

# DEPARTMENT OF FISH, WILDLIFE AND PARKS

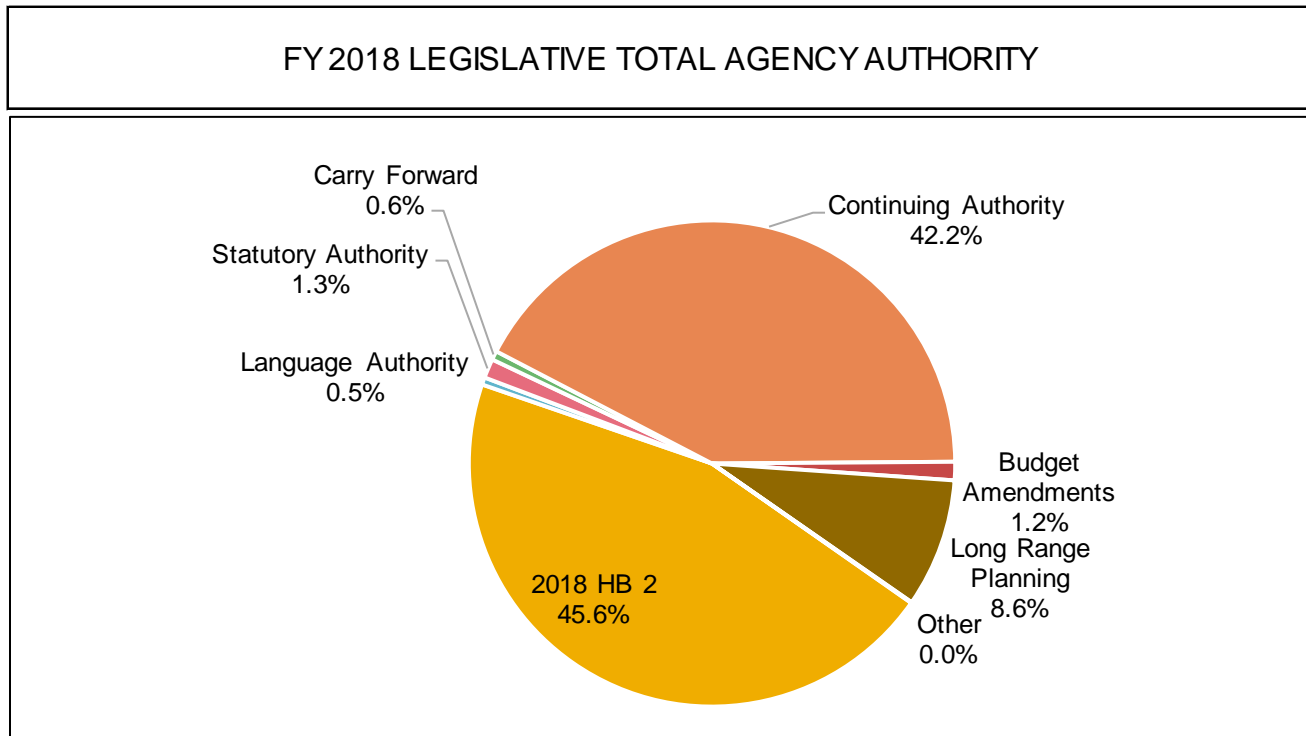
## BUDGET AND EXPENDITURE HIGHLIGHTS

- The Department of Fish, Wildlife and Parks (FWP) expended 92.5% of their FY 2018 HB 2 appropriation
  - State special revenue was 93.9% expended
  - Federal special revenue was 88.9% expended
  - The FY 2018 HB 2 appropriation did not include general fund
- The fiscal year-end modified budget did not increase compared to the June modified budget
- The agency moved \$22,517 in federal authority for operating expense from the administration program to the enforcement division
- The agency moved \$338,006 from operations to other expense categories
- Appropriation authority switched from federal to state special authority. The agency moved \$532,000 in appropriation from federal to state special revenue. HB 2 provided a one-time-only (OTO) appropriation of \$5.9 million in equal parts of state and federal special revenue for Aquatic Invasive Species (AIS) response. Language provided that should federal grants for AIS be less than anticipated then state special revenue could be increased by a like amount
- The agency expended 93.4% of OTO appropriations. The OTO's are not biennial appropriations and in accordance with carryforward rules, only 30% of the unexpended appropriation for personal services, operating expenses, and equipment can be used in the following year. All OTO's for the agency are appropriated from state special revenue or federal sources restricting how carryforward can be used. The table below summarizes OTO appropriations and expenditures.

Fish, Wildlife and Parks One-Time-Only Appropriation Expenditures FY 2018					
	<u>Appropriation</u>	HB2 <u>Language<sup>1</sup></u>	<u>Expended</u>	<u>Balance</u>	<u>Percent Expended</u>
<b><u>State Special Revenue</u></b>					
Aquatic Invasive Species <sup>1</sup>	\$2,965,783	\$532,000	(\$3,375,860)	\$121,923	96.5%
Wolf Management	471,218	-	(395,728)	75,490	84.0%
Grizzly Bear Management	87,003	-	(73,682)	13,321	84.7%
Bison Containment	54,130	-	(18,067)	36,063	33.4%
Drought Management	150,000	-	(35,701)	114,299	23.8%
Data Management	30,000	-	(28,374)	1,626	94.6%
<b>Total State Special Revenue</b>	<b>\$3,758,134</b>	<b>\$532,000</b>	<b>(\$3,927,412)</b>	<b>\$362,722</b>	<b>91.5%</b>
<b><u>Federal Special Revenue</u></b>					
Aquatic Invasive Species	\$2,965,783	(\$532,000)	(2,351,846)	\$81,937	96.6%
Grizzly Bear Management	261,010	-	(241,446)	19,564	92.5%
<b>Total Federal Special Revenue</b>	<b>\$3,226,793</b>	<b>(\$532,000)</b>	<b>(\$2,593,292)</b>	<b>\$101,501</b>	<b>96.2%</b>
<b>Fish Wild Life and Parks Total</b>	<b>\$6,984,927</b>	<b>\$0</b>	<b>(\$6,520,704)</b>	<b>\$464,223</b>	<b>93.4%</b>

<sup>1</sup> HB 2 language provides that state special revenue make up any shortfall in federal grants for AIS

