

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	349,258,285	360,640,934	11,382,649	3.26 %
Operating Expenses	1,121,708,807	1,420,264,824	298,556,017	26.62 %
Equipment & Intangible Assets	9,019,722	9,339,372	319,650	3.54 %
Capital Outlay	25,913,730	26,543,730	630,000	2.43 %
Grants	47,925,583	60,955,286	13,029,703	27.19 %
Transfers	3,924,692	5,629,512	1,704,820	43.44 %
Total Expenditures	\$1,557,750,819	\$1,883,373,658	\$325,622,839	20.90 %
State/Other Special Rev. Funds	552,075,502	629,239,184	77,163,682	13.98 %
Federal Spec. Rev. Funds	1,005,675,317	1,254,134,474	248,459,157	24.71 %
Total Funds	\$1,557,750,819	\$1,883,373,658	\$325,622,839	20.90 %
Total Ongoing	\$1,537,150,819	\$1,889,626,524	\$352,475,705	22.93 %
Total OTO	\$20,600,000	(\$6,252,866)	(\$26,852,866)	(130.35)%

Agency Description

The Department of Transportation's (MDT) mission is to plan, build, operate, and maintain a safe and resilient transportation infrastructure.

The MDT is the agency responsible for administering the transportation network in Montana. The department plans, designs, builds, and maintains the statewide network of highways and bridges. The department also provides for the other aspects of a statewide transportation system through:

- Aeronautics safety protection and promotion
- General aviation airport planning, safety, promotion, and maintenance facilitation
- Rail infrastructure coordination, monitoring, and planning
- Highway traffic safety promotion, planning, and administration
- Vehicle weight and dimension permitting and law enforcement
- Transit assistance

The Governor appoints a five-member transportation commission that establishes department priorities and apportions funding among the five state financial districts according to statutory guidelines, department recommendations, and community input. The Governor appoints a nine-member Board of Aeronautics which establishes priorities for department aeronautics grant activities.

Agency Highlights

**Department of Transportation
Major Budget Highlights**

The legislature approved an increase to the MDT HB 2 budget authority of 20.9% or \$325.6 million over 2023 biennium appropriations. This is comprised of \$77.2 million in state special funds, and \$248.5 million in federal funds. Most of the agency's state special funding is derived from fuel taxes.

The legislature approved several decision packages (DP)s related to **federal program expansion** in the construction and safety programs, aeronautics, transit, and various other services. The total increase from these DPs is \$40.3 million state special revenue and \$171.9 million federal special revenue. Of note, this includes:

- \$180.4 million increase to contractor payments in the construction program
- \$15.1 million increase for 100.0% state funded construction program maintenance of effort (MOE) in the maintenance program

The legislature approved **inflationary increases** totaling \$82.2 million, mostly due to the statewide present law inflation increase. Additional inflation is due to increases in costs to the proprietary equipment program, which increased its rental rates. Equipment rental inflation to HB 2 programs that utilize the equipment program totals \$14.0 million, including \$13.0 million state special revenue.

Additional material changes approved by the legislature include:

- Consultant design totaling \$45.0 million for the 2025 biennium.
- An increase to the TransADE program for seniors due to increases in rental car tax collections of \$3.6 million state special revenue

The legislature approved a 60-day working capital reserve for the proprietary equipment program and requested rates for the motor pool program in the rates section of HB 2.

The legislature approved the following global changes to the MDT budget:

- An additional 1.0% vacancy savings reduction to personal services totaling \$1.8 million per fiscal year
- Language providing appropriations contingent on passage and approval of the following bills: HB 55, HB 904, SB 47

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	2,018.27	2,018.27	2,021.27	2,019.77
Personal Services	161,040,532	173,434,519	175,823,766	179,919,176	180,721,758
Operating Expenses	482,474,983	567,431,926	554,276,881	683,358,119	736,906,705
Equipment & Intangible Assets	2,243,410	5,156,536	3,863,186	4,712,186	4,627,186
Capital Outlay	4,112,129	12,956,865	12,956,865	13,586,865	12,956,865
Grants	18,150,068	24,172,940	23,752,643	30,227,643	30,727,643
Transfers	1,753,744	1,984,936	1,939,756	2,689,756	2,939,756
Total Expenditures	\$669,774,866	\$785,137,722	\$772,613,097	\$914,493,745	\$968,879,913
State/Other Special Rev. Funds	254,708,165	278,821,881	273,253,621	310,339,631	318,899,553
Federal Spec. Rev. Funds	415,066,701	506,315,841	499,359,476	604,154,114	649,980,360
Total Funds	\$669,774,866	\$785,137,722	\$772,613,097	\$914,493,745	\$968,879,913
Total Ongoing	\$659,474,866	\$774,837,722	\$762,313,097	\$915,817,678	\$973,808,846
Total OTO	\$10,300,000	\$10,300,000	\$10,300,000	(\$1,323,933)	(\$4,928,933)

Summary of Legislative Action

[HB 5](#) - *Long Range Building Appropriations* - Includes appropriations for combination facilities in Great Falls, Kalispell, and Missoula. An appropriation of \$3.0 million for maintenance, repairs and small projects to statewide facilities. An appropriation for \$1.0 million for sidewalks along highway 2

[HB 60](#) - *An act providing for an annual fee on electric vehicles registered in the state* - Provides for an annual registration fee on electric and plug-in hybrid vehicles. The fee ranges from \$70-\$1,100 based on vehicle type and class

[HB 76](#) - *Generally revise transportation laws* - Eliminates the BaRSAA funds and replaces with new a fund. The legislation changes statutory appropriations to cities and counties

[HB 267 \(The SAFER Act\)](#) - *Create SAFER account for federal highway grants* - Creates the Securing Access to Federal Expenditures to Repair Montana Roads and Bridges Account (SAFER), allowing MDT to access the funds for match on funding received from the Federal Highway Administration's (FHWA) August redistribution and discretionary grant awards. The bill transfers \$100.0 million of general fund to the SAFER account to provide for a maximum of \$15.0 million in each fiscal year to match with federal funds

[HB 439](#) - *Create a GVW fee for electric vehicles and hybrids being permanently registered* - Establishes a new permanent registration fee for electric and plug-in hybrid vehicles 11 years and older based on vehicle class

[HB 904](#) - *Generally revise commercial driver's license laws* - Requires MDT to provide free entry-level driver training for commercial driver's licenses that complies with federal requirements

[HB 938](#) - *Generally revise encroachment permit law* - Allows boards of county commissioners to issue encroachment permits. Provides a small appropriation to MDT

[SB 47](#) - *Revise commercial drivers license laws to comply with federal requirements* - Requires MDT to provide free commercial driver's license training

[SB 536](#) - *Provide funding for local government road maintenance* - Transfers \$100.0 million from the general fund to the Local Road and Bridge account at MDT, \$80.0 million of which may be used only for state match to fund construction or repair of off-system bridges, secondary and urban routes, or providing a state matching source. The remaining \$20.0 million will be distributed to towns with a population of less than 10,000

Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Transportation Funding by Source of Authority 2025 Biennium Budget Request - Department of Transportation						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0	0.00 %
State Special Total	639,012,050	(9,772,866)	0	98,202,652	727,441,836	35.04 %
Federal Special Total	1,250,614,474	3,520,000	0	0	1,254,134,474	60.40 %
Proprietary Total	0	0	94,669,420	0	94,669,420	4.56 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$1,889,626,524	(\$6,252,866)	\$94,669,420	\$98,202,652	\$2,076,245,730	
Percent - Total All Sources	91.01 %	(0.30)%	4.56 %	4.73 %		

The department is funded from a combination of state special revenue and federal special revenue. Included in the figure above is the funding for the three proprietary programs: the State Motor Pool internal service program, the MDT Equipment internal service program, and the Yellowstone Airport enterprise program. Statutory appropriations consist of distributions of gasoline taxes to local and tribal governments (state special funds) and federal debt service payments. MDT administers state special revenue accounts used for state MOE and match for federally funded projects, and distributed to local governments. The revenues that fund the accounts can be grouped in two general categories, constitutionally restricted and non-restricted revenues.

Restricted revenues are derived 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. These funds are deposited into the highway state special restricted account (HSSRA). Nonrestricted revenues are derived from special use permits and motor fuel penalties and interest payments. The funds are deposited into the highway state special non-restricted account (HSSRA-Non-Restricted). MDT relies on these funds for maintenance and other functions not directly related to road and highway construction and maintenance, such as emergency services and transit grants.

Impacts of [HB 76](#) and [HB 267](#), The SAFER act

HB 76 and HB 267 have material impacts to the way MDT administers and distributes fuel taxes, and it's available federal matching funds.

HB 76

HB 76 replaces several allocations of fuel taxes to local jurisdictions with a single allocation of fuel tax revenue from the new local government road construction and maintenance restricted account. These include the following:

- The statutory \$16.8 million allocation of fuel taxes to cities, towns and counties
- The statutory BaRSAA allocation of 35.0% of BaRSAA fuel taxes or \$9.8 million (whichever is greater) to cities, towns and counties
- The Montana Local Technical Assistance Transportation Program (LTAP) appropriation of \$150,000 per year for the LTAP program at Montana State University (this will still be the same amount but will not be a separate fund)

Currently state fuel tax is \$0.33 per gallon. Of this \$0.22 per gallon will go to HSSRA, \$0.04 per gallon will go to the highway patrol, with the remaining income distributed to cities, towns and counties as prescribed in the bill.

Diesel, or special fuels are taxed at a rate of \$0.2975 per gallon. Of this \$0.246 per gallon will go to HSSRA, \$0.04 to the Highway Patrol, and the remaining portion will be allocated to cities, towns and counties.

