2,689,856
69000 Debt Service		564,341	564,341	703,993	1,268,334

Fund Type	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
02 State/Other Spec Rev	316,413,899	116,463	316,530,362	2,765,443	319,295,805
03 Fed/Other Spec Rev	605,471,668	9,555,679	615,027,347	-2,765,443	612,261,904

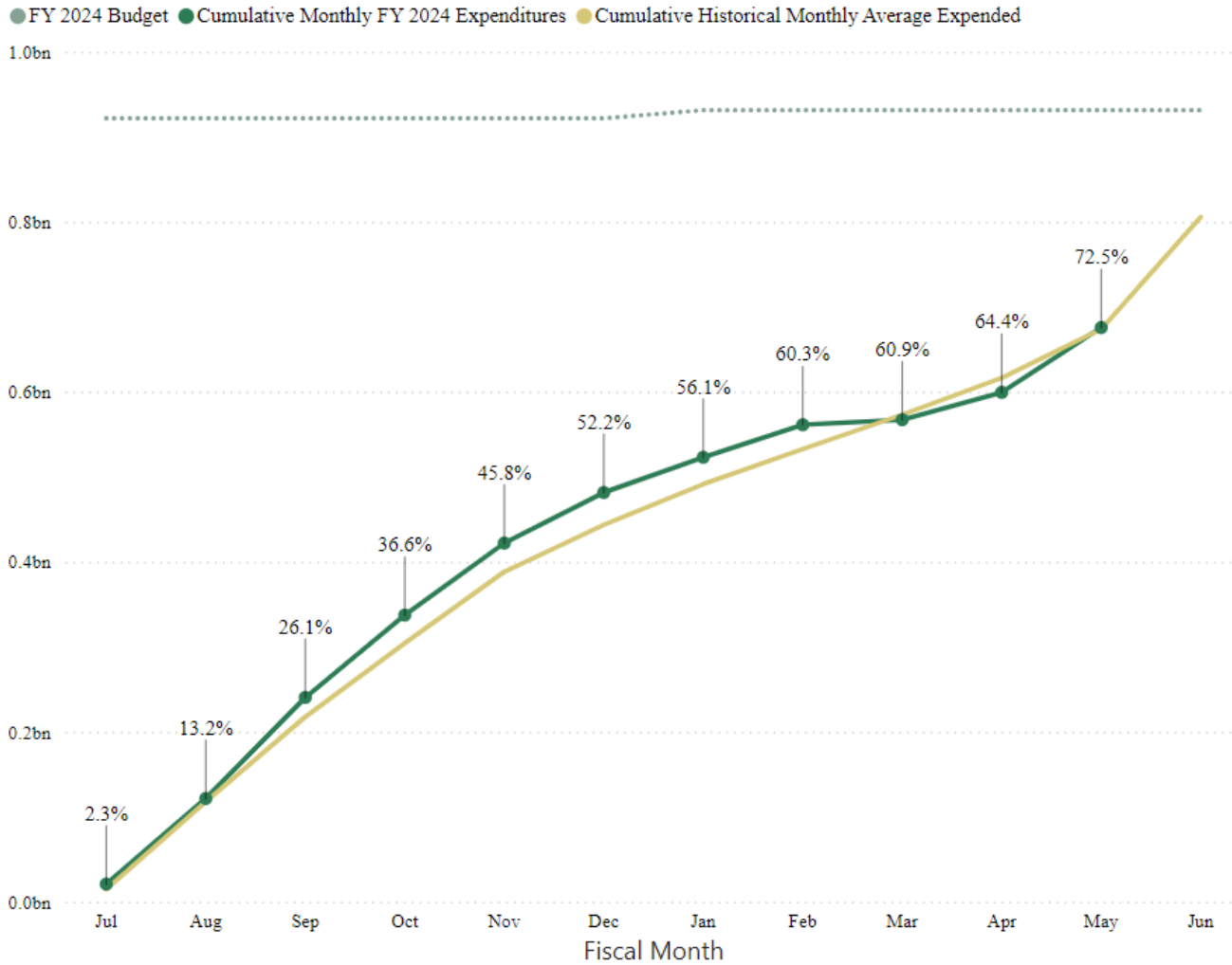
Between March 1, 2024 through June 1, 2024 the Department of Transportation had the following budget modifications:

- A transfer of authority from construction to operations in the amount of \$195,907 due to position transfers from one program to the other
- An adjustment to the Motor Carrier Services budget categories that moved \$290,499 from operating expenses to \$257,899 equipment and intangible assets, and \$32,500 in transfers in order to purchase vehicles and make payments to the Department of Justice Smart Cop Contract and Montana Law Enforcement Academy
- An operating plan change in the planning division transferring \$138,550 of authority for long-term liabilities from operating costs to debt service. This accounting transaction is required and was used for the BlackCat transit management system annual fee
- An appropriation transfer from equipment to debt service in the amount of \$483,200 to comply with accounting rule changes for long term leases
- A realignment of budget authority between state special and federal funds to align spend with regulations

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through June 1, 2024.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
⊕ 01 GENERAL OPERATIONS PROGRAM	34,948,780	28,150,631	80.5%
⊕ 02 HIGHWAYS & ENGINEERING	655,615,696	470,505,388	71.8%
⊕ 03 MAINTENANCE PROGRAM	174,011,497	132,625,702	76.2%
⊕ 22 MOTOR CARRIER SERVICES	15,108,426	11,806,819	78.1%
⊕ 40 AERONAUTICS PROGRAM	3,401,056	1,358,804	40.0%
⊕ 50 RAIL TRANSIT & PLANNING	48,472,254	31,209,617	64.4%
Total	931,557,709	675,656,961	72.5%

Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	187,197,826	159,155,408	85.0%
⊕ Operating Expenses	691,783,152	484,402,786	70.0%
⊕ Equipment & Intangible Assets	5,067,225	2,269,012	44.8%
⊕ Capital Outlay	13,630,498	11,702,277	85.9%
⊕ Grants	29,920,818	15,562,899	52.0%
⊕ Transfers-out	2,689,856	1,679,151	62.4%
⊕ Debt Service	1,268,334	885,427	69.8%
Total	931,557,709	675,656,961	72.5%

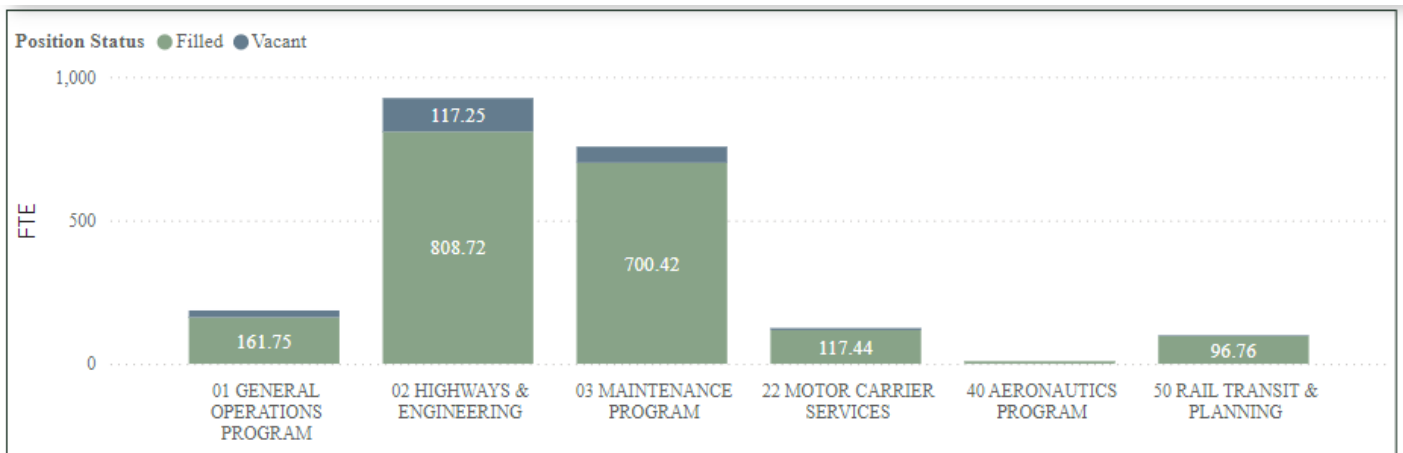
Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 02 State/Other Spec Rev	319,295,805	265,025,402	83.0%
⊕ 03 Fed/Other Spec Rev	612,261,904	410,631,559	67.1%
Total	931,557,709	675,656,961	72.5%