# TOTAL APPROPRIATION AUTHORITY OVERVIEW



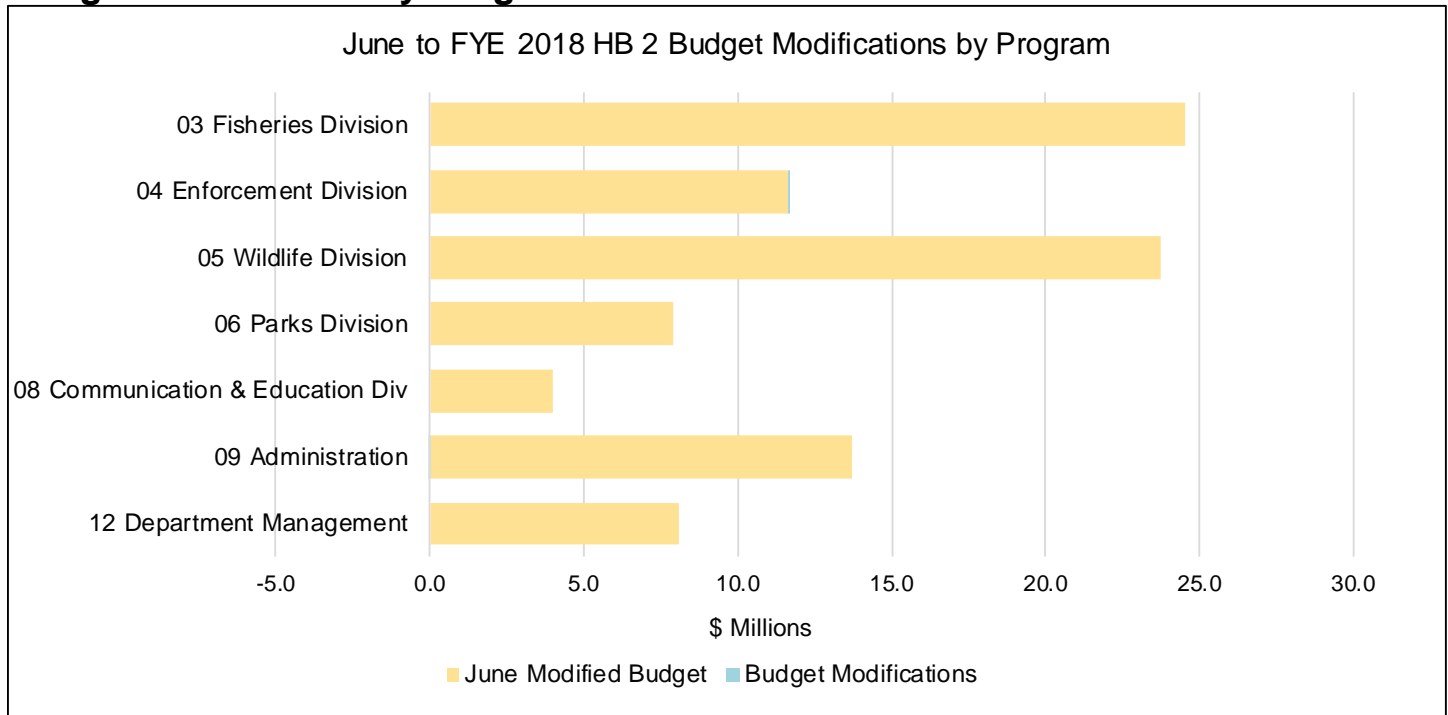
FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	93,587,224
Language Authority	1,000,000
Statutory Authority	2,634,041
Carry Forward	1,227,223
Continuing Authority	86,795,548
Budget Amendments	2,515,200
Other	100,000
Long Range Planning	17,597,165
<b>Total Budgeted Authority</b>	<b>205,456,402</b>
Non-Budgeted Proprietary	\$ 4,175,058

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	119,932,099
Total Budgeted Authority	205,456,402
<b>% Expended</b>	<b>58.4%</b>

*This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.*

The agency receives substantial funding in addition to HB 2 authority. At fiscal year-end, the agency had expended 58.4% of total budget authority. Long Range Building Planning (LRBP) includes \$17.8 million shown in the table above plus continuing authority. Since long range building budgets and expenditures are planned over several years in any year the unexpended portion will have a large effect on the agencies' total percent expended. Excluding LRBP and that portion of continuing authority that is LRBP, the agency expended 86.7% of total budget authority.

## Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
03 Fisheries Division	24,524,938	566,500	(566,500)	-	24,524,938	0.0%
04 Enforcement Division	11,650,887	73,312	(50,795)	22,517	11,673,404	0.2%
05 Wildlife Division	23,713,875	108,300	(108,300)	-	23,713,875	0.0%
06 Parks Division	7,927,523	-	-	-	7,927,523	0.0%
08 Communication & Education Div	3,980,975	-	-	-	3,980,975	0.0%
09 Administration	13,688,265	123,631	(146,148)	(22,517)	13,665,748	-0.2%
12 Department Management	8,100,761	129,080	(129,080)	-	8,100,761	0.0%
<b>Grand Total</b>	<b>\$93,587,224</b>	<b>\$1,000,823</b>	<b>(\$1,000,823)</b>	<b>(\$0)</b>	<b>\$93,587,224</b>	<b>0.0%</b>

*This chart shows budget modifications by program from June through FYE.*

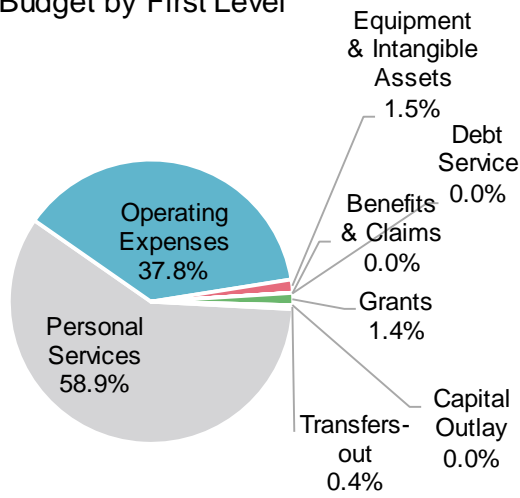
The agency moved \$22,517 of federal authority operating expense from the Administration program to the Enforcement Division.

Not shown in the table above is a switch in funding authority for aquatic invasive species response within Fisheries Division. The agency increased state special revenue authority by \$532,000 and decreased federal authority by a like amount. HB 2 language authorized an increase in state special revenue should the anticipated federal funds not be available.

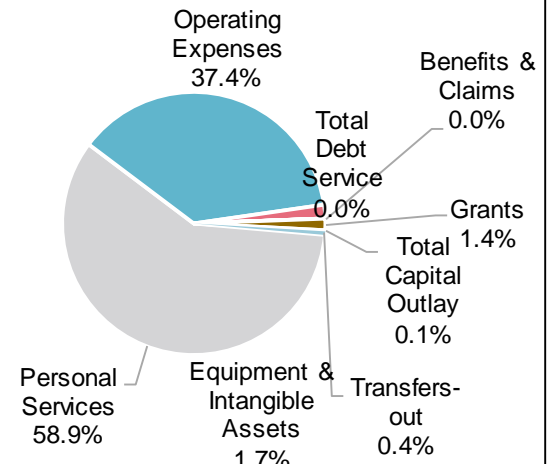
# Budget Modification by First Level

## June HB 2 Modified Budget vs FYE 2018 HB 2 Modified Budget

June Modified Budget by First Level



FYE 2018 Modified Budget by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

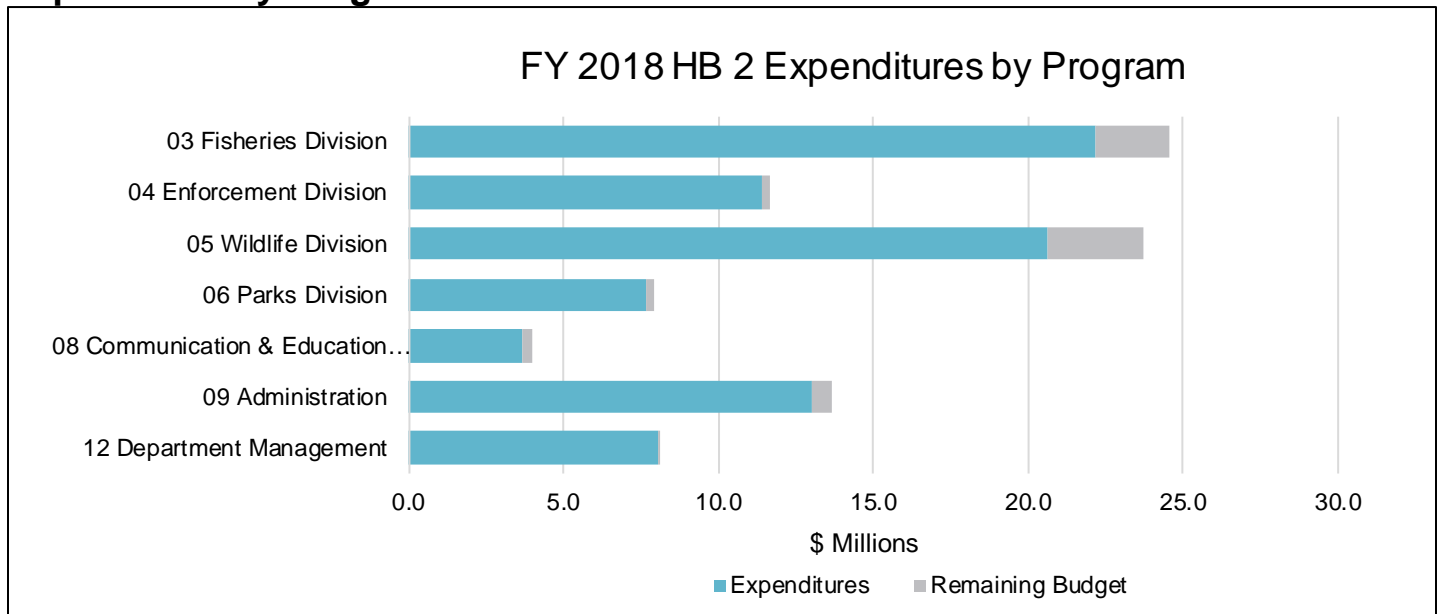
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$55,084,232	562,000	(532,000)	30,000	55,114,232	0.1%
62000 Operating Expenses	\$35,376,447	127,517	(465,523)	(338,006)	35,038,441	-1.0%
63000 Equipment & Intangible Assets	\$1,403,858	167,375	(3,300)	164,075	1,567,933	11.7%
64000 Capital Outlay	\$0	123,631	-	123,631	123,631	0.0%
66000 Grants	\$1,303,608	17,000	-	17,000	1,320,608	1.3%
67000 Benefits & Claims	\$800	3,300	-	3,300	4,100	412.5%
69000 Debt Service	\$14,522	-	-	-	14,522	0.0%
68000 Transfers-out	\$403,757	-	-	-	403,757	0.0%
<b>Grand Total</b>	<b>\$93,587,224</b>	<b>\$1,000,823</b>	<b>(1,000,823)</b>	<b>(\$0)</b>	<b>\$93,587,224</b>	<b>0.0%</b>