HB 267

HB 267 or the SAFER Act, creates a new account: the "securing access to federal expenditures to repair Montana roads and bridges" or "SAFER" account. These funds are to provide state match for additional funds allocated to the department through federal redistribution of federal highway funds reverted by other states. A general fund transfer of \$100.0 million was deposited to the account prior to the end of FY 2023. A cap of \$15.0 million is available from the account each year for matching federal redistribution funds and discretionary grants awarded to MDT.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	762,313,097	762,313,097	1,524,626,194	80.95 %
SWPL Adjustments	0	0	0	0.00 %	30,716,502	40,297,257	71,013,759	3.77 %
PL Adjustments	0	0	0	0.00 %	102,563,961	142,515,951	245,079,912	13.01 %
New Proposals	0	0	0	0.00 %	18,900,185	23,753,608	42,653,793	2.26 %
Total Budget	\$0	\$0	\$0		\$914,493,745	\$968,879,913	\$1,883,373,658	

Executive Budget Comparison

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

Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	2,018.27	2,018.27	2,021.27	3.00	2,018.27	2,019.77	1.50	1.50
Personal Services	175,823,766	181,611,984	179,919,176	(1,692,808)	182,607,681	180,721,758	(1,885,923)	(3,578,731)
Operating Expenses	554,276,881	687,224,918	683,358,119	(3,866,799)	740,367,253	736,906,705	(3,460,548)	(7,327,347)
Equipment & Intangible Assets	3,863,186	4,712,186	4,712,186	0	4,627,186	4,627,186	0	0
Capital Outlay	12,956,865	13,586,865	13,586,865	0	12,956,865	12,956,865	0	0
Grants	23,752,643	30,227,643	30,227,643	0	30,727,643	30,727,643	0	0
Transfers	1,939,756	2,689,756	2,689,756	0	2,939,756	2,939,756	0	0
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$772,613,097	\$920,053,352	\$914,493,745	(\$5,559,607)	\$974,226,384	\$968,879,913	(\$5,346,471)	(\$10,906,078)
General Fund	0	0	0	0	0	0	0	0
State/other Special Rev. Funds	273,253,621	313,938,133	310,339,631	(3,598,502)	322,680,103	318,899,553	(3,780,550)	(7,379,052)
Federal Spec. Rev. Funds	499,359,476	606,115,219	604,154,114	(1,961,105)	651,546,281	649,980,360	(1,565,921)	(3,527,026)
Other	0	0	0	0	0	0	0	0
Total Funds	\$772,613,097	\$920,053,352	\$914,493,745	(\$5,559,607)	\$974,226,384	\$968,879,913	(\$5,346,471)	(\$10,906,078)
Total Ongoing	\$762,313,097	\$916,358,352	\$915,817,678	(\$540,674)	\$974,051,384	\$973,808,846	(\$242,538)	(\$783,212)
Total OTO	\$10,300,000	\$3,695,000	(\$1,323,933)	(\$5,018,933)	\$175,000	(\$4,928,933)	(\$5,103,933)	(\$10,122,866)

The HB 2 budget as approved by the legislature is \$5.6 million lower in FY 2024 and \$5.3 million lower in FY 2025 than the proposed executive budget. This is primarily a result of several decision packages the department asked to be removed from the original request, legislatively approved adjustments to inflation, and an additional 1.0% vacancy savings reduction.

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"The department may adjust appropriations between state special revenue and federal special revenue funds if the total state special revenue authority by program is not increased by more than 10% of the total appropriations established by the Legislature."

"All appropriations in the Department of Transportation are biennial."

"The General Operations Program, motor pool program, equipment program, and Aeronautics Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund."

"The Highways and Engineering Program includes an increase in state special revenue of \$2,403,577 in FY 2024 and \$3,050,838 in FY 2025 and federal special revenue of \$5,071,822 in FY 2024 and \$6,722,361 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:

"If HB 55 is passed and approved, the Department of Transportation is increased by \$331,988 state special revenue in FY 2024 and \$140,845 state special revenue in FY 2025, and the Department of Transportation may increase full-time equivalent positions authorized in HB 2 by 3.00 FTE in FY 2024 and 1.50 FTE in FY 2025."

"If HB 339 is passed and approved, the Department of Transportation is increased by \$202,416 state special revenue in FY 2024."

"If HB 904 is passed and approved, the Department of Transportation is increased by \$200,000 state special revenue in FY 2024 and \$300,000 state special revenue in FY 2025."

"If SB 47 is passed and approved, the Department of Transportation is increased by \$300,000 state special revenue in FY 2024 and \$300,000 state special revenue in FY 2025."

"If SB 160 is passed and approved, the Department of Transportation is increased by \$358,962 state special revenue in FY 2024."

"If SB 536 is passed and approved, the Department of Transportation is increased by \$100,010,980 state special revenue in FY 2024." (*IMPORTANT: SB 536 was later updated to include an appropriation and void this appropriation in HB 2)

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	35,329,759	36,480,220	1,150,461	3.26 %
Operating Expenses	35,188,505	29,727,542	(5,460,963)	(15.52)%
Grants	150,000	150,000	0	0.00 %
Transfers	3,180	0	(3,180)	(100.00)%
Total Expenditures	\$70,671,444	\$66,357,762	(\$4,313,682)	(6.10)%
State/Other Special Rev. Funds	68,025,748	63,232,369	(4,793,379)	(7.05)%
Federal Spec. Rev. Funds	2,645,696	3,125,393	479,697	18.13 %
Total Funds	\$70,671,444	\$66,357,762	(\$4,313,682)	(6.10)%
Total Ongoing	\$70,671,444	\$76,171,880	\$5,500,436	7.78 %
Total OTO	\$0	(\$9,814,118)	(\$9,814,118)	100.00 %

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, ensuring civil rights and equal opportunity, legal services, public affairs, information technology services, human resources and occupational safety activities, compliance review, and goods and services procurement.

Program Highlights

<p>General Operations Major Budget Highlights</p>
<p>The legislature approved a general operations budget for the 2025 biennium that is \$4.3 million, or 6.1% less than the 2023 biennium. This consists of the following:</p> <ul style="list-style-type: none"> • A decrease of \$4.3 million, or 7.1% in state special funds <ul style="list-style-type: none"> ◦ The decrease includes the one-time-only adjustment to risk management and tort defense insurance for the entire agency, which is \$5.1 million in each year of the biennium • An increase of \$479,682 federal special funds or 18.3% <p>The decrease is due to approximately \$8.0 million in fixed costs reductions but is offset by several increases including:</p> <ul style="list-style-type: none"> • An increase of approximately \$2.6 million for inflation costs • An increase of \$360,000 for the fuel tax evasion program • Approximately \$1.3 million in technology related present law increases • An increase of \$472,883 for implementation of HB 55 <i>An act establishing a tax on electric vehicle charging stations</i>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	182.80	182.80	185.80	184.30
Personal Services	16,602,775	17,558,740	17,771,019	18,277,005	18,203,215
Operating Expenses	15,792,717	17,574,094	17,614,411	14,967,457	14,760,085
Grants	75,000	75,000	75,000	75,000	75,000
Transfers	2,634	3,180	0	0	0
Total Expenditures	\$32,473,126	\$35,211,014	\$35,460,430	\$33,319,462	\$33,038,300
State/Other Special Rev. Funds	31,600,619	33,945,251	34,080,497	31,758,758	31,473,611
Federal Spec. Rev. Funds	872,507	1,265,763	1,379,933	1,560,704	1,564,689
Total Funds	\$32,473,126	\$35,211,014	\$35,460,430	\$33,319,462	\$33,038,300
Total Ongoing	\$32,473,126	\$35,211,014	\$35,460,430	\$38,226,521	\$37,945,359
Total OTO	\$0	\$0	\$0	(\$4,907,059)	(\$4,907,059)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 01-General Operations Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02303 Tribal Motor Fuels Tax Acct	0	0	12,262,202	12,262,202	7.68 %
02422 Highways Special Revenue	63,232,369	0	0	63,232,369	39.61 %
02439 BaRSAA Local Fuel Tax	0	0	35,813,286	35,813,286	22.44 %
02437 Local Govt/LTAP	0	0	48,311,000	48,311,000	30.27 %
State Special Total	\$63,232,369	\$0	\$96,386,488	\$159,618,857	98.08 %
03407 Highway Trust - Sp Rev	3,125,393	0	0	3,125,393	100.00 %
Federal Special Total	\$3,125,393	\$0	\$0	\$3,125,393	1.92 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$66,357,762	\$0	\$96,386,488	\$162,744,250	

The general operations program is primarily funded from HSSRA (02422) and federal highway trust special revenue. HSSRA receives revenue 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, on-the-job training programs, fuel tax evasion prevention efforts, and direct administrative expenses associated with the federal-aid highway program.

The general operations program is also responsible for \$96.4 million of statutory appropriations. Most of the statutory appropriations, \$84.1 million, are the distributions of fuel taxes to cities, towns, counties, and consolidated city-county governments. The remaining \$12.3 million is distributed through the tribal motor fuels accounts and is a function of the revenue sharing agreements between the tribes and the state. For more information on the local government distributions, see the statutory appropriations section of the MDT summary.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	35,460,430	35,460,430	70,920,860	106.88 %
SWPL Adjustments	0	0	0	0.00 %	(2,230,921)	(2,120,911)	(4,351,832)	(6.56)%
PL Adjustments	0	0	0	0.00 %	591,801	588,780	1,180,581	1.78 %
New Proposals	0	0	0	0.00 %	(501,848)	(889,999)	(1,391,847)	(2.10)%
Total Budget	\$0	\$0	\$0		\$33,319,462	\$33,038,300	\$66,357,762	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	359,736	10,936	370,672	0.00	0	466,590	14,182	480,772
DP 2 - Fixed Costs	0.00	0	(3,779,180)	0	(3,779,180)	0.00	0	(4,003,683)	0	(4,003,683)
DP 3 - Inflation Deflation	0.00	0	1,140,300	37,287	1,177,587	0.00	0	1,358,015	43,985	1,402,000
DP 20 - SABHRS Rate Adjustment	0.00	0	9,591	0	9,591	0.00	0	6,389	0	6,389
DP 30 - Motor Pool Rate Adjustment	0.00	0	(2,702)	(88)	(2,790)	0.00	0	(2,527)	(82)	(2,609)
DP 105 - Fuel Tax Evasion Federal Program Expansion	0.00	0	0	160,000	160,000	0.00	0	0	160,000	160,000
DP 108 - Professional IT Services	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 110 - 5G Cellular Network (OTO)	0.00	0	175,000	0	175,000	0.00	0	175,000	0	175,000
DP 222 - RMTD Adjustment	0.00	0	5,082,059	0	5,082,059	0.00	0	5,082,059	0	5,082,059
DP 223 - RMTD Adjustment (OTO)	0.00	0	(5,082,059)	0	(5,082,059)	0.00	0	(5,082,059)	0	(5,082,059)
Grand Total All Present Law Adjustments	0.00	\$0	(\$1,847,255)	\$208,135	(\$1,639,120)	0.00	\$0	(\$1,750,216)	\$218,085	(\$1,532,131)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 105 - Fuel Tax Evasion Federal Program Expansion -

The legislature adopted an increase in the federal special revenue appropriation for the expected 25% increase in the Fuel Tax Evasion Program funding allocation.

DP 108 - Professional IT Services -

The legislature adopted a state special revenue appropriation to support software licenses such as CADD, implementing the SITSD security risk assessment, moving MDT to a 100% digital environment, and a strategic evaluation and recommended roadmap for MDT's IT portfolio.