The Department of Transportation has expended 72.5% of its HB 2 authority in FY 2024 as of June 1, 2024. Most programs have spent roughly half to three-quarters of their HB 2 budgets which is on track for this time in the fiscal year. The Aeronautics Division has only expended 40.0% of its budget due to lower expenditures in operating costs. It is not unusual for the Aeronautics Division to have lower rates of expenditure at this time in the fiscal year.

PERSONAL SERVICES

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
Total	1,689.50	331.77	2,021.27	130.00	2,151.27

Appropriations for personal services in the Department of Transportation total \$187.2 million and are 85.0% expended through June 1, 2024. As shown in the chart above, the department has 2021.27 HB 2 FTE including 1689.50 regular FTE and 331.77 aggregated FTE. Aggregate positions are historically more seasonal or temporary in their nature. A total of 90.1% of the regular positions are filled as of May 1, 2024. The following chart shows the filled and vacant FTE within the agency as of May 1, 2024.

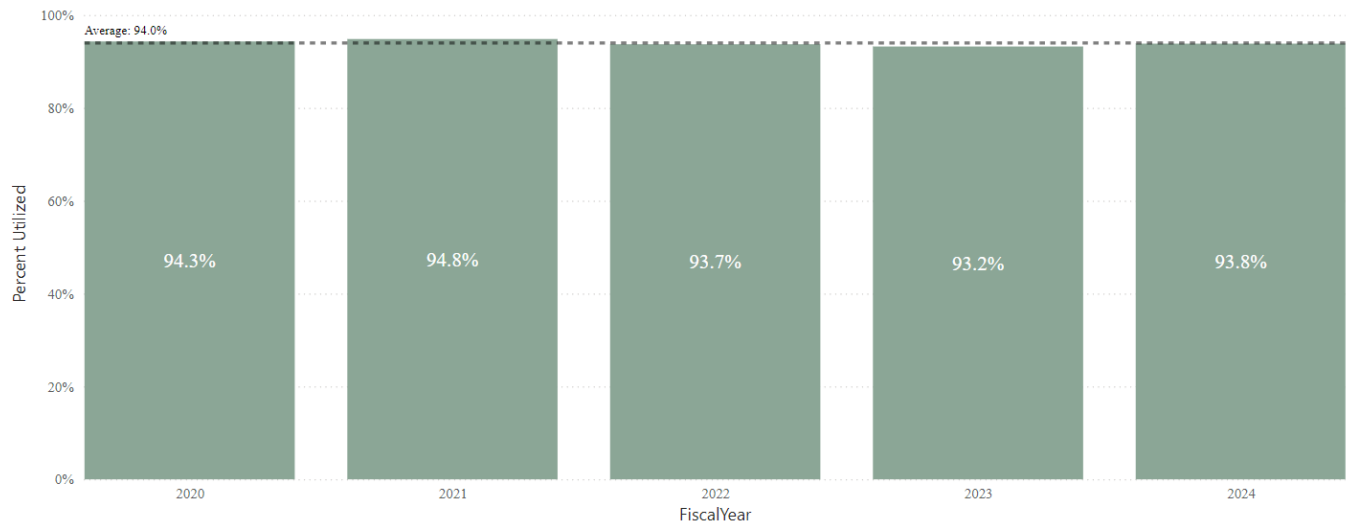


The chart below shows the vacant FTE in each division, the number of months each position has been vacant, and the midpoint hourly pay rate.