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The agency had several budget modifications to align expenditures to the correct account levels.

# AGENCY HB 2 EXPENDITURES

## Expenditure by Program



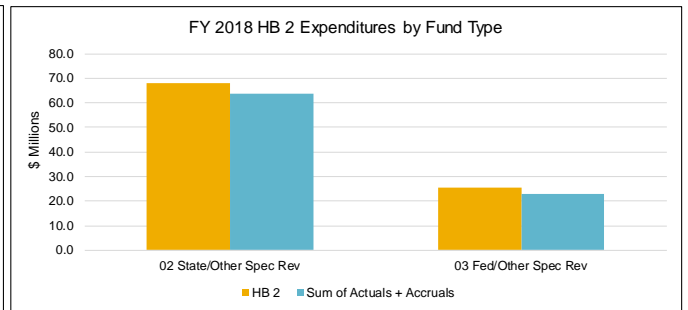
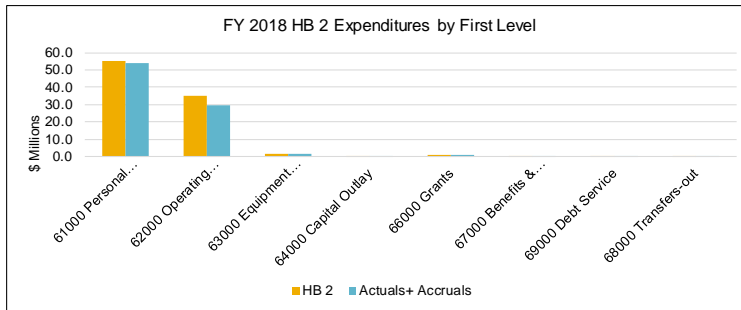
Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
03 Fisheries Division	24,524,938	22,139,544	2,385,394	90.3%
04 Enforcement Division	11,673,404	11,427,473	245,931	97.9%
05 Wildlife Division	23,713,875	20,616,980	3,096,895	86.9%
06 Parks Division	7,927,523	7,643,267	284,256	96.4%
08 Communication & Education Div	3,980,975	3,677,359	303,616	92.4%
09 Administration	13,665,748	13,022,493	643,254	95.3%
12 Department Management	8,100,761	8,055,580	45,181	99.4%
<b>Grand Total</b>	<b>\$93,587,224</b>	<b>86,582,698</b>	<b>\$7,004,526</b>	<b>92.5%</b>

*This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.*

The Wildlife Division expended 86.9% of the total appropriation. This is due to lower than anticipated acres enrolled in the block management program.

Fisheries Division expended only 90.3% of the total budget due to lower than anticipated expenditures from federal sources. Federal funds account for most of the Fisheries Division budget. Of these federal funds, only 85.1% were expended.

## Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	55,114,232	54,000,416	98.0%
62000 Operating Expenses	35,038,441	29,827,579	85.1%
63000 Equipment & Intangible Assets	1,567,933	1,421,818	90.7%
64000 Capital Outlay	123,631	123,631	100.0%
66000 Grants	1,320,608	895,481	67.8%
67000 Benefits & Claims	4,100	4,024	98.1%
68000 Transfers-out	403,757	295,227	73.1%
69000 Debt Service	14,522	14,521	100.0%
<b>Grand Total</b>	<b>\$93,587,224</b>	<b>\$86,582,698</b>	<b>92.5%</b>

Fund Type	FYE Modified HB 2	Expended	Percent Expended
02 State/Other Spec Rev	67,930,686	63,782,669	93.9%
03 Fed/Other Spec Rev	25,656,538	22,800,028	88.9%
<b>Grand Total</b>	<b>\$93,587,224</b>	<b>\$86,582,698</b>	<b>92.5%</b>

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

FWP expended 92.5% of their FY 2018 HB 2 appropriation.

State special revenue makes up 72.6% of the HB 2 funding. At fiscal year-end 93.9% of the state special revenue was expended. One half of the unexpended state special revenue was appropriated from the hunting access account within the Wildlife Division. The low expenditure was due to lower than anticipated acreage enrolled in the block management program.

Federal special revenue accounts for the remaining HB 2 appropriation for FWP. Of this, 88.9% of federal authority was unexpended as of fiscal year-end.

### Other Items

The agency budget is comprised of 40 state special revenue accounts and three federal special revenue accounts.

The table below shows 4 funds that make up 90% for the total state special revenue appropriation. Highlighted funds are less than 90% expended.

Fish, Wildlife and Parks HB 2 State Special Revenue Appropriations Percent Expended				
State Fund	Budget	Actual	Balance	% Exp
02409 General License	\$45,772,989	\$44,484,182	\$1,288,807	97.2%
02334 Hunting Access	9,073,972	6,981,511	2,092,461	76.9%
02411 State Parks Miscellaneous	4,902,204	4,879,697	22,507	99.5%
02284 Aquatic Invasive Species	1,742,892	1,687,957	54,935	96.8%
All Other State Special Revenue (36 Accounts)	6,438,629	5,749,322	689,307	89.3%
<b>Total State Special Revenue</b>	<b>\$67,930,686</b>	<b>\$63,782,669</b>	<b>\$4,148,017</b>	<b>93.9%</b>

The table below shows the entire federal funds appropriation. Highlighted funds are less than 90% expended.