DP 110 - 5G Cellular Network (OTO) -

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 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	69,969	0	69,969	0.00	0	69,969	0	69,969
DP 333 - Adjustment to Inflation	0.00	0	(692,874)	(22,657)	(715,531)	0.00	0	(882,799)	(28,593)	(911,392)
DP 555 - Additional Vacancy Savings	0.00	0	(183,567)	(4,707)	(188,274)	0.00	0	(184,685)	(4,736)	(189,421)
DP 1401 - HB 55	3.00	0	331,988	0	331,988	1.50	0	140,845	0	140,845
Total	3.00	\$0	(\$474,484)	(\$27,364)	(\$501,848)	1.50	\$0	(\$856,670)	(\$33,329)	(\$889,999)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 99 - New Fixed Costs -

The legislature adopted an increase of \$69,969 in FY 2024 and \$69,969 in FY 2025 to provide funding for the agency to pay for new fixed cost allocation related to the Chief Data Office and the State Management Training Center. Rates for the fix costs are reviewed by the Section A subcommittee.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1401 - HB 55 -

The legislature adopted contingency language to increase appropriations if HB 55 was passed and approved and this decision package implements this language. HB 55 establishes a tax of \$0.03 per kilowatt hour on electric vehicle charging stations, and directs that the taxes collected be deposited into the highway restricted account.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	154,505,085	159,178,361	4,673,276	3.02 %
Operating Expenses	890,842,981	1,147,632,201	256,789,220	28.83 %
Equipment & Intangible Assets	5,330,524	5,330,524	0	0.00 %
Capital Outlay	25,913,730	25,913,730	0	0.00 %
Grants	8,261,256	8,261,256	0	0.00 %
Total Expenditures	\$1,084,853,576	\$1,346,316,072	\$261,462,496	24.10 %
State/Other Special Rev. Funds	172,998,463	208,154,748	35,156,285	20.32 %
Federal Spec. Rev. Funds	911,855,113	1,138,161,324	226,306,211	24.82 %
Total Funds	\$1,084,853,576	\$1,346,316,072	\$261,462,496	24.10 %
Total Ongoing	\$1,064,253,576	\$1,346,316,072	\$282,062,496	26.50 %
Total OTO	\$20,600,000	\$0	(\$20,600,000)	(100.00)%

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, 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 Major Budget Highlights
<p>The construction program is the largest program at MDT, making up two-thirds to three-quarters of the agency budget. This program is funded primarily with federal special funds.</p> <p>The legislature approved a budget for the 2025 biennium budget is \$261.5 million or 24.1% greater than the 2023 biennium HB 2 budget. This includes the following:</p> <ul style="list-style-type: none"> • An increase of roughly \$180.0 million in contractor payments per the tentative construction plan (TCP) which is based on large increases in expected federal funding from the new IJA (infrastructure investment and jobs act) • Inflationary adjustments totaling \$52.1 million for the biennium as well as an additional approximately \$918,000 in each year for equipment rental inflation • An increase of \$20.0 million in FY 2024 and \$25.0 million in FY 2025 to establish the consultant design OTO appropriation from the previous biennium as permanent • Additional state special revenue authority in the amount of \$250,000 in FY 2024 and \$300,000 in FY 2025 for facility rental for construction staff

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	860.72	860.72	860.72	860.72
Personal Services	70,664,622	76,754,642	77,750,443	79,374,182	79,804,179
Operating Expenses	383,776,739	449,244,973	441,598,008	545,756,941	601,875,260
Equipment & Intangible Assets	1,518,490	2,665,262	2,665,262	2,665,262	2,665,262
Capital Outlay	4,112,129	12,956,865	12,956,865	12,956,865	12,956,865
Grants	295,513	4,130,628	4,130,628	4,130,628	4,130,628
Total Expenditures	\$460,367,493	\$545,752,370	\$539,101,206	\$644,883,878	\$701,432,194
State/Other Special Rev. Funds	81,908,827	89,914,981	83,083,482	100,182,722	107,972,026
Federal Spec. Rev. Funds	378,458,666	455,837,389	456,017,724	544,701,156	593,460,168
Total Funds	\$460,367,493	\$545,752,370	\$539,101,206	\$644,883,878	\$701,432,194
Total Ongoing	\$450,067,493	\$535,452,370	\$528,801,206	\$644,883,878	\$701,432,194
Total OTO	\$10,300,000	\$10,300,000	\$10,300,000	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 02-Highways & Engineering Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02349 Highway Non-Restricted Account	290,008	0	0	290,008	0.14 %
02422 Highways Special Revenue	182,264,740	0	0	182,264,740	87.44 %
02447 BaRSAA MDT Fuel Tax	25,600,000	0	0	25,600,000	12.28 %
02437 Local Govt/LTAP	0	0	300,000	300,000	0.14 %
State Special Total	\$208,154,748	\$0	\$300,000	\$208,454,748	15.48 %
03407 Highway Trust - Sp Rev	1,108,067,721	0	0	1,108,067,721	97.36 %
03489 FHWA - CARES Act II	30,093,603	0	0	30,093,603	2.64 %
Federal Special Total	\$1,138,161,324	\$0	\$0	\$1,138,161,324	84.52 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,346,316,072	\$0	\$300,000	\$1,346,616,072	

Costs eligible for reimbursement under the federal-aid construction program are funded with the restricted highway state special revenue account HSSRA, and federal special revenue funds distributed by the U.S. Department of Transportation and apportioned to Montana. Construction design, construction, and construction management costs, as well as indirect 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 86.6% federal with a 13.4% state match for most direct construction related costs. The primary sources of revenues in the restricted state special revenue accounts are highway-user fees derived from motor fuel taxes and gross vehicle weight fees. Statutory appropriations include \$300,000 to be distributed for the purposes and functions of the Montana Local Technical Assistance Transportation Program at Montana State University, this appropriation will be coming from a new account following the implementation of [HB 76](#).

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	528,801,206	528,801,206	1,057,602,412	78.56 %
SWPL Adjustments	0	0	0	0.00 %	25,343,763	33,283,537	58,627,300	4.35 %
PL Adjustments	0	0	0	0.00 %	69,796,384	112,987,965	182,784,349	13.58 %
New Proposals	0	0	0	0.00 %	20,942,525	26,359,486	47,302,011	3.51 %
Total Budget	\$0	\$0	\$0		\$644,883,878	\$701,432,194	\$1,346,316,072	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	1,577,916	849,647	2,427,563	0.00	0	1,860,356	1,001,730	2,862,086
DP 3 - Inflation Deflation	0.00	0	2,979,106	19,937,094	22,916,200	0.00	0	3,954,789	26,466,662	30,421,451
DP 4 - Equipment Rental Inflation	0.00	0	486,774	431,667	918,441	0.00	0	486,606	431,518	918,124
DP 30 - Motor Pool Rate Adjustment	0.00	0	(505)	(3,376)	(3,881)	0.00	0	(472)	(3,159)	(3,631)
DP 205 - Contractor Payments	0.00	0	9,099,634	59,532,190	68,631,824	0.00	0	14,530,551	97,242,921	111,773,472
DP 209 - Construction Employee Facility Rental	0.00	0	250,000	0	250,000	0.00	0	300,000	0	300,000
Grand Total All Present Law Adjustments	0.00	\$0	\$14,392,925	\$80,747,222	\$95,140,147	0.00	\$0	\$21,131,830	\$125,139,672	\$146,271,502

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state and federal special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 205 - Contractor Payments -

The legislature adopted an increase in state and federal special revenue appropriation in FY 2024 and FY 2025 based on the analysis of the department's tentative construction plan that includes the anticipated increase in the FHWA formula-based funding programs.

DP 209 - Construction Employee Facility Rental -

The legislature adopted an increase in state special revenue appropriation for the department to provide office space in improved facilities.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 208 - Consultant Design	0.00	0	2,600,000	17,400,000	20,000,000	0.00	0	3,250,000	21,750,000	25,000,000
DP 333 - Adjustment to Inflation	0.00	0	(744,777)	(4,984,273)	(5,729,050)	0.00	0	(988,697)	(6,616,666)	(7,605,363)
DP 555 - Additional Vacancy Savings	0.00	0	(522,485)	(281,339)	(803,824)	0.00	0	(525,427)	(282,923)	(808,350)
DP 3333 - Additional Adjustment to Inflation	0.00	0	2,403,577	5,071,822	7,475,399	0.00	0	3,050,838	6,722,361	9,773,199
Total	0.00	\$0	\$3,736,315	\$17,206,210	\$20,942,525	0.00	\$0	\$4,786,714	\$21,572,772	\$26,359,486

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 208 - Consultant Design -

The legislature adopted an appropriation for on-going consultant design expenditures.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	119,644,726	124,793,676	5,148,950	4.30 %
Operating Expenses	167,783,328	211,322,268	43,538,940	25.95 %
Equipment & Intangible Assets	740,416	740,416	0	0.00 %
Capital Outlay	0	630,000	630,000	0.00 %
Total Expenditures	\$288,168,470	\$337,486,360	\$49,317,890	17.11 %
State/Other Special Rev. Funds	270,254,570	310,794,021	40,539,451	15.00 %
Federal Spec. Rev. Funds	17,913,900	26,692,339	8,778,439	49.00 %
Total Funds	\$288,168,470	\$337,486,360	\$49,317,890	17.11 %
Total Ongoing	\$288,168,470	\$333,966,360	\$45,797,890	15.89 %
Total OTO	\$0	\$3,520,000	\$3,520,000	100.00 %

Program Description

The Maintenance Program is responsible for the repair, maintenance, and preservation of over 25,000 lane miles of roadways. Activities include but are not limited to the following: winter maintenance, reactive and preventive pavement preservation, pavement marking, signing, roadway striping, noxious weed control, traveler information, disaster and emergency services coordination, the long-range building program and state funded construction program, communications program, quality control, and any other necessary roadway and roadside repairs and maintenance. The Maintenance Program is authorized by Section 2-15-2501(1), MCA; Title 60, MCA, and 23 USC 116.

