

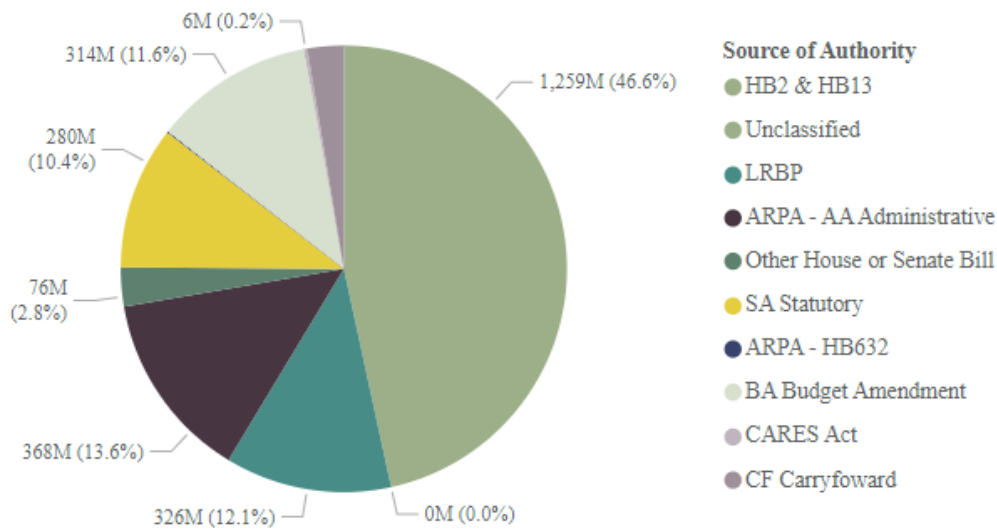
Transportation and Natural Resources, Section C, Fiscal Year End Summary

Section C of Montana's budget, covering Natural Resources and Transportation, is the third largest budget section after Health and Human Services (Section B) and General Government (Section A). It encompasses six agencies: Department of Transportation, Department of Fish, Wildlife, and Parks (FWP), Department of Environmental Quality (DEQ), Department of Natural Resources and Conservation (DNRC), Department of Agriculture (DOAg), and Department of Livestock (DOL).

Total Appropriation Authority

The total appropriation authority for the Transportation and Natural Resources Section C is shown in the pie chart below. HB 2 and HB 13 provide 46.6% of the total authority for this section.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	1,259,237,783	1,179,368,662	93.7%
BA Budget Amendment	313,563,270	84,426,483	26.9%
CF Carryforward	70,948,777	12,658,121	17.8%
LRBP	325,776,099	38,269,521	11.7%
Other House or Senate Bill	76,136,915	8,502,722	11.2%
SA Statutory	280,236,882	155,596,652	55.5%
Unclassified	72,190		
CARES	6,416,984	1,056,702	16.5%
ARPA	370,109,686	105,980,144	28.6%
Total	2,702,498,586	1,585,859,007	58.7%

Total Authority all Sources. \$2.7 billion:

Federal special revenue is the primary funding source, contributing \$1.7 billion or 61% of the total. This includes \$760.7 million (46.1%) from federal highway funds, \$392.9 million (23.8%) from American Rescue Plan Act (ARPA) funds, and \$69.0 million (4.2%) from Pittman-Robertson Wildlife funds.

State special revenues account for \$968.8 million or 35.9% of total authority. The largest portion comes from transportation-related taxes and permits (\$510.5 million, 52.7%), followed by FWP's General License Account (\$196.5 million, 20.3%), and DNRC funds (\$182.1 million, 18.8%).

General fund contributes only 2.2% of total authority, primarily allocated to DNRC (67.4%) and DEQ (17.9%). It's mainly appropriated through HB2, other legislative bills, and statutory authority.

The budget is primarily allocated to operating expenses (50.0%), grants (23.3%), and personal services (15.8%).

Expenditures \$1.6 billion

In fiscal year 2024, total expenditures reached \$1.6 billion, 58.7% of the total budget. Operating expenses account for the largest share of expenditures at \$903.9 million (57.0%), followed by personal services at \$362.9 million (22.9%) and grants at \$240.1 million (15.1%).

While federal special revenue is the largest funding source, it has only been expended at a 52.5% rate. General fund shows the highest expenditure rate at 88.3%, while capital projects have the lowest at 3.2%.

The table on the following page summarizes total expenditure authority for Section C.