Fish, Wildlife and Parks  
 HB 2 State Federal Revenue Appropriations  
 Percent Expended

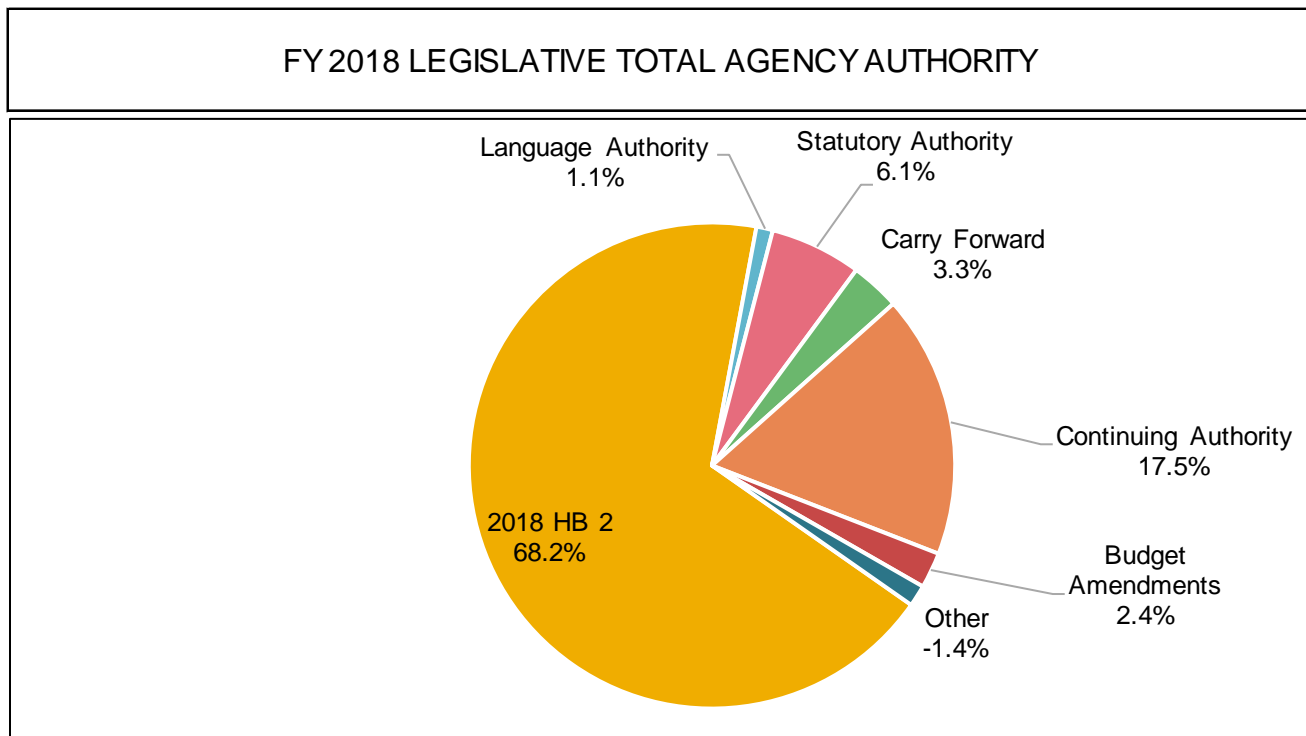
<b><u>Federal Fund</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Balance</u></b>	<b><u>% Exp</u></b>
03097 Fish(WB)-Wildf(Pr) Restor Grnt	\$17,249,553	\$16,053,743	1,195,810	93.1%
03403 Misc Federal Funds	7,616,719	6,232,938	1,383,781	81.8%
03408 State Wildlife Grants	790,266	513,347	276,919	65.0%
Total Funding	\$25,656,538	\$22,800,028	\$2,856,510	88.9%

# DEPARTMENT OF ENVIRONMENTAL QUALITY

## BUDGET AND EXPENDITURE HIGHLIGHTS

- The Department of Environmental Quality (DEQ) expended 81.4% of their FY 2018 HB 2 total appropriation
  - General fund was 99.5% expended
  - State special revenue was expended 79.9%
  - Federal special revenue was 80.0% expended
- The DEQ budget is primarily state and federal special revenue, only 7.3% of the budget is general fund. The state general fund is used primarily for personal services and operating expense within the Water Quality Division and the Air Energy & Mining Division
- Total appropriation did not increase since the June modified budget. Program transfers moved \$1.6 million of state special revenue authority for operations from the Air Energy & Mining Division to Central Management Program and the Waste Management & Remediation Division. Program transfers do not change the total appropriation for the agency

## TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	62,219,437
Language Authority	1,000,000
Statutory Authority	5,550,000
Carry Forward	2,999,447
Continuing Authority	15,974,665
Budget Amendments	2,172,673
Other	(1,300,000)
Long Range Planning	0
<b>Total Budgeted Authority</b>	<b>88,616,222</b>
Non-Budgeted Proprietary	\$ 8,768,810

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	59,949,583
Total Budgeted Authority	88,616,222
<b>% Expended</b>	<b>67.7%</b>



This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

DEQ has total budgeted authority of \$88.6 million of which 70.1% is HB 2 authority. In addition to HB 2 the agency receives additional authority from statutory appropriations and continuing appropriations for long term projects. At fiscal year-end, the agency had expended 67.7% of total budget authority.

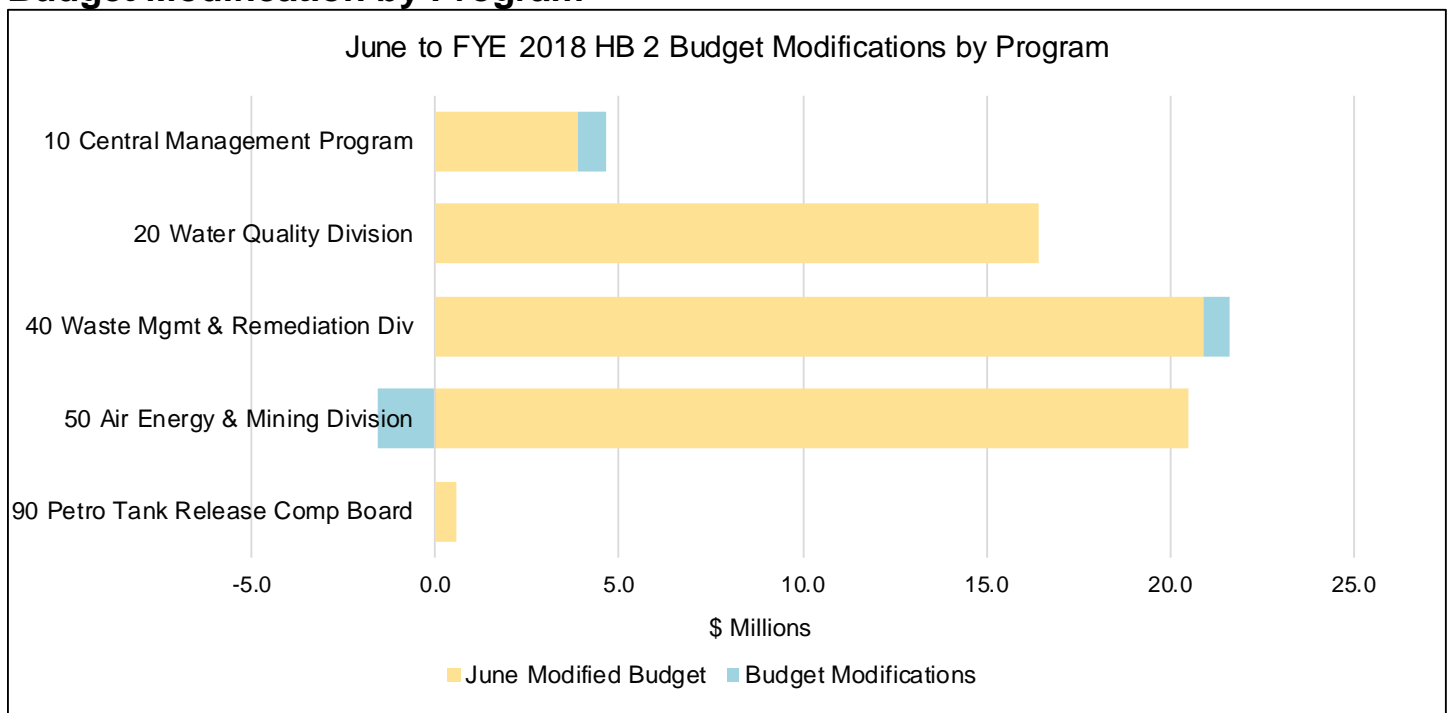
The Petroleum Tank Compensation Board receives statutory authority for three quarters of a cent fee on distributed fuel to pay for site cleanup.

The proprietary funding is based upon a negotiated indirect rate with the Environmental Protection Agency. The funding supports personal services, temporary services, and work study projects as well as contracted services within each division.