Program Highlights

**Maintenance Program
Major Budget Highlights**

- The legislature approved a budget for the maintenance program that is \$49.3 million or 17.1% greater than the 2023 biennium budget
- Personal services increased a total of \$4.3 million, this includes:
 - An increase in the amount of \$2.6 million in FY 2024 and \$2.9 million in FY 2025
 - A decrease of approximately \$600,000 in each year due the additional 1.0% vacancy savings
- The majority of the increase is in operating expenses. This includes but is not limited to the following:
 - An increase of \$7.5 million in each fiscal year to meet the required maintenance of effort (MOE) for the increased federal infrastructure package IIJA. Most projects that MDT administers are funded primarily with federal funds, and a small share of state special funds. However, the federal government requires the state to fully fund a certain amount of projects with state special funds in order to qualify for federal highway funds, this amount is called the maintenance of effort. This MOE increase will go to the 100% state-funded construction program
 - A one-time-only appropriation to expend the remaining authority for CARES Act II funded maintenance projects
 - \$5.9 million in each year for equipment rental inflation
 - \$4.8 million for the biennium to complete epoxy striping (stripes) on roadways
 - \$200,000 in FY 2024 and \$300,000 in FY 2025 for activities related to [HB 904](#) - *Generally revise commercial driver's license laws* - This bill provides for free entry level training for certain commercial driver's license types and addresses federal non-compliance issues
 - \$300,000 in each fiscal year for activities related to [SB 47](#) - *Revise commercial drivers license laws to comply with federal requirements*. This bill provides for free commercial driver's license training and addresses federal non-compliance issues

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	741.55	741.55	741.55	741.55
Personal Services	55,493,702	59,394,204	60,250,522	62,232,943	62,560,733
Operating Expenses	75,298,825	83,838,598	83,944,730	107,022,639	104,299,629
Equipment & Intangible Assets	252,232	370,208	370,208	370,208	370,208
Capital Outlay	0	0	0	630,000	0
Total Expenditures	\$131,044,759	\$143,603,010	\$144,565,460	\$170,255,790	\$167,230,570
State/Other Special Rev. Funds	125,130,685	134,632,258	135,622,312	154,904,747	155,889,274
Federal Spec. Rev. Funds	5,914,074	8,970,752	8,943,148	15,351,043	11,341,296
Total Funds	\$131,044,759	\$143,603,010	\$144,565,460	\$170,255,790	\$167,230,570
Total Ongoing	\$131,044,759	\$143,603,010	\$144,565,460	\$166,735,790	\$167,230,570
Total OTO	\$0	\$0	\$0	\$3,520,000	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 03-Maintenance Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02349 Highway Non-Restricted Account	15,615,746	0	0	15,615,746	5.02 %
02422 Highways Special Revenue	295,178,275	0	0	295,178,275	94.94 %
02121 Shared-Use Path	0	0	121,111	121,111	0.04 %
02044 Antilittering Signs	0	0	4,578	4,578	0.00 %
State Special Total	\$310,794,021	\$0	\$125,689	\$310,919,710	92.09 %
03407 Highway Trust - Sp Rev	23,172,339	0	0	23,172,339	86.81 %
03489 FHWA - CARES Act II	3,520,000	0	0	3,520,000	13.19 %
Federal Special Total	\$26,692,339	\$0	\$0	\$26,692,339	7.91 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$337,486,360	\$0	\$125,689	\$337,612,049	

The main source of state special revenue funding for the maintenance program is the HSSRA. Federal special revenue also funds qualifying highway maintenance activities determined by the Federal Highway Administration to extend the life of the highway system. The HSSRA-NR or non-restricted state special revenue account is used mainly for pavement preservation activities.

The maintenance program also has a statutory appropriation that allows expenditures for shared-use paths. The funding for this appropriation is derived from an opt-in vehicle license fee for the maintenance and construction of shared use paths.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	144,565,460	144,565,460	289,130,920	85.67 %
SWPL Adjustments	0	0	0	0.00 %	6,816,783	8,080,045	14,896,828	4.41 %
PL Adjustments	0	0	0	0.00 %	20,048,788	15,896,763	35,945,551	10.65 %
New Proposals	0	0	0	0.00 %	(1,175,241)	(1,311,698)	(2,486,939)	(0.74)%
Total Budget	\$0	\$0	\$0		\$170,255,790	\$167,230,570	\$337,486,360	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	2,578,576	26,046	2,604,622	0.00	0	2,906,504	29,359	2,935,863
DP 3 - Inflation Deflation	0.00	0	3,875,261	336,900	4,212,161	0.00	0	4,732,759	411,423	5,144,182
DP 4 - Equipment Rental Inflation	0.00	0	5,942,454	0	5,942,454	0.00	0	5,940,398	0	5,940,398
DP 30 - Motor Pool Rate Adjustment	0.00	0	(455)	(39)	(494)	0.00	0	(426)	(37)	(463)
DP 305 - Maintenance of Effort (MOE)	0.00	0	7,570,000	0	7,570,000	0.00	0	7,570,000	0	7,570,000
DP 309 - Variable Message Signs (VMS)	0.00	0	81,081	548,919	630,000	0.00	0	0	0	0
DP 312 - Epoxy Project Expansion	0.00	0	320,312	2,066,516	2,386,828	0.00	0	320,312	2,066,516	2,386,828
DP 317 - CARES Act II Maintenance Projects (OTO)	0.00	0	0	3,520,000	3,520,000	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$0	\$20,367,229	\$6,498,342	\$26,865,571	0.00	\$0	\$21,469,547	\$2,507,261	\$23,976,808

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 305 - Maintenance of Effort (MOE) -

The legislature adopted an increase in state special revenue appropriation to fund the higher required MOE target, which is the result of the increased FHWA formula based federal-aid program. With the increased appropriation, the department will be able to deliver the State Funded Construction Program and pavement preservation projects at the levels necessary to meet the target MOE and receive a higher federal share for FHWA projects and programs.

DP 309 - Variable Message Signs (VMS) -

The legislature adopted an appropriation in the first year of the biennium to fund two permanent Variable Message Signs, one in Miles City and one in Belle Fourche, SD. The signs will provide the travelling public with advanced communications related to roadways US 212, MT 59, and I-94 that are adversely impacted by hazardous conditions.

DP 312 - Epoxy Project Expansion -

The legislature adopted an increase for contractor expenditures incurred to complete epoxy projects across the state. Montana Department of Transportation (MDT) contracts roughly 3,300 miles of durable epoxy striping each year. The increased funds will allow the department to cover more miles of highway.

DP 317 - CARES Act II Maintenance Projects (OTO) -

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.

New Proposals

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(968,815)	(84,225)	(1,053,040)	0.00	0	(1,183,190)	(102,856)	(1,286,046)
DP 555 - Additional Vacancy Savings	0.00	0	(615,979)	(6,222)	(622,201)	0.00	0	(619,395)	(6,257)	(625,652)
DP 1400 - HB 904	0.00	0	200,000	0	200,000	0.00	0	300,000	0	300,000
DP 1402 - SB 47	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
Total	0.00	\$0	(\$1,084,794)	(\$90,447)	(\$1,175,241)	0.00	\$0	(\$1,202,585)	(\$109,113)	(\$1,311,698)

***Total Funds** amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1400 - HB 904 -

The legislature adopted contingency language to increase appropriations if HB 904 was passed and approved and this decision package implements this language. HB 904 requires MDT to provide free entry-level driver training for commercial driver's licenses that complies with federal requirements for class A and class B commercial driver's licenses.

DP 1402 - SB 47 -

The legislature adopted contingency language to increase appropriations if SB 47 was passed and approved and this decision package implements this language. SB 47 requires the MDT to provide free commercial driver's license training.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	1,158,014	1,141,336	(16,678)	(1.44)%
Operating Expenses	4,390,505	4,642,391	251,886	5.74 %
Equipment & Intangible Assets	7,603,506	7,603,506	0	0.00 %
Debt Service	38,898	238,898	200,000	514.17 %
Total Expenditures	\$13,190,923	\$13,626,131	\$435,208	3.30 %
Proprietary Funds	13,190,923	13,626,131	435,208	3.30 %
Total Funds	\$13,190,923	\$13,626,131	\$435,208	3.30 %

Program Description

Motor Pool Program - 06506

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 to agencies statewide.

Section 2-17-411, MCA, establishes that the Department of Transportation’s Motor Pool is responsible for the acquisition, operations, maintenance, repair, and administration of all motor vehicles in the custody of the Motor Pool (this does not apply to motor vehicles used in the service of the Governor, Attorney General, or the highway patrol).

Use of the program is optional to agencies when personnel are required to travel by vehicle for official state business, but is encouraged in the Montana Operations Manual (MOM). Other options for state employees are: 1) other state-owned vehicles not part of the State Motor Pool fleet; 2) personal vehicles, with authorization provided by the agency director; or 3) vehicles from a private rental agency contract. The rate for the use of personal vehicles for state business travel are set by the Internal Revenue Service for the current year if the State employee qualifies according to the conditions as discussed in the Employee Travel policy of the MOM manual.

Program Highlights

State Motor Pool Major Budget Highlights
<ul style="list-style-type: none"> • This program is operated with internal service funds • The motor pool rates approved by the legislature are in Section R of HB 2 • Rate increases are driven primarily by fuel prices • The motor pool has a tiered rate structure based on expenses and mechanisms in place to mitigate risk should unexpected changes in cost occur

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	508,688	575,787	582,227	569,503	571,833
Operating Expenses	2,903,470	2,197,214	2,193,291	2,312,846	2,329,545
Equipment & Intangible Assets	73,485	3,801,753	3,801,753	3,801,753	3,801,753
Debt Service	116,722	19,449	19,449	119,449	119,449
Total Expenditures	\$3,602,365	\$6,594,203	\$6,596,720	\$6,803,551	\$6,822,580
Proprietary Funds	3,602,365	6,594,203	6,596,720	6,803,551	6,822,580
Total Funds	\$3,602,365	\$6,594,203	\$6,596,720	\$6,803,551	\$6,822,580

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 07-State Motor Pool Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06506 Motor Pool - Int Svc	0	13,626,131	0	13,626,131	100.00 %	
Proprietary Total	\$0	\$13,626,131	\$0	\$13,626,131	100.00 %	
Total All Funds	\$0	\$13,626,131	\$0	\$13,626,131		

Funding for the state motor pool is generated through rental and lease fees charged to the state agencies, which are deposited in a proprietary fund.