Department of Transportation Vacancies As of May 1, 2024

<u>Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>	<u>Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>
General Operations Program				Highways and Engineering			
ACB/ACS Program Accountant	1.00	8.2	29.57	Accountant 2	1.00	19.4	29.57
Accountant	2.00	106.7	26.34	Alternative Contracting Eng	1.00	20.6	45.06
Accounting Technician 1	0.50	31.5	16.23	Assistant Eng Officer	1.00	5.0	24.65
Administrative Specialist 2	1.00	132.1	34.41	Bridge Area Engineer	2.00	9.1	45.06
Agile Project Mgmt Supv	1.00	3.6	45.98	Bridge Designer	1.00	5.9	34.46
Apps 1-2-3 Supervisor	1.00	1.3	43.39	Bridge Inspector Lead	2.00	19.6	54.39
Auditor 2	3.00	1.9	32.69	Bridge Management Eng	1.00	13.2	64.96
Budget Analyst	1.00	1.3	33.52	Broadband Coordinator	1.00	1.3	38.15
Business Development Spc	1.00	56.9	26.11	Business Systems Analyst	1.00	0.8	47.69
Data Governance	1.00	3.6	41.13	CE Tech	5.00	2.7	31.07
Deputy Director	1.00	1.3	75.89	Computer Support Spec	1.00	2.3	25.33
External Audit Manager	1.00	2.9	38.21	Computer Systems Analyst	1.00	1.7	35.19
Federal Budget Analyst	1.00	21.5	33.52	Core Driller	2.00	4.6	27.18
Financial Policy Lead	1.00	55.4	36.96	Design Supervisor	1.00	3.1	35.61
ISD BC	1.00	0.8	55.24	Designer Supervisor	2.00	4.5	35.61
IT Systems Administrator 1	1.00	3.1	37.85	District Admin	1.00	23.5	21.48
IT Systems Administrator Spvsr	1.00	1.7	47.59	District Preconstruction Eng	1.00	1.7	64.96
Learning & Dev Consultant	1.00	1.1	29.91	District Survey Manager	1.00	22.9	36.96
PMO Bureau Chief	1.00	1.7	62.81	Eng Ops Systems Supv	1.00	0.8	42.63
Procurement Supervisor	1.00	1.3	28.12	Engineer Supervisor	1.00	10.0	45.06
Project Manager	0.25	10.4	47.69	Engineering Analyst	4.00	9.5	32.08
Software Developer	1.30	5.9	41.22	Engineering Analyst 1	2.00	2.7	32.08
Division Total / Average¹	24.05	22.6	\$38.44	Engineering Analyst 2	1.00	4.5	40.97
Maintenance Program				Engineering Project Manager	2.00	4.3	55.28
Admin Assist	1	3.1	18.15	Geotech Engineers	1.00	-0.1	40.97
Maintenance Carpenter	1	10.9	24.40	Highways Engineering Analyst	1.00	2.7	37.90
Maintenance Crew Leader (P)	3	7.2	27.10	HR Generalist	1.00	1.5	30.00
Maintenance Tech I	5	1.3	25.10	Hydraulics Engineer	1.00	1.7	40.97
Maintenance Tech II	7	1.0	24.60	IT Systems Analyst	1.00	0.8	35.19
Maintenance Tech III	1	2.2	21.50	Lead Designer	1.00	2.2	34.46
Maintenance Tech IV	14.93	5.0	21.50	Materials Tech	3.00	3.3	19.39
Maintenance Tech V	1	0.4	21.50	Research Manager	1.00	9.5	31.13
Mtnce Section Supv	3	2.7	43.79	Right of Way Agent 3	3.00	3.6	36.98
Striping Foreman	1	4.3	26.60	Survey Project Manager	1.00	4.0	39.57
STRIPING MACHINE OPR/DRIVER	1	10.6	23.40	Division Total / Average¹	51.00	6.3	\$36.76
Veg&Noxious Weed Spray Foreman	1	4.0	23.4	Rail, Transit & Planning			
Division Total / Average¹	39.93	3.8	\$24.80	Biologists	1	4.0	40.31
Motor Carrier Services				Environmental PE	1	8.4	40.97
MCS Enforcement	6	7.6	25.96	Environmental Project Eng	1	2.4	37.90
MCSAP Compliance Specialist	1	8.8	26.76	Total	3	4.9	\$39.73
Division Total / Average¹	7	7.8	\$26.07	Grand Total¹	125	8.7	\$32.74