Budget amendments allow the executive to increase federal appropriation for the agency to take advantage of federal grants that become available during the biennium.

## HB 2 BUDGET MODIFICATIONS

### Budget Modification by Program

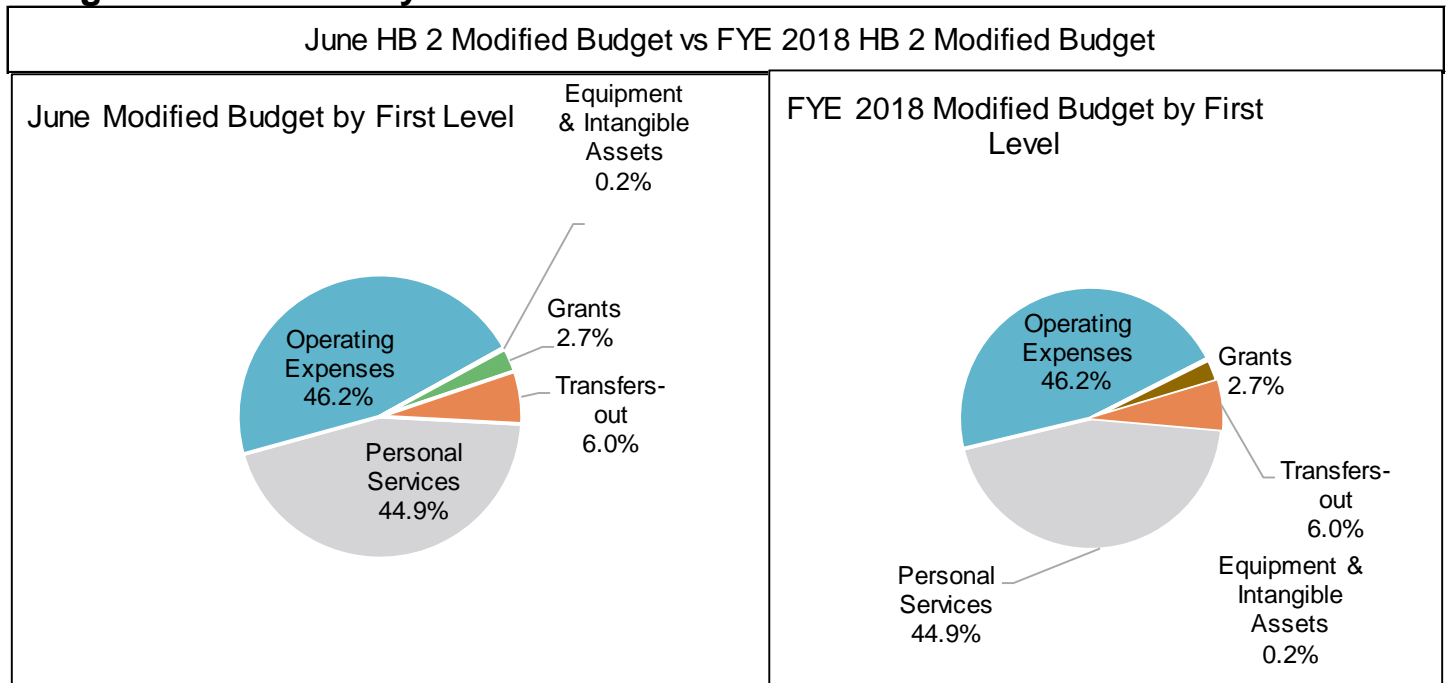


Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
10 Central Management Program	3,856,150	800,000	-	800,000	4,656,150	20.7%
20 Water Quality Division	16,409,060	-	-	-	16,409,060	0.0%
40 Waste Mgmt & Remediation Div	20,884,949	750,000	-	750,000	21,634,949	3.6%
50 Air Energy & Mining Division	20,480,639	-	(1,550,000)	(1,550,000)	18,930,639	-7.6%
90 Petro Tank Release Comp Board	588,639	-	-	-	588,639	0.0%
<b>Grand Total</b>	<b>\$62,219,437</b>	<b>\$1,550,000</b>	<b>(\$1,550,000)</b>	<b>\$0</b>	<b>\$62,219,437</b>	<b>0.0%</b>

This chart shows budget modifications by program from June through FYE.

The agency transferred state special revenue authority for operations from the Air Energy & Mining Division to the Central Management Program and the Waste Management & Remediation Division.

## Budget Modification by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

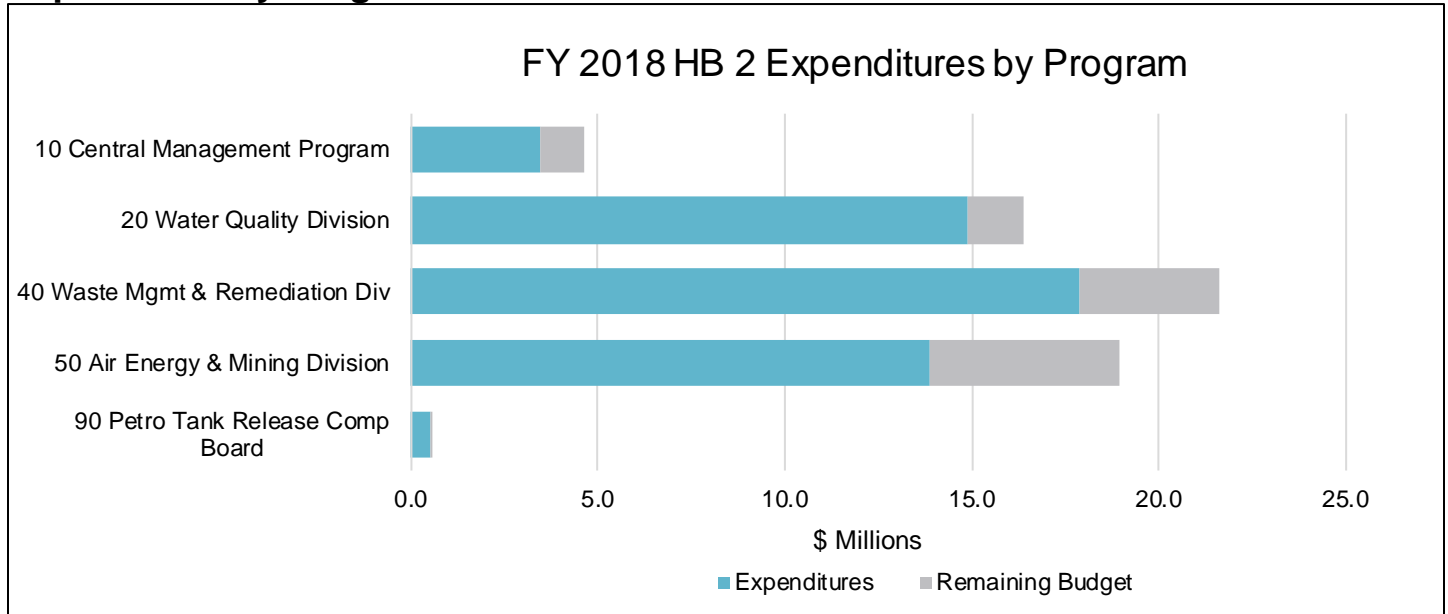
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$27,924,196	-	-	-	27,924,196	0.0%
62000 Operating Expenses	\$28,739,601	1,550,000	(1,550,000)	-	28,739,601	0.0%
63000 Equipment & Intangible Assets	\$119,654	-	-	-	119,654	0.0%
66000 Grants	\$1,689,173	-	-	-	1,689,173	0.0%
68000 Transfers-out	\$3,746,813	-	-	-	3,746,813	0.0%
<b>Grand Total</b>	<b>\$62,219,437</b>	<b>\$1,550,000</b>	<b>(1,550,000)</b>	<b>\$0</b>	<b>\$62,219,437</b>	<b>0.0%</b>

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The agency moved appropriation authority for operating expense between programs.