2025 Biennium Report on Internal Service and Enterprise Funds							
Agency # 54010	Agency Name: Department of Transportation			Program Name: State Motor Pool			
	Fund	Fund Name					
	06506	Motor Pool - Int Svc					
		Actual FY20	Actual FY21	Actual FY22	Budgeted FY23	Budgeted FY24	Budgeted FY25
Operating Revenues:							
Fee and Charges							
Fee Revenue A		4,657,719	4,161,466	4,938,476	5,211,076	6,021,805	6,291,886
Fee Revenue B		-	156,729	-	-	-	-
Total Operating Revenues		4,657,719	4,318,195	4,938,476	5,211,076	6,021,805	6,291,886
Expenses:							
Personal Services							
		424,259	454,222	524,864	582,227	569,503	571,833
Other Operating Expenses							
		4,010,411	3,632,006	4,650,716	4,650,716	4,651,325	4,653,010
Total Operating Expenses		4,434,670	4,086,228	5,175,580	5,232,943	5,220,828	5,224,843
Operating Income (Loss)		223,049	231,967	(237,104)	(21,867)	800,977	1,067,043
Nonoperating Revenues:							
Other Revenue A							
		41,498	133,253	338,066	163,234	175,602	187,723
Other Revenue B							
		97,886	32,209	100	28,961	29,274	28,321
Nonoperating Expenses:							
Other Expense A							
		134,369	151,114	89,328	19,449	19,449	119,449
Total Nonoperating Revenues (Expenses)		273,753	316,576	427,494	211,644	224,325	335,493
Income (Loss) Before Contributions and Transfers		496,802	548,543	190,390	189,777	1,025,302	1,402,536
Change in Net Position		496,802	548,543	190,390	189,777	1,025,302	1,402,536
Beginning Net Position - July 1		5,870,245	6,367,047	6,915,590	7,105,980	7,295,757	8,321,059
Change in Net Position		496,802	548,543	190,390	189,777	1,025,302	1,402,536
Ending Net Position - June 30		6,367,047	6,915,590	7,105,980	7,295,757	8,321,059	9,723,595
Net Position (Fund Balance) Analysis							

Revenues

Program revenues are generated through vehicle rental fees charged to the state agencies. Vehicle rental fees come from two service classes: 1) short-term rentals; and 2) long-term leases. On occasion, the program receives revenues resulting from the sale of surplus property and accident damages reimbursed by private individuals or insurance companies.

Proprietary Budget

The 2025 Biennium Report on Internal Service and Enterprise Funds for Motor Pool shows the financial information for the fund from FY 2020 through FY 2025. The report is provided as submitted by the executive. Statute requires that agencies providing enterprise/internal service functions provide information related to the use of revenues obtained through rates and charges and the estimated fund balance of the proprietary fund.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	6,596,720	6,596,720	13,193,440	96.82 %
SWPL Adjustments	0	0	0	0.00 %	106,831	125,860	232,691	1.71 %
PL Adjustments	0	0	0	0.00 %	100,000	100,000	200,000	1.47 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$6,803,551	\$6,822,580	\$13,626,131	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(12,724)	0.00	0	0	0	(10,394)
DP 2 - Fixed Costs	0.00	0	0	0	(143,730)	0.00	0	0	0	(143,723)
DP 3 - Inflation Deflation	0.00	0	0	0	263,285	0.00	0	0	0	279,977
DP 222 - RMTD Adjustment	0.00	0	0	0	143,753	0.00	0	0	0	143,753
DP 223 - RMTD Adjustment (OTO)	0.00	0	0	0	(143,753)	0.00	0	0	0	(143,753)
DP 708 - Interest on INTERCAP Loans	0.00	0	0	0	100,000	0.00	0	0	0	100,000
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$206,831	0.00	\$0	\$0	\$0	\$225,860

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature reviewed adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 222 - RMTD Adjustment -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 708 - Interest on INTERCAP Loans -

The legislature reviewed an increase in State Motor Pool proprietary fund appropriation in FY 2024 and FY 2025. The program applies for an INTERCAP loan each year from the Board of Investments to purchase replacement vehicles for the fleet. This budget was set in FY 2014, and the department is requesting the budget be increased to be more consistent with recent expenditures.

Other Issues

Proprietary Rates

As shown in the figure, the state motor pool rental rates are based on a dual rate structure. Users pay a usage rate and an assigned rate. The usage rate is charged for actual miles driven and allows the program to recover costs directly related to the operation of the vehicle, such as repairs, parts, fuel, lubricants, and tires. The assigned rate is charged for hours the vehicle was used and allows the program to cover fixed costs associated with state ownership, such as insurance, interest payments on BOI loans, depreciation, and utilities. The dual rate structure provides: 1) more stable revenue to make loan payments and other cost obligations; and 2) equity among all vehicle classes so that one vehicle class does not subsidize another vehicle class. The rates approved by the legislature are the maximum the program may charge during the biennium, not the rates the program must charge. When approved by the Legislature, the rates are included in HB 2, Section R.

Motor Pool Rates Revised 1/6/23									
Class	FY 2024				Class	FY2025			
	Assigned Rate	Usage Rate				Assigned Rate	Usage Rate		
		3.89/gal	4.39/gal	4.89/gal			3.89/gal	4.39/g	4.89/gal
02	1.064	0.199	0.219	0.240	02	1.171	0.200	0.221	0.241
04	1.313	0.286	0.317	0.347	04	1.497	0.288	0.319	0.349
05	0.933	0.190	0.209	0.227	05	1.013	0.192	0.211	0.229
06	0.999	0.193	0.214	0.234	06	1.089	0.195	0.215	0.235
07	0.415	0.318	0.350	0.382	07	0.428	0.321	0.353	0.385
11	1.407	0.291	0.323	0.355	11	1.505	0.293	0.324	0.356
12	1.162	0.239	0.265	0.292	12	1.192	0.241	0.267	0.293

Beechcraft King Air Rental Rate
(Cost per flight hour)

FY 2024	FY 2025
1,348.11	1,362.39

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	19,602,814	20,668,058	1,065,244	5.43 %
Operating Expenses	31,904,407	35,137,309	3,232,902	10.13 %
Equipment & Intangible Assets	18,230,256	24,230,256	6,000,000	32.91 %
Total Expenditures	\$69,737,477	\$80,035,623	\$10,298,146	14.77 %
Proprietary Funds	69,737,477	80,035,623	10,298,146	14.77 %
Total Funds	\$69,737,477	\$80,035,623	\$10,298,146	14.77 %

Program Description

Equipment Program – 06508

The Equipment Program is responsible for the acquisition, disposal, repair, and maintenance of a fleet of approximately 4,700 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 various programs within the Montana Department of Transportation (MDT), such as Construction, Motor Carrier Services, Maintenance, and Planning use the fleet. All units are assigned to the various user programs and are charged rental on a bi-weekly basis. Alternate sources for vehicles and equipment include renting heavy equipment from a rental company and renting or leasing light duty vehicles from a private rental agency contract.

The Equipment Program is funded under the rules and guidelines of HB 576. No specific statutory authority is established for the program as the program is strictly internal to the Department of Transportation and is not used by any outside entity.

Program Highlights

Equipment Program Major Budget Highlights
<ul style="list-style-type: none"> • The 2025 biennium budget for the equipment program includes an increase of 14.8% • The majority of the increase is for the purchase and maintenance of equipment • Equipment rates will likely increase when rates are calculated at fiscal year-end. A decision package for equipment rental inflation was passed by the legislature in many of the other programs

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	123.00	123.00	123.00	123.00
Personal Services	9,164,329	9,727,836	9,874,978	10,303,162	10,364,896
Operating Expenses	18,913,595	17,954,960	13,949,447	17,490,225	17,647,084
Equipment & Intangible Assets	8,142,874	9,115,128	9,115,128	12,115,128	12,115,128
Total Expenditures	\$36,220,798	\$36,797,924	\$32,939,553	\$39,908,515	\$40,127,108
Proprietary Funds	36,220,798	36,797,924	32,939,553	39,908,515	40,127,108
Total Funds	\$36,220,798	\$36,797,924	\$32,939,553	\$39,908,515	\$40,127,108

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 08-Equipment Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06508 Highway Equipment - Int Svc.	0	80,035,623	0	80,035,623	100.00 %
Proprietary Total	\$0	\$80,035,623	\$0	\$80,035,623	100.00 %
Total All Funds	\$0	\$80,035,623	\$0	\$80,035,623	

Funding for the equipment program is generated through user fees charged to programs and divisions in MDT, which are deposited in a proprietary fund. The source for the majority of funding for this program are state special funds, this is because the maintenance program is the primary customer of the equipment program.

The legislature approved a 60-day working capital reserve for the equipment program in Section R of HB 2.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	32,939,553	32,939,553	65,879,106	82.31 %
SWPL Adjustments	0	0	0	0.00 %	1,969,008	2,187,599	4,156,607	5.19 %
PL Adjustments	0	0	0	0.00 %	4,999,954	4,999,956	9,999,910	12.49 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$39,908,515	\$40,127,108	\$80,035,623	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	428,184	0.00	0	0	0	489,918
DP 2 - Fixed Costs	0.00	0	0	0	(294,860)	0.00	0	0	0	(294,731)
DP 3 - Inflation Deflation	0.00	0	0	0	1,835,684	0.00	0	0	0	1,992,412
DP 30 - Motor Pool Rate Adjustment	0.00	0	0	0	(46)	0.00	0	0	0	(44)
DP 222 - RMTD Adjustment	0.00	0	0	0	294,845	0.00	0	0	0	294,845
DP 223 - RMTD Adjustment (OTO)	0.00	0	0	0	(294,845)	0.00	0	0	0	(294,845)
DP 809 - Equipment Fleet Maintenance	0.00	0	0	0	2,000,000	0.00	0	0	0	2,000,000
DP 810 - Replacement Equipment	0.00	0	0	0	3,000,000	0.00	0	0	0	3,000,000
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$6,968,962	0.00	\$0	\$0	\$0	\$7,187,555

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature reviewed adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature reviewed an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 809 - Equipment Fleet Maintenance -

This legislature reviewed an increase in the department's equipment proprietary fund appropriation in FY 2024 and FY 2025. The department's fleet is aging and in need of replacement parts that are often more expensive due to their uniqueness and supply chain issues. This request will allow the program to make the necessary purchases to maintain the fleet. Rental rates will be calculated to cover the increased budget amount.

DP 810 - Replacement Equipment -

The legislature reviewed an increase in the department's equipment proprietary fund appropriation in FY 2024 and FY 2025. The department has an aging fleet, and some pieces of equipment are beyond the useful life and need to be replaced. This request will allow for the purchase of new and replacement equipment. Rental rates will be calculated to cover the increased budget amount.

Other Issues*Proprietary rates*

The equipment program rental rates are based on a dual rate structure. The users pay a usage rate and an assigned rate. The usage rate is a mileage rate that is applied according to the actual miles/hours of use for vehicle or piece of equipment. The usage rate is designed to recover "direct costs" that include labor, parts, fuel, lubricants, and tires. The assigned rate is a per hour rate designed to recover "fixed costs" such as insurance, depreciation, and administrative overhead costs. Rental rates are adjusted yearly. Rates are based on the actual operational costs for each vehicle sub-class during the base rental period. Costs are adjusted to reflect changes in operating expenses from the base. The effects are internal to the MDT and the program is held accountable to ensure the rates recover only needed operational monies.