The chart below shows the historical utilization of hours at this time in the fiscal year. Currently utilization is very close to the historic average utilization of 94.0%.

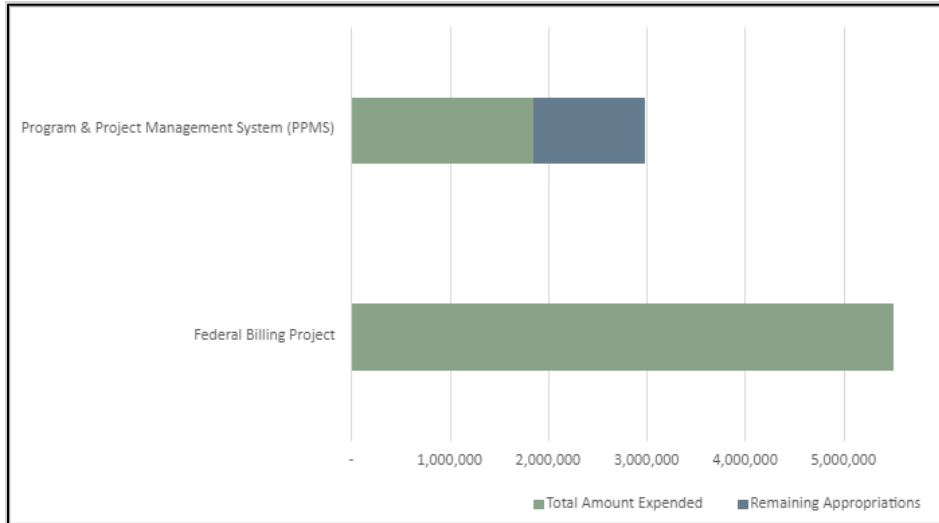


The table below shows utilization by program. The available hours utilized Rail, Transit and Planning are over 100.0%. This program had a large payout and has several seasonal positions that are active early in the fiscal year. Motor Carrier Services is also over 100.0% utilization. This is not unusual for the program which has several law enforcement officers that work long hours.

Agency	YTD HOURS	Available Hours	Percent Utilized
54010 TRANSPORTATION	3,186,594.45	3,395,734	93.8%
01 GENERAL OPERATIONS PROGRAM	283,118.32	312,144	90.7%
02 HIGHWAYS & ENGINEERING	1,305,251.68	1,446,010	90.3%
03 MAINTENANCE PROGRAM	1,193,033.10	1,245,804	95.8%
22 MOTOR CARRIER SERVICES	216,152.83	209,059	103.4%
40 AERONAUTICS PROGRAM	13,338.78	15,120	88.2%
50 RAIL TRANSIT & PLANNING	175,699.74	167,597	104.8%
Total	3,186,594.45	3,395,734	93.8%

OTHER ISSUES

Information Technology Project Expenditures



Federal Billing Project

This 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 project is currently on hold. The previous vendor contract was cancelled, and MDT will be moving forward with a new vendor.

Program and Project Management System (PPMS)

The PPMS is designed to create and manage all parts of the project management and nomination process. The vendor underestimated the project complexity and this project is currently on hold.