# AGENCY HB 2 EXPENDITURES

## Expenditure by Program

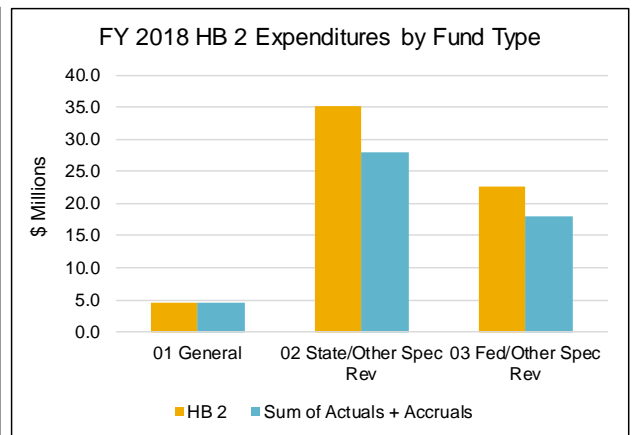
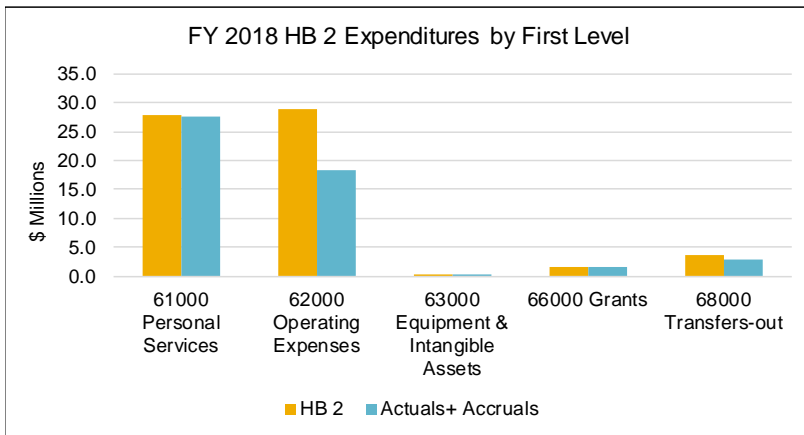


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
10 Central Management Program	4,656,150	3,476,347	1,179,803	74.7%
20 Water Quality Division	16,409,060	14,916,138	1,492,922	90.9%
40 Waste Mgmt & Remediation Div	21,634,949	17,867,327	3,767,622	82.6%
50 Air Energy & Mining Division	18,930,639	13,858,825	5,071,814	73.2%
90 Petro Tank Release Comp Board	588,639	504,381	84,258	85.7%
<b>Grand Total</b>	<b>\$62,219,437</b>	<b>50,623,018</b>	<b>\$11,596,419</b>	<b>81.4%</b>

*This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.*

The agency expended less than anticipated for remediation, abandon mines, mine reclamation, and federal super fund projects. See discussion in the next section for more detail.

## Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	27,924,196	27,500,846	98.5%
62000 Operating Expenses	28,739,601	18,434,310	64.1%
63000 Equipment & Intangible Assets	119,654	17,914	15.0%
66000 Grants	1,689,173	1,768,298	104.7%
68000 Transfers-out	3,746,813	2,901,650	77.4%
<b>Grand Total</b>	<b>\$62,219,437</b>	<b>\$50,623,018</b>	<b>81.4%</b>

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	4,566,124	4,541,226	99.5%
02 State/Other Spec Rev	35,062,631	28,007,760	79.9%
03 Fed/Other Spec Rev	22,590,682	18,074,032	80.0%
<b>Grand Total</b>	<b>\$62,219,437</b>	<b>\$50,623,018</b>	<b>81.4%</b>

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

Agency expended 81.4% of their FY 2018 HB 2 total appropriation

The agency expended almost the entire general fund appropriation. State and federal appropriations were significantly under spent by as much as 20.0%. Since state and federal special revenue comprise 91.0% of the budget these funds have a greater influence on the unexpended percentage.

### Other Items

The agency is required to use state special and federal special revenue before general fund whenever possible. While the general fund comes with flexibility in how it is spent, state and federal special revenue is restricted by statute and federal regulations. Most of the agency budget is comprised of 91 different state and federal special revenue accounts all which have limitations on use.

State special revenue accounts for \$35.1 million or 56.4% of the total agency budget. Five state special funds account for 75.9% of the total unexpended state special revenue.

The table below outlines 17 of the funds that make up 90% of the total state special revenue for DEQ.

Department of Environmental Quality State Special Revenue Appropriations  
Percent Expended

<b>State Fund</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Exp</b>
02201 Air Quality-Operating Fees	\$4,416,947	\$3,738,037	\$678,910	84.6%
02988 Hard Rock Mining Reclamation	4,408,171	1,293,393	3,114,778	29.3%
02162 Environmental Quality Protecti	4,065,235	3,753,759	311,476	92.3%
02278 MPDES Permit Program	2,932,014	2,902,089	29,925	99.0%
02058 Petroleum Storage Tank Cleanup	2,128,534	2,015,153	113,381	94.7%
02845 Junk Vehicle Disposal	2,041,225	2,031,832	9,393	99.5%
02576 Natural Resources Operations	2,026,493	1,995,069	31,424	98.4%
02542 MT Environ Policy Act Fee	1,276,613	1,201,846	74,767	94.1%
02204 Public Drinking Water	1,162,919	1,143,776	19,143	98.4%
02157 Solid Waste Management Fee	1,063,639	1,038,973	24,666	97.7%
02472 Orphan Share Fund	1,011,265	326,189	685,076	32.3%
02223 Wastewater SRF Special Admin	1,009,467	910,802	98,665	90.2%
02418 Subdivision Plat Review	1,004,047	1,000,217	3,830	99.6%
02428 Major Facility Siting	815,000	28,038	786,962	3.4%
02521 Pegasus Bankruptcy/Operations	707,493	684,466	23,027	96.7%
02491 Drinking Water Spec Admin Cost	637,587	546,390	91,197	85.7%
02075 UST Leak Prevention Program	593,706	588,470	5,236	99.1%
All Other State Special Revenue (39 Accounts)	3,762,276	2,809,264	953,012	74.7%
<b>Total State Special Revenue</b>	<b>\$35,062,631</b>	<b>\$28,007,760</b>	<b>\$7,054,871</b>	<b>79.9%</b>

The table below shows 19 of the funds that make up 90% of the total federal special revenue appropriation.

Department of Environmental Quality Federal Special Revenue Appropriations  
Percent Expended