The equipment program rates are calculated to be commensurate with costs each year using data from the equipment vehicle management system (EVMS) to identify indirect and direct costs for each class. The EVMS data is reconciled to the statewide accounting, budgeting, and human resource system (SABHRS) financial data and inflation factors are applied using Inflation.com information. The rates are also adjusted for any gains or losses from previous years. The equipment program financial team reviews the rates monthly to determine if they are commensurate with costs.

The equipment program calculates new rates at the end of the fiscal year. As a result, rates that will apply to the 2025 biennium have not been calculated at this time. A table showing the rates charged in FY 2023 is available upon request.

2025 Biennium Report on Internal Service and Enterprise Funds							
Agency # 54010	Agency Name: Department of Transportation			Program Name: Equipment Program			
	Fund	Fund Name					
	06508	Highway Equipment - Int Svc.					
		Actual FY20	Actual FY21	Actual FY22	Budgeted FY23	Budgeted FY24	Budgeted FY25
Operating Revenues:							
Fee and Charges							
Fee Revenue A		31,964,634	29,044,526	31,409,221	32,285,035	40,339,553	40,339,553
Fee Revenue B		100,000	80,000	665,875	488,062	481,963	441,313
Total Operating Revenues		32,064,634	29,124,526	32,075,096	32,773,097	40,821,516	40,780,866
Expenses:							
Personal Services							
Other Operating Expenses		9,201,619	9,228,495	8,804,818	9,874,978	10,303,162	10,364,896
Expense B		-	-	-	9,115,128	12,115,128	12,115,128
Total Operating Expenses		30,238,541	29,819,313	34,133,095	32,939,553	40,186,122	40,373,076
Operating Income (Loss)		1,826,093	(694,787)	(2,057,999)	(166,456)	635,394	407,790
Nonoperating Revenues:							
Other Revenue A		141,268	187,911	466,186	268,600	281,004	293,005
Other Revenue B		12,378	12,623	2,008,805	2,003,131	2,481,963	441,313
Nonoperating Expenses:							
Total Nonoperating Revenues (Expenses)		153,646	200,534	2,474,991	2,271,731	2,762,967	734,318
Income (Loss) Before Contributions and Transfers		1,979,739	(494,253)	416,992	2,105,275	3,398,361	1,142,108
Change in Net Position		1,979,739	(494,253)	416,992	2,105,275	3,398,361	1,142,108
Beginning Net Position - July 1		77,264,591	79,244,330	78,750,077	79,167,069	81,272,344	84,670,705
Change in Net Position		1,979,739	(494,253)	416,992	2,105,275	3,398,361	1,142,108
Ending Net Position - June 30		79,244,330	78,750,077	79,167,069	81,272,344	84,670,705	85,812,813
Net Position (Fund Balance) Analysis							

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	19,121,343	19,113,961	(7,382)	(0.04)%
Operating Expenses	5,775,320	8,006,238	2,230,918	38.63 %
Equipment & Intangible Assets	618,300	2,083,432	1,465,132	236.96 %
Transfers	258,060	226,060	(32,000)	(12.40)%
Total Expenditures	\$25,773,023	\$29,429,691	\$3,656,668	14.19 %
State/Other Special Rev. Funds	19,131,601	19,614,282	482,681	2.52 %
Federal Spec. Rev. Funds	6,641,422	9,815,409	3,173,987	47.79 %
Total Funds	\$25,773,023	\$29,429,691	\$3,656,668	14.19 %
Total Ongoing	\$25,773,023	\$29,429,691	\$3,656,668	14.19 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Motor Carrier Services (MCS) Program has the responsibility for commercial motor carrier safety, infrastructure protection, fuel regulation, and provides credentials to the trucking industry. The MCS Commercial Vehicle Operations (CVO) Bureau registers interstate fleet vehicles, issues licenses and oversize/overweight permits, and collects and distributes fees and taxes. Additionally, the CVO Bureau ensures compliance with multiple federal commercial vehicle programs, as well as submits and provides oversight for various grant programs. The MCS Enforcement Bureau operates a statewide weigh station and mobile enforcement. MCS officers inspect commercial vehicles for compliance with state and federal safety, registration, fuel, and size/weight laws. The Motor Carrier Safety Assistance Program (MCSAP) conducts commercial motor carrier safety compliance reviews and safety audits to ensure commercial vehicles, drivers, and motorcarriers are compliant with state safety laws and federal regulations.

Program Highlights

Motor Carrier Services Major Budget Highlights
<ul style="list-style-type: none"> • The MCS Program budget as passed by the legislature is \$3.7 million or 14.2%, higher than the 2023 biennium • Most of the increase is from federal funding to support the MCSAP program. The appropriation is split between equipment and operating expenses • The legislature approved a request of \$130,000 state special funds over the biennium for scale replacement and pit wall repair

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	124.44	124.44	124.44	124.44
Personal Services	8,769,035	9,536,334	9,585,009	9,530,400	9,583,561
Operating Expenses	2,036,487	2,842,760	2,932,560	3,989,358	4,016,880
Equipment & Intangible Assets	222,656	340,584	277,716	1,041,716	1,041,716
Transfers	128,096	145,030	113,030	113,030	113,030
Total Expenditures	\$11,156,274	\$12,864,708	\$12,908,315	\$14,674,504	\$14,755,187
State/Other Special Rev. Funds	8,188,208	9,514,202	9,617,399	9,777,505	9,836,777
Federal Spec. Rev. Funds	2,968,066	3,350,506	3,290,916	4,896,999	4,918,410
Total Funds	\$11,156,274	\$12,864,708	\$12,908,315	\$14,674,504	\$14,755,187
Total Ongoing	\$11,156,274	\$12,864,708	\$12,908,315	\$14,674,504	\$14,755,187
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 22-Motor Carrier Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	0	0	0	0	0.00 %
02294 Unified Carrier Registration	2,859,314	0	0	2,859,314	14.58 %
02349 Highway Non-Restricted Account	190,056	0	0	190,056	0.97 %
02422 Highways Special Revenue	16,564,912	0	0	16,564,912	84.45 %
State Special Total	\$19,614,282	\$0	\$0	\$19,614,282	66.65 %
03292 MCS Federal Grants	9,380,659	0	0	9,380,659	95.57 %
03407 Highway Trust - Sp Rev	434,750	0	0	434,750	4.43 %
Federal Special Total	\$9,815,409	\$0	\$0	\$9,815,409	33.35 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$29,429,691	\$0	\$0	\$29,429,691	

MCS is funded by the highway state special revenue accounts and federal special revenue. Two-thirds of the funding for the program is state special revenue, primarily the constitutionally restricted highway state special revenue account (HSSRA). Other state special revenues supporting program activities include unified carrier registration fees and the highway non-restricted account. Federal funds make up the remaining third and are derived from federal grant programs and distributions from the federal highway trust.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	12,908,315	12,908,315	25,816,630	87.72 %
SWPL Adjustments	0	0	0	0.00 %	205,282	295,718	501,000	1.70 %
PL Adjustments	0	0	0	0.00 %	1,699,774	1,699,760	3,399,534	11.55 %
New Proposals	0	0	0	0.00 %	(138,867)	(148,606)	(287,473)	(0.98)%
Total Budget	\$0	\$0	\$0		\$14,674,504	\$14,755,187	\$29,429,691	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	33,816	10,101	43,917	0.00	0	75,182	22,456	97,638
DP 3 - Inflation Deflation	0.00	0	107,507	53,858	161,365	0.00	0	131,968	66,112	198,080
DP 4 - Equipment Rental Inflation	0.00	0	57,678	30,758	88,436	0.00	0	57,664	30,742	88,406
DP 30 - Motor Pool Rate Adjustment	0.00	0	(168)	(84)	(252)	0.00	0	(157)	(79)	(236)
DP 2205 - MCSAP Federal Program Expansion	0.00	0	0	1,546,590	1,546,590	0.00	0	0	1,546,590	1,546,590
DP 2208 - Scale Replacement and Pitwall Repair	0.00	0	65,000	0	65,000	0.00	0	65,000	0	65,000
Grand Total All Present Law Adjustments	0.00	\$0	\$263,833	\$1,641,223	\$1,905,056	0.00	\$0	\$329,657	\$1,665,821	\$1,995,478

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state and federal special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 2205 - MCSAP Federal Program Expansion -

The legislature adopted an increase of federal special revenue appropriation due to an expansion of the federal Motor Carrier Safety Assistance Program (MCSAP). The increase will be used to enhance MCSAP's safety program.

DP 2208 - Scale Replacement and Pitwall Repair -

The legislature adopted an increase in state special revenue appropriations to support maintenance through the replacement of weigh station scales. Scales originally installed in 1984 are being replaced with new scales on an annual schedule, along with a newly designed retrofit for the pit walls.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(26,877)	(13,464)	(40,341)	0.00	0	(32,992)	(16,528)	(49,520)
DP 555 - Additional Vacancy Savings	0.00	0	(76,850)	(21,676)	(98,526)	0.00	0	(77,287)	(21,799)	(99,086)
Total	0.00	\$0	(\$103,727)	(\$35,140)	(\$138,867)	0.00	\$0	(\$110,279)	(\$38,327)	(\$148,606)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	1,709,610	1,660,173	(49,437)	(2.89)%
Operating Expenses	9,022,493	4,849,279	(4,173,214)	(46.25)%
Equipment & Intangible Assets	1,548,800	85,000	(1,463,800)	(94.51)%
Grants	40,000	40,000	0	0.00 %
Transfers	27,600	27,600	0	0.00 %
Total Expenditures	\$12,348,503	\$6,662,052	(\$5,686,451)	(46.05)%
State/Other Special Rev. Funds	3,866,672	3,896,174	29,502	0.76 %
Federal Spec. Rev. Funds	8,481,831	2,765,878	(5,715,953)	(67.39)%
Total Funds	\$12,348,503	\$6,662,052	(\$5,686,451)	(46.05)%
Total Ongoing	\$12,348,503	\$6,620,800	(\$5,727,703)	(46.38)%
Total OTO	\$0	\$41,252	\$41,252	100.00 %

Program Description

The Aeronautics Program: 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; 4) fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; and 5) coordinates and supervises aerial search and rescue operations. The program administers a loan and grant program to airport sponsors to fund airport improvement projects. The Aeronautics Board approves loan and grant requests.

The program 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), US Forest Service, 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 program is also responsible for operation of the commercial service airport just north of West Yellowstone, MT and for 15 other state-owned or operated airports.