Section C Natural Resources and Transportation Budget & Expenditure Summary							
Fiscal Year End 2024							
Total Authority							
Agency	General Fund	State Special Revenue	Federal Special Revenue	Capitol Projects	Proprietary	Grand Total	Percent Total
Department of Transportation	\$1,101,500	\$510,543,519	\$842,523,626	\$0	\$7,941	\$1,354,176,586	50.1%
Department of Natural Resources and Conservation	39,563,720	182,141,383	525,176,610	16,731,323	765	763,613,801	28.3%
Department of Fish, Wildlife, and Parks	-	196,496,359	126,677,263	143,314	-	323,316,936	12.0%
Department of Environmental Quality	10,506,665	45,303,205	115,191,743	6,185,000	218	177,186,831	6.6%
Department of Agriculture	3,383,978	22,057,530	35,098,044	350,000	2,318,316	63,207,868	2.3%
Department of Livestock	4,189,693	12,237,258	4,569,612	-	-	20,996,563	0.8%
Grand Total	\$58,745,556	\$968,779,254	\$1,649,236,898	\$23,409,637	\$2,327,240	\$2,702,498,585	100.0%
Percent of Section C Budget by Fund Type	2.2%	35.8%	61.0%	0.9%	0.1%	100.0%	
Total Expended							
Agency	General Fund	State Special Revenue	Federal Special Revenue	Capitol Projects	Proprietary	Grand Total	Percent Total
Department of Transportation	\$0	\$400,505,335	\$625,940,365	\$0	\$0	\$1,026,445,700	38.0%
Department of Natural Resources and Conservation	38,260,669	100,842,972	149,921,691	399,701	-	289,425,033	10.7%
Department of Fish, Wildlife, and Parks	-	106,382,124	46,297,465	-	-	152,679,589	5.6%
Department of Environmental Quality	6,718,323	30,325,130	32,312,902	-	-	69,356,355	2.6%
Department of Agriculture	3,207,938	18,079,416	7,855,802	350,000	992,499	30,485,655	1.1%
Department of Livestock	3,668,602	10,950,364	2,847,711	-	-	17,466,677	0.6%
Grand Total	\$51,855,532	\$667,085,341	\$865,175,936	\$749,701	\$992,499	\$1,585,859,009	58.7%
Percent Expended by Fund Type	1.9%	24.7%	32.0%	0.0%	0.0%	58.7%	
Percent Expended							
Agency	General Fund	State Special Revenue	Federal Special Revenue	Capitol Projects	Proprietary	Grand Total	
Department of Transportation	-	78.4%	74.3%	-	-	75.8%	
Department of Natural Resources and Conservation	96.7%	55.4%	28.5%	2.4%	-	37.9%	
Department of Fish, Wildlife, and Parks	-	54.1%	36.5%	-	-	47.2%	
Department of Environmental Quality	63.9%	66.9%	28.1%	-	-	39.1%	
Department of Agriculture	94.8%	82.0%	22.4%	100.0%	42.8%	48.2%	
Department of Livestock	87.6%	89.5%	62.3%	-	-	83.2%	
Grand Total	88.3%	68.9%	52.5%	3.2%	42.6%	58.7%	