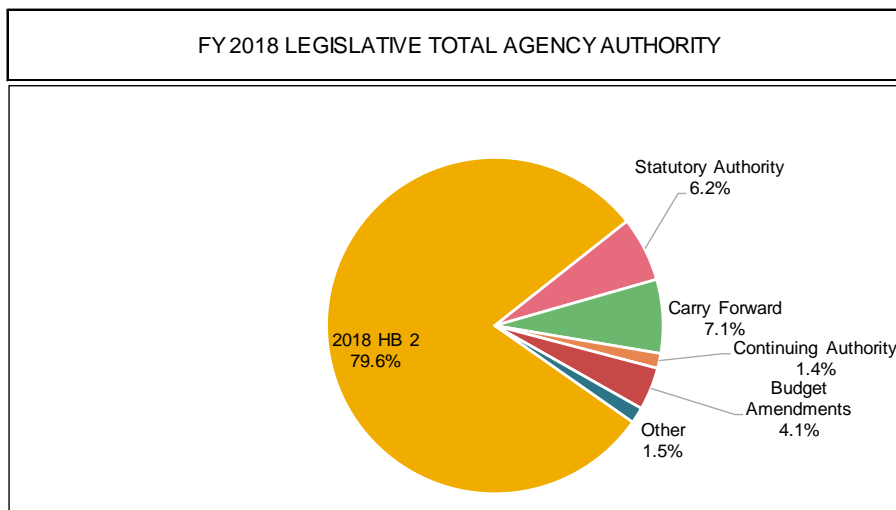
<b>Federal Fund</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Exp</b>
03262 EPA Ppg	\$5,873,804	\$5,010,573	\$863,231	85.3%
03036 DEQ - Federal Aml Grant	2,601,005	2,572,899	28,106	98.9%
03067 DSL Federal Reclamation Grant	2,045,453	2,020,953	24,500	98.8%
03953 DW17 SRF Grant	1,498,400	1,200,020	298,380	80.1%
03691 Non Pt Source Staffing/Support	1,027,845	855,959	171,886	83.3%
03973 EPA Brownfields Grant	956,893	753,916	202,977	78.8%
03663 Abandoned Mines Lands Grant	946,781	431,543	515,238	45.6%
03260 Carpenter Snow Creek Superfund	800,036	391,091	408,945	48.9%
03721 Libby Sitewide	783,245	418,040	365,205	53.4%
03222 Mgmt Assist Special Acct	552,863	458,930	93,933	83.0%
03058 Abandoned Mine Lands	545,192	404,856	140,336	74.3%
03952 DW16 SRF Grant	511,639	491,031	20,608	96.0%
03221 EPA LUST Trust	488,084	440,173	47,911	90.2%
03028 UST Energy Policy Act Prov	357,358	331,704	25,654	92.8%
03437 DOE-State Energy Program	325,450	294,540	30,910	90.5%
03325 EPA 103 PM 2.5	305,158	280,269	24,889	91.8%
03342 Butte Mine Flooding	262,000	252,021	9,979	96.2%
03436 NPS Staffing & Support	224,805	215,517	9,288	95.9%
03360 Management Assistance - Bulk	210,000	117,944	92,056	56.2%
All Other State Special Revenue (33 Accounts)	2,274,671	1,132,053	1,142,619	49.8%
<b>Total Federal Special Revenue</b>	<b>\$22,590,682</b>	<b>\$18,074,032</b>	<b>\$4,516,650</b>	<b>80.0%</b>

# DEPARTMENT OF TRANSPORTATION

## BUDGET AND EXPENDITURE HIGHLIGHTS

- In FY 2018, the Montana Department of Transportation (MDT) expended \$684.3 million from the total budget authority of \$883.0 million (77.5%) (including non-budgeted proprietary programs) and expended \$603.0 million from the \$673.1 million of HB 2 authority (89.6%)
  - In past years (FY 2009 - FY 2017), expenditures averaged 84.9% of the authority, demonstrating that MDT made greater use of their authority in FY 2018
  - The Construction Program used 88.4% of their HB 2 authority, compared to an average of 83.8%
    - HB 2 expenditures of \$402.3 million in the Construction Program were 26.4% greater than the FY 2017 expenditures and 6.0% greater than the nine-year average
- The MDT budget is funded exclusively with state special and federal special revenues, and as such did not have general fund reductions in the November special session
- The MDT personal services budget was tight in FY 2018
  - The agency made use of \$3.8 million of carryforward in the personal services budget
  - The Maintenance Program was required to use carryforward authority to meet overtime costs resulting from an unusual amount of winter maintenance
- HB 2 contains language that makes MDT a biennial budget, and MDT has continued all unused HB 2 appropriation authority, estimated at \$70.1 million, from FY 2018 into FY 2019
- The working capital analysis of the three major MDT state special revenue funds (the non-restricted and the restricted highway state special revenue (HSSRA) accounts and the bridge and road safety accountability act (BaRSAA) restricted fuel tax account) are projected to finish FY 2018 with a combined balance of \$73.2 million (prior to revenue accrual adjustments)
  - This is an improvement of \$26.1 million from the FY 2018 beginning balance
  - The non-restricted HSSRA is expected to finish FY 2018 with a balance of \$2.7 million, which may not be sufficient to fund the August 31 transfer of \$4.0 million to the general fund and may require MDT to make short-term "loans" from other state special accounts to enable the transfer

## TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	673,116,239
Language Authority	0
Statutory Authority	52,517,482
Carry Forward	59,961,668
Continuing Authority	12,158,348
Budget Amendments	34,633,566
Other	12,922,000
Long Range Planning	0
<b>Total Budgeted Authority</b>	<b>845,309,302</b>
Non-Budgeted Proprietary	\$ 37,669,380

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	650,637,199
Total Budgeted Authority	845,309,302
<b>% Expended</b>	<b>77.0%</b>

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

MDT has \$883.0 million of total authority and has expended \$684.3 million, or 77.5%. Excluding the non-budgeted proprietary authority, the total authority was \$845.3 million, and expenditures were 77.0% of the budget. The following sections provide detail on most of the non-HB 2 types of authority. In addition to the \$673.1 million of HB 2 authority, the total MDT authority includes:

- \$52.5 million of statutory appropriations, which primarily consist of gasoline tax distributions to local and tribal governments
- \$34.6 million of budget amendments, which includes unanticipated federal authority and grants (total budget amendment authority is increased to \$35.5 million with continuing authority)
- \$60.0 million of carryforward authority, of which \$5.0 million has been expended
- \$12.9 million of authority from other legislation including:
  - \$12.5 million of authority from HB 473 (BaRSAA-Bridge and Road Safety and Accountability Act)
  - Other includes a net \$422,000 related to authority transfers related to Long-Range project authority that occurred in FY 2018
- \$12.2 million of continuing authority
- \$37.7 million of non-budgeted authority in the three proprietary programs (increased by 0.9 million in June)

## Statutory Appropriations

MDT statutory appropriations were budgeted at \$52.5 million as shown in the figure below.

FY 2018 Statutory Appropriations				
	Budget	Actuals & Accruals	Budget Balance	% Expended
Tribal Govt. Distributions and Admin	5,339,101	5,329,634	9,467	99.8%
Local Govt. Gas Tax Distributions	16,666,000	16,666,000	0	100.0%
BaRSAA Local Govt. Distributions	14,874,792	3,551,550	11,323,242	23.9%
Local Technical Assistance Program	150,000	150,000	0	100.0%
Debt Service	15,416,300	15,416,300	0	100.0%
Shared Use Paths	71,289	0	71,289	0.0%
<b>Grand Total</b>	<b>52,517,482</b>	<b>41,113,484</b>	<b>11,403,998</b>	<b>78.3%</b>

Details of the statutory appropriations include:

- \$36.9 million for distributions of fuel taxes to local and tribal governments, of which 69.3% was expended
  - The amounts shown above include \$14.9 million of BaRSAA local authority, as provided in the fuel tax increase legislation (HB 473), of which \$3.6 million or 23.9% was expended in FY 2018
- Tribal allocations of the gas tax were increased by \$3,000 in the fiscal year-end closing actions to cover the final distribution cost
- \$15.4 million is for debt service obligations, which was fully expended
- \$0.1 million is for the rural technical assistance program at Montana State University, which was fully expended
- \$71,289 for a new shared use path program, from which there were no expenditures in FY 2018
- MDT expended 78.3% of the total statutory appropriation authority

## Budget Amendments

Total budget amendment (BA) authority is \$35.5 million in FY 2018, which includes \$868,281 of BA authority continued from the FY 2017 and \$34.6 million of authority provided in FY 2018. Total BA authority in FY 2018 represents an increase of 8.3% over the HB 2 federal appropriations. In FY 2018, MDT expended \$130,975 or 0.4% of the total BA authority and \$25,682 of the BA authority established initially in FY 2018.

In June, MDT entered a budget amendment change that moved \$10,000 of authority from operating expenses to transfers-out. This action will allow the Department of Justice to access the authority for their portion of the Smart Cop system. This budget amendment can be seen in Appendix C of the Budget Status Report.

In FY 2019, MDT entered a budget amendment (BA) for \$18.7 million. The federal funds are from an additional apportionment to the states provided through the federal Department of Transportation Appropriations Act of 2018. The new funds are an addition to the core federal program and will need to be obligated by September, 2021. This BA can be seen in Appendix C of this report.