Program Highlights

Aeronautics Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature approved a decrease in HB 2 budget authority of 46.1% or \$5.7 million below the 2023 biennium <ul style="list-style-type: none"> ◦ The program had empty federal authority last biennium it was unable to utilize. The program will use a different funding strategy this biennium instead of asking for unrealized authority • The legislature approved an increase in federal funds in the amount \$1.6 million for expansion of the FAA program, this will be matched with proprietary funds • The legislature approved a one-time-only increase of \$85,000 in the first year of the biennium for the replacement of the Bonanza A36 airplane engine

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	9.00	9.00	9.00	9.00
Personal Services	711,731	849,921	859,689	827,450	832,723
Operating Expenses	836,140	7,438,876	1,583,617	2,419,034	2,430,245
Equipment & Intangible Assets	18,350	1,548,800	0	85,000	0
Grants	19,888	20,000	20,000	20,000	20,000
Transfers	11,622	13,800	13,800	13,800	13,800
Total Expenditures	\$1,597,731	\$9,871,397	\$2,477,106	\$3,365,284	\$3,296,768
State/Other Special Rev. Funds	1,172,088	1,941,016	1,925,656	1,984,948	1,911,226
Federal Spec. Rev. Funds	425,643	7,930,381	551,450	1,380,336	1,385,542
Total Funds	\$1,597,731	\$9,871,397	\$2,477,106	\$3,365,284	\$3,296,768
Total Ongoing	\$1,597,731	\$9,871,397	\$2,477,106	\$3,302,158	\$3,318,642
Total OTO	\$0	\$0	\$0	\$63,126	(\$21,874)

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 40-Aeronautics Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02286 Aeronautical Loan Account	700,000	0	0	700,000	13.32 %
02287 Aeronautical Grant Account	0	0	1,360,196	1,360,196	25.88 %
02827 Aeronautics Division	3,196,174	0	0	3,196,174	60.81 %
State Special Total	\$3,896,174	\$0	\$1,360,196	\$5,256,370	58.21 %
03060 Aeronautics Division	2,765,878	0	0	2,765,878	100.00 %
Federal Special Total	\$2,765,878	\$0	\$0	\$2,765,878	30.63 %
06007 Yellowstone Airport	0	1,007,666	0	1,007,666	100.00 %
Proprietary Total	\$0	\$1,007,666	\$0	\$1,007,666	11.16 %
Total All Funds	\$6,662,052	\$1,007,666	\$1,360,196	\$9,029,914	

The aeronautics program is funded with state and federal special revenues. State special revenue funds are derived primarily from state aviation fuel taxes and aircraft registration fees. Federal special revenue comes from Federal Aviation Administration grants. The Yellowstone Airport enterprise program, is supported by proprietary funding and is not budgeted in HB 2.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	2,477,106	2,477,106	4,954,212	74.36 %
SWPL Adjustments	0	0	0	0.00 %	22,239	42,913	65,152	0.98 %
PL Adjustments	0	0	0	0.00 %	892,480	807,481	1,699,961	25.52 %
New Proposals	0	0	0	0.00 %	(26,541)	(30,732)	(57,273)	(0.86)%
Total Budget	\$0	\$0	\$0		\$3,365,284	\$3,296,768	\$6,662,052	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	(22,845)	(707)	(23,552)	0.00	0	(17,677)	(547)	(18,224)
DP 2 - Fixed Costs	0.00	0	(21,726)	0	(21,726)	0.00	0	(21,714)	0	(21,714)
DP 3 - Inflation Deflation	0.00	0	37,114	30,403	67,517	0.00	0	45,537	37,314	82,851
DP 30 - Motor Pool Rate Adjustment	0.00	0	(11)	(9)	(20)	0.00	0	(10)	(9)	(19)
DP 222 - RMTD Adjustment	0.00	0	21,874	0	21,874	0.00	0	21,874	0	21,874
DP 223 - RMTD Adjustment (OTO)	0.00	0	(21,874)	0	(21,874)	0.00	0	(21,874)	0	(21,874)
DP 4005 - FAA Program Expansion	0.00	0	0	807,500	807,500	0.00	0	0	807,500	807,500
DP 4017 - Bonanza A36 Engine Replacement (Biennial/OTO)	0.00	0	85,000	0	85,000	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$0	\$77,532	\$837,187	\$914,719	0.00	\$0	\$6,136	\$844,258	\$850,394

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 4005 - FAA Program Expansion -

The legislature adopted an increase to fund FAA required planning and equipment to increase safety through projects such as an airport master plan, airport rescue and firefighting equipment, and Automated Weather Observation System replacement. The federal special revenue will be matched with the Yellowstone Airport proprietary fund.

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

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 Division and as a secondary search and rescue asset.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(9,814)	(8,040)	(17,854)	0.00	0	(12,086)	(9,904)	(21,990)
DP 555 - Additional Vacancy Savings	0.00	0	(8,426)	(261)	(8,687)	0.00	0	(8,480)	(262)	(8,742)
Total	0.00	\$0	(\$18,240)	(\$8,301)	(\$26,541)	0.00	\$0	(\$20,566)	(\$10,166)	(\$30,732)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Other Issues*Yellowstone Airport – 06007*

Program Description

The Yellowstone Airport located two miles north of the Town of West Yellowstone, Montana provides the closest private and commercial air service to Yellowstone National Park, as well as service for a multitude of other recreational opportunities in the surrounding greater Yellowstone area. The airport is closed during the winter months, conducting limited snow removal in fringe seasons. The airport is typically open for six months each year with seasonal commercial air service provided by SkyWest Air Lines dba Delta Connection and SkyWest Air Lines dba United Express from early-May to mid-October. The airport accomplishes its mission with facilities to accommodate all sized aircraft and operations ranging from large four engine commercial service jets to small single engine aircraft.

Airside facilities at the airport include an 8,400' runway and taxiway, as well as large parking apron and hangar areas for all types of aircraft operations. The runway is equipped with a precision approach instrument landing system (ILS) and a GPS approach accommodating air traffic even during inclement weather conditions. The airport also supports and maintains an Automated Weather Observing System (AWOS) which reports directly to the National Weather Service (NWS) and broadcasts locally to air traffic over a VHF transmission. Other airport facilities include a commercial terminal building with tenants that include a restaurant, rental car agencies, Transportation Security Administration (TSA) offices, airline offices, and airport administration and operations. Also located on the field are several outbuildings and other facilities housing bulk fuel storage, a fixed based operator (FBO), an air ambulance base, and Airport Rescue Fire Fighting (ARFF) services. The US Forest Service operates an inter-agency fire control center with direct through the fence access to the airfield. A wildlife fence surrounds the entire airport property.

Revenues and Expenses

Fees for leases and other business services are both market and recovery based. Additional operating expenses are planned in the 2025 biennium to keep the airport in compliance with FAA mandates and advisory circulars. The Yellowstone Airport is an enterprise proprietary fund. There is one airport manager who works full time, year-round. The airport also has two other employees, an airport operation chief and an airport fire fighter/maintenance specialist who are employed seasonally.

2025 Biennium Report on Internal Service and Enterprise Funds

Fund	Fund Name	Agency #	Agency Name	Program Name
06007	YELLOWSTONE AIRPORT	54010	Transportation	Aeronautics

	Actual FY 20	Actual FY 21	Actual FY 22	Estimated FY 23	Proposed FY 24	Proposed FY 25
Operating Revenues						
Fees and Charges						
Fee Revenue A (FR01)	69,154	101,931	116,523	120,019	120,019	120,019
Other Operating Revenues (FR07)	351,014	365,023	481,129	495,563	495,563	495,563
Total Operating Revenues	420,168	466,953	597,653	615,582	615,582	615,582
Expenses						
Personal Services (EP01)	91,900	19,912	(9,280)	222,056	236,076	237,721
Other Operating Expense (EX01)	86,188	66,818	79	211,129	265,551	225,818
Total Operating Expense	178,088	86,730	(9,201)	433,185	501,627	463,539
Operating Income (Loss)	242,080	380,223	606,853	182,397	113,955	152,043
Nonoperating Revenues (NR01)	446,957	-	-	-	-	-
Nonoperating Expenses (NE01)	(242,234)	(441,347)	(424,971)	-	-	-
Total Nonoperating Revenues (Expenses)	204,723	(441,347)	(424,971)	-	-	-
Income (Loss) Before Contributions and Transfers	446,803	(61,123)	181,882	182,397	113,955	152,043
Capital Contributions (CA01)	226,106	71,781	31,360	-	-	-
Transfers In (CA02)	9,260	13,729	11,622	13,800	13,800	13,800
Transfers Out	-	-	-	-	-	-
Loans and Lease Payments	-	-	-	-	-	-
Change in Net Position	682,169	24,387	224,864	196,197	127,755	165,843
Beginning Net Position - July 1 (BN01)	9,868,559	10,550,729	10,575,116	10,799,980	10,996,177	11,123,932
Prior Period Adjustments	-	-	-	-	-	-
Change in Net Position	682,169	24,387	224,864	196,197	127,755	165,843
Ending Net Position - June 30	10,550,729	10,575,116	10,799,980	10,996,177	11,123,932	11,289,775
Net Position (Fund Balance) Analysis						
Restricted Net Position (Enterprise Funds Only)						
Unrestricted Net Position						

Rates for the Yellowstone Airport are as shown in the table below.