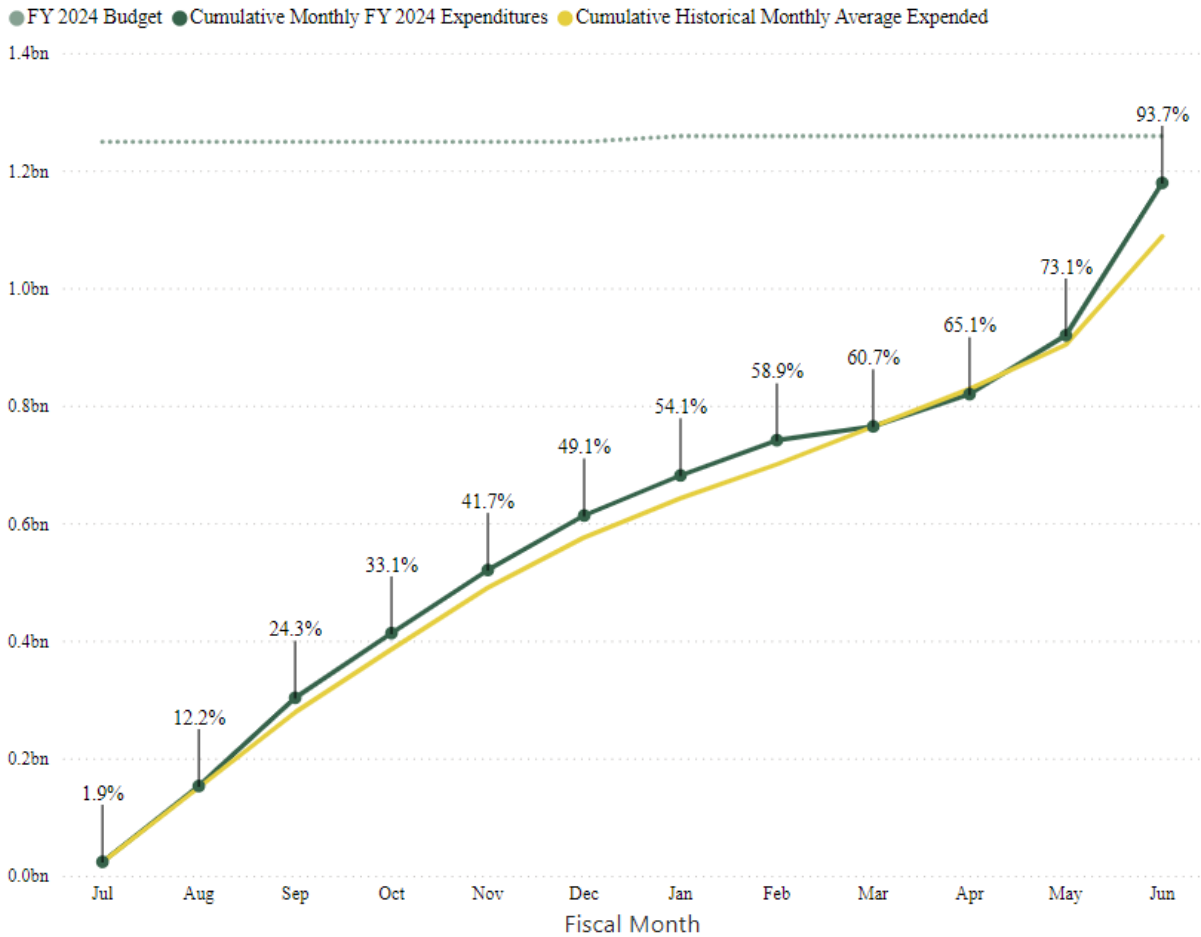
House Bill 2 & 13

The section C HB 2 and HB 13 budget totals \$1.3 billion or 16.8% of HB 2 appropriations for all state agencies. Of the \$2.2 billion general fund budgeted in all sections of government only 2.4% or \$50.8 million is budgeted in section C. State special revenue totaling \$553.3 million was budgeted in Section C, 34.8% of total state special revenue for all sections. Federal funding totaled \$654.6 million represent 18.6% of all federal funds for all sections in state government. The table below shows total HB 2 funding for the 2025 Biennium.

State of Montana HB2 & HB13 Modified Budget for the 2025 Biennium		
<u>Section</u>	<u>HB2 Modified Budget</u>	<u>Percent of total</u>
A - General Government	715,134,533	9.5%
B - Department of Public Health and Human Services	3,495,098,546	46.7%
C - Natural Resources & Transportation	1,259,237,783	16.8%
D - Judicial Branch, Law Enforcement, and Justice	542,458,786	7.2%
E - Education	1,479,220,828	19.7%
Grand Total	7,491,150,476	100.0%

The graph and table below shows fiscal year 2024 expenditure rates compared to average expenditure rates in Section C over the previous five years.

Monthly Expenditures Compared to Historical Average



Transportation and Natural Resources HB 2 & 13 Budget & Expenditures Fiscal Year 2024

Agency Name	Modified Budget	Expended Budget	Percent Expended	
			FY 2024	Last 5 Years
Department of Fish, Wildlife and Parks	\$129,664,832	\$121,259,575	93.5%	91.6%
Department of Environmental Quality	67,155,063	52,258,532	77.8%	73.8%
Department of Transportation	931,557,709	891,141,664	95.7%	85.1%
Department of Livestock	16,531,561	14,913,906	90.2%	94.2%
Department of Natural Resources and Conservation	92,504,149	81,922,095	88.6%	90.7%
Department of Agriculture	21,824,469	17,872,890	81.9%	84.6%
Total	\$1,259,237,783	\$1,179,368,662	93.7%	86.4%

Accounting Classification	Modified Budget	Expended Budget	Percent Expended	
			FY 2024	Last 5 Years
Personal Services	\$356,347,816	\$341,472,546	95.8%	93.5%
Operating Expenses	811,618,525	760,124,971	93.7%	84.6%
Equipment & Intangible Assets	10,112,586	7,092,116	70.1%	65.3%
Capital Outlay	20,875,998	20,253,093	97.0%	53.6%
Local Assistance	3,058,090	2,236,125	73.1%	45.0%
Grants	42,293,895	36,987,060	87.5%	70.6%
Benefits & Claims	1,277,801	792,853	62.0%	9.4%
Transfers-out	9,356,955	6,531,638	69.8%	67.9%
Debt Service	4,296,118	3,878,260	90.3%	92.8%
Total	\$1,259,237,783	\$1,179,368,662	93.7%	86.4%

Funding Source	Modified Budget	Expended Budget	Percent Expended	
			FY 2024	Last 5 Years
General Fund	\$50,837,860	\$48,955,529	96.3%	97.0%
State Special Revenue	553,306,491	502,648,980	90.8%	87.6%
Federal Special Revenue	654,575,116	627,339,390	95.8%	86.4%
Proprietary funds	518,316	424,763	82.0%	68.9%
Total	\$1,259,237,783	\$1,179,368,662	93.7%	86.4%

FY 2024 Budget and Expenditure Highlights:

- Total modified budget: \$1.3 billion
- Total expended: \$1.2 billion
- Overall expenditure rate FY 2024: 93.7%, compared to 86.4% average over the last five years,
- Higher than average expenditure rates are driven by the Department of Transportation which has the largest budget and highest expenditure rate in FY 2024 at 95.7%
- Personal services, operations, and grants combined account for 96.1% of the Section C budget. All three of these categories are higher than historical averages,
- Increase in expenditure rates are funded primarily with federal revenues.