2023 Biennium Report on Internal Service and Enterprise Funds

Fund	Fund Name	Agency #	Agency Name	Program Name
06007	West Yellowstone	54010	Transportation	Aeronautics Program
Fee/Rate Information				
Fee & Revenue Group	Actuals FY 2022	Budgeted FY 2023	Proposed FY 2024	Proposed FY 2025
Landing Fees - Air Carrier	\$1.75 / 1,000lbs	\$1.75 / 1,000lbs	\$1.75 / 1,000lbs	\$1.75 / 1,000lbs
Landing Fees - Other Users	\$2.00 / 1000lbs. - \$25 min. (piston powered exempt)	\$2.25 / 1000lbs. - \$25 min. (piston powered exempt)	\$2.25 / 1000lbs. - \$25 min. (piston powered exempt)	\$2.25 / 1000lbs. - \$25 min. (piston powered exempt)
Fuel Flowage Fee - Air Carrier	\$0.07/Gallon	\$0.06/Gallon	\$0.06/Gallon	\$0.06/Gallon
Fuel Flowage Fee	\$0.10/Gallon	\$0.10/Gallon	\$0.10/Gallon	\$0.10/Gallon
Building Leases - Car rental, Airline	\$3.00/sq.ft.	\$3.25/sq.ft.	\$3.25/sq.ft.	\$3.25/sq.ft.
Building Leases - FBO, Hangar Ground	\$0.14/sq.ft. (improved) \$0.07 (unimproved)	\$0.14/sq.ft. (improved) \$0.07 (unimproved)	\$0.14/sq.ft. (improved) \$0.07 (unimproved)	\$0.14/sq.ft. (improved) \$0.07 (unimproved)
Adboards	\$225 ad board - \$400 special	\$225 ad board - \$400 special	\$225 ad board - \$400 special	\$225 ad board - \$400 special
Tax Transfers	\$11,622	\$13,800	\$12,000	\$12,000
Sales Receipts - Café	12% of Gross Sales	12% of Gross Sales	12% of Gross Sales	12% of Gross Sales
Sales Receipts - Other Users	10% of Gross Sales	10% of Gross Sales	10% of Gross Sales	10% of Gross Sales
Non-Aero Rentals				
Nevada Testing	\$27,100 + utilities + usage fee	\$28,050 + utilities + usage fee	\$29,100 + utilities + usage fee	\$30,050 + utilities + usage fee
City	\$41,209/Year	\$41,827/Year	\$41,827/Year	\$41,827/Year
Energy West	\$19,831.83/Year	\$20,129.30/Year	\$20,431.4/Year	\$20,738/Year
Chamber - Snow Shoot	\$2,500 + \$220.00 per day occupancy	\$2,750 + \$235.00 per day occupancy	\$2,750 + \$235.00 per day occupancy	\$2,750 + \$235.00 per day occupancy

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	18,947,762	19,414,543	466,781	2.46 %
Operating Expenses	13,096,180	18,727,296	5,631,116	43.00 %
Equipment & Intangible Assets	781,682	1,100,000	318,318	40.72 %
Grants	39,474,327	52,504,030	13,029,703	33.01 %
Transfers	3,635,852	5,375,852	1,740,000	47.86 %
Total Expenditures	\$75,935,803	\$97,121,721	\$21,185,918	27.90 %
State/Other Special Rev. Funds	17,798,448	23,547,590	5,749,142	32.30 %
Federal Spec. Rev. Funds	58,137,355	73,574,131	15,436,776	26.55 %
Total Funds	\$75,935,803	\$97,121,721	\$21,185,918	27.90 %
Total Ongoing	\$75,935,803	\$97,121,721	\$21,185,918	27.90 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Rail, Transit, and Planning (RTP) Program 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; 8) administration and implementation of environmental services that assure environmental compliance with all applicable laws, rules, regulations, policies, orders, and agreements; and 9) responses to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US Department of Transportation, the Surface Transportation Board, and others. The planning function addresses system areas that include buses for transit systems, street and highway improvements, railroad track rehabilitation, and considerations for non-motorized improvements.

Program Highlights

Rail, Transit, and Planning Major Budget Highlights
<p>The legislature adopted a 27.9% increase in budget authority to the Rail, Transit and Planning Program over the 2023 biennium budget.</p> <ul style="list-style-type: none"> • Of the increase, approximately \$16.0 million is related to federal program expansion from IIJA. This includes: <ul style="list-style-type: none"> ◦ DP 5005 FHWA (Federal Highway Administration) program expansion \$6.7 million for the biennium, \$1.0 million state special, \$5.7 million federal ◦ DP 5006 FTA (Federal Transit Authority) program expansion \$5.0 million for the biennium, \$500,000 state special, \$4.5 million federal ◦ DP 5007 NHTSA (National Highway Traffic Safety Administration) program expansion \$4.5 million federal • \$1.3 million in SWPL adjustments including: <ul style="list-style-type: none"> ◦ \$959,160 in inflation costs, including approximately \$85,000 for equipment rental inflation • An increase of \$3.6 million in TransADE funding due to greater collections of rental car tax

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	99.76	99.76	99.76	99.76
Personal Services	8,798,667	9,340,678	9,607,084	9,677,196	9,737,347
Operating Expenses	4,734,075	6,492,625	6,603,555	9,202,690	9,524,606
Equipment & Intangible Assets	231,682	231,682	550,000	550,000	550,000
Grants	17,759,667	19,947,312	19,527,015	26,002,015	26,502,015
Transfers	1,611,392	1,822,926	1,812,926	2,562,926	2,812,926
Total Expenditures	\$33,135,483	\$37,835,223	\$38,100,580	\$47,994,827	\$49,126,894
State/Other Special Rev. Funds	6,707,738	8,874,173	8,924,275	11,730,951	11,816,639
Federal Spec. Rev. Funds	26,427,745	28,961,050	29,176,305	36,263,876	37,310,255
Total Funds	\$33,135,483	\$37,835,223	\$38,100,580	\$47,994,827	\$49,126,894
Total Ongoing	\$33,135,483	\$37,835,223	\$38,100,580	\$47,994,827	\$49,126,894
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Transportation, 50-Rail Transit & Planning Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02282 FTA Local Match	2,208,512	0	0	2,208,512	9.37 %	
02349 Highway Non-Restricted Account	2,447,866	0	0	2,447,866	10.38 %	
02422 Highways Special Revenue	11,900,962	0	0	11,900,962	50.48 %	
02436 County DUI Prevention Programs	990,250	0	0	990,250	4.20 %	
02795 TransADE Special Revenue	6,000,000	0	0	6,000,000	25.45 %	
02121 Shared-Use Path	0	0	30,279	30,279	0.13 %	
State Special Total	\$23,547,590	\$0	\$30,279	\$23,577,869	24.27 %	
03147 FTA Grants	31,437,683	0	0	31,437,683	42.73 %	
03407 Highway Trust - Sp Rev	27,471,344	0	0	27,471,344	37.34 %	
03828 Traffic Safety	14,665,104	0	0	14,665,104	19.93 %	
Federal Special Total	\$73,574,131	\$0	\$0	\$73,574,131	75.73 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$97,121,721	\$0	\$30,279	\$97,152,000		

The Rail, Transit, and Planning (RTP) division is funded with a combination of state and federal special revenue funds. Highway state special revenue from both the restricted and non-restricted accounts support the overall administrative and operational costs of the program. Other funding includes:

- Federal transit authority (FTA) local match funds provided from local transit providers to match their FTA grants
- TransADE special revenue, which in large part provides funding for transit services that serve the elderly and disabled (and can be also used to match federal transit funds)
- County DUI prevention funds, for providing assistance to county DUI task force activities
- Federal highway trust fund (03407), which provides for costs of highway program administration, activities, and projects

The RTP program also has a statutory appropriation that allows expenditures for shared-use paths. The funding for this appropriation is derived from an opt-in vehicle license fee for the maintenance and construction of shared use paths.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	38,100,580	38,100,580	76,201,160	78.46 %
SWPL Adjustments	0	0	0	0.00 %	559,356	715,955	1,275,311	1.31 %
PL Adjustments	0	0	0	0.00 %	9,534,734	10,535,202	20,069,936	20.66 %
New Proposals	0	0	0	0.00 %	(199,843)	(224,843)	(424,686)	(0.44)%
Total Budget	\$0	\$0	\$0		\$47,994,827	\$49,126,894	\$97,121,721	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	57,027	114,469	171,496	0.00	0	77,050	155,230	232,280
DP 2 - Fixed Costs	0.00	0	(900)	0	(900)	0.00	0	(900)	0	(900)
DP 3 - Inflation Deflation	0.00	0	84,690	304,070	388,760	0.00	0	105,593	378,982	484,575
DP 4 - Equipment Rental Inflation	0.00	0	28,877	13,833	42,710	0.00	0	29,151	13,964	43,115
DP 30 - Motor Pool Rate Adjustment	0.00	0	(212)	(764)	(976)	0.00	0	(199)	(714)	(913)
DP 5005 - FHWA Programs Expansion	0.00	0	517,100	2,827,900	3,345,000	0.00	0	517,100	2,827,900	3,345,000
DP 5006 - FTA Program Expansion	0.00	0	225,000	2,123,000	2,348,000	0.00	0	275,000	2,323,000	2,598,000
DP 5007 - NHTSA Program Expansion	0.00	0	0	1,850,000	1,850,000	0.00	0	0	2,600,000	2,600,000
DP 5008 - TransADE Funding	0.00	0	1,800,000	0	1,800,000	0.00	0	1,800,000	0	1,800,000
DP 5009 - Blackfoot Post Yard Facility Remediation	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
Grand Total All Present Law Adjustments	0.00	\$0	\$2,861,582	\$7,232,508	\$10,094,090	0.00	\$0	\$2,952,795	\$8,298,362	\$11,251,157

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental Inflation -

The legislature adopted an increase to state and federal special revenue appropriations due to an increase in equipment rental usage and associated rate changes. This request will be used across several programs within the department.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 5005 - FHWA Programs Expansion -

The legislature adopted an increase to state and federal special revenue appropriation in FY 2024 and FY 2025 due to the Federal Highway Administration (FHWA) program expansion. The increase will fund the state match and federal authority for projects in the FHWA federal aid formula-based programs.

DP 5006 - FTA Program Expansion -

The legislature adopted an increase for the Federal Transit Administration (FTA) program expansion. The increase in grants will require state match and federal authority needed for projects in the FTA federal aid program that includes Formula Grants for Rural Areas, Metropolitan and Statewide Planning, Enhanced Mobility of Seniors and Individuals with Disabilities, and Grants for Buses and Bus Facilities Programs.

DP 5007 - NHTSA Program Expansion -

The legislature adopted an increase to federal special revenue appropriation in FY 2024 and FY 2025 due to the National Highway Traffic Safety Administration (NHTSA) program expansion. The increase will provide the federal authority needed for projects in the NHTSA federal aid program that includes the Highway Safety Programs and impaired driving, occupant protection, traffic records and data collection, and motorcycle safety programs of the National Priority Safety Programs.

DP 5008 - TransADE Funding -

The legislature adopted an increase of authority to the Transportation Assistance for the Disabled and Elderly (TransADE) Program, which provides match or operating assistance to transportation providers that serve the disabled and elderly throughout Montana.

DP 5009 - Blackfoot Post Yard Facility Remediation -

The legislature adopted an appropriation of \$150,000 in state special revenue in each year of the biennium for conducting remedial actions required by the Department of Environmental Quality. The site has not been fully characterized and cleanup standards have not been established. The cleanup will likely involve the excavation and possible treatment of contaminated soils and long-term groundwater monitoring beyond 2050.

New Proposals

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	(21,449)	(77,010)	(98,459)	0.00	0	(26,765)	(96,061)	(122,826)
DP 555 - Additional Vacancy Savings	0.00	0	(33,457)	(67,927)	(101,384)	0.00	0	(33,666)	(68,351)	(102,017)
Total	0.00	\$0	(\$54,906)	(\$144,937)	(\$199,843)	0.00	\$0	(\$60,431)	(\$164,412)	(\$224,843)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.