## Non-Budgeted Proprietary

FY 2018 Proprietary Programs				
Program/Account	Budget	Actuals &		% Expended
		Accruals	Budget Balance	
07 State Motor Pool	\$6,366,520	\$2,897,487	\$3,469,033	45.5%
08 Equipment Program	30,668,334	30,300,861	367,473	98.8%
40 West Yellowstone Airport	634,526	504,992	129,534	79.6%
<b>Grand Total</b>	<b>\$37,669,380</b>	<b>\$33,703,339</b>	<b>\$3,966,041</b>	<b>89.5%</b>

- MDT has three non-budgeted proprietary programs, as shown in the figure above
- The authority for the Equipment Program was increased by \$900,000 in a fiscal year-end closing transaction necessitated by increased fuel, repair, and maintenance costs (related to the snowy 2017-2018 winter)
- The State Motor Pool expended just 45.5% of the FY 2018 authority because the program did not make vehicle purchases in FY 2018
- In FY 2018, the three programs expended 89.5% of their non-budgeted authority

## Continuing Authority

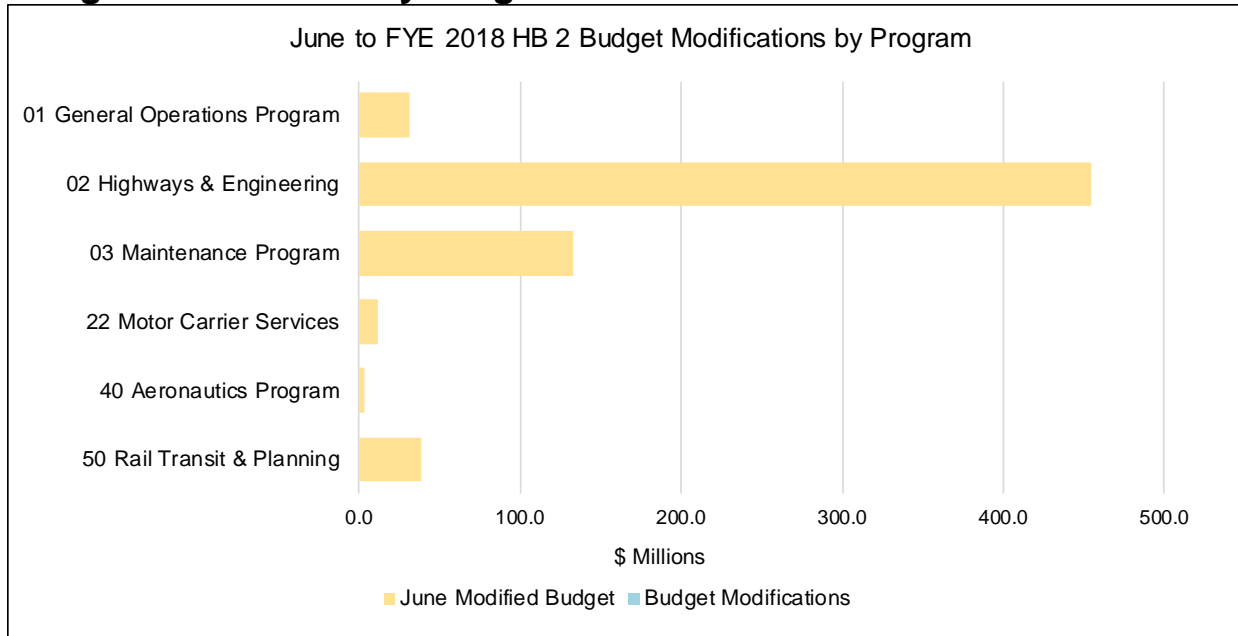
MDT continued \$12.2 million of authority from FY 2017 for the following items:

- \$11.7 million of agency held Long-Range authority (HB 5 and HB 10)
  - The total Long-Range authority was increased from the initial \$11.3 million due to the omission of \$650,000 of HB 10 continuing authority near the beginning of the fiscal year and a transfer-out of \$228,000 of HB 5 authority to the Long-Range Building Program (both changes were made through appropriation transfers)
  - Appropriations from the two Long-Range programs, Long-Range Building and Long-Range IT, are allowed by statute to be re-appropriated until the project is complete
  - Expenditures in FY 2018 from the Long-Range Authority were \$1.4 million or 11.8% of the budget
  - More information is included in the Additional Discussion section of this report
- \$868,281 of continued federal budget amendment authority that includes authority for the On the Job Training Program, an unexpended federal highway aid grant, and various federal grants for improvements at the West Yellowstone Airport (these amounts increase the amount of budget amendments established in FY 2018)
  - Total FY 2018 expenditures from the budget amendment continued authority were \$105,293 (12.1%)



# HB 2 BUDGET MODIFICATIONS

## Budget Modification by Program

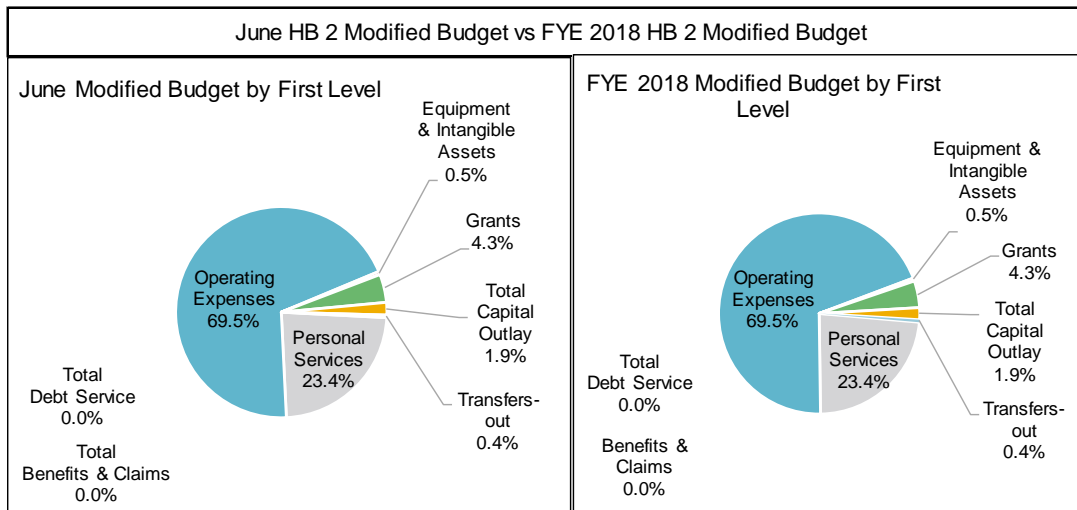


Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 General Operations Program	31,409,689	35,000	(35,000)	-	31,409,689	0.0%
02 Highways & Engineering	454,900,924	10,572,603	(10,572,603)	-	454,900,924	0.0%
03 Maintenance Program	133,268,868	20,000	(20,000)	-	133,268,868	0.0%
22 Motor Carrier Services	11,760,561	-	-	-	11,760,561	0.0%
40 Aeronautics Program	3,032,383	20,000	(20,000)	-	3,032,383	0.0%
50 Rail Transit & Planning	38,743,814	575,000	(575,000)	-	38,743,814	0.0%
<b>Grand Total</b>	<b>\$673,116,239</b>	<b>\$11,222,603</b>	<b>(\$11,222,603)</b>	<b>\$0</b>	<b>\$673,116,239</b>	<b>0.0%</b>

*This chart shows budget modifications by program from June through FYE.*

- MDT did not have any modifications, or operating plan changes, that moved authority between programs since the end of May or in the fiscal year-end closing modifications
- Total modifications sum to \$11.2 million when viewed as total positive and negative, with an overall net change of \$10.1 million of authority moved between state and federal special revenue (primarily in FYE closing activities)
- All modifications net to \$0

## Budget Modification by First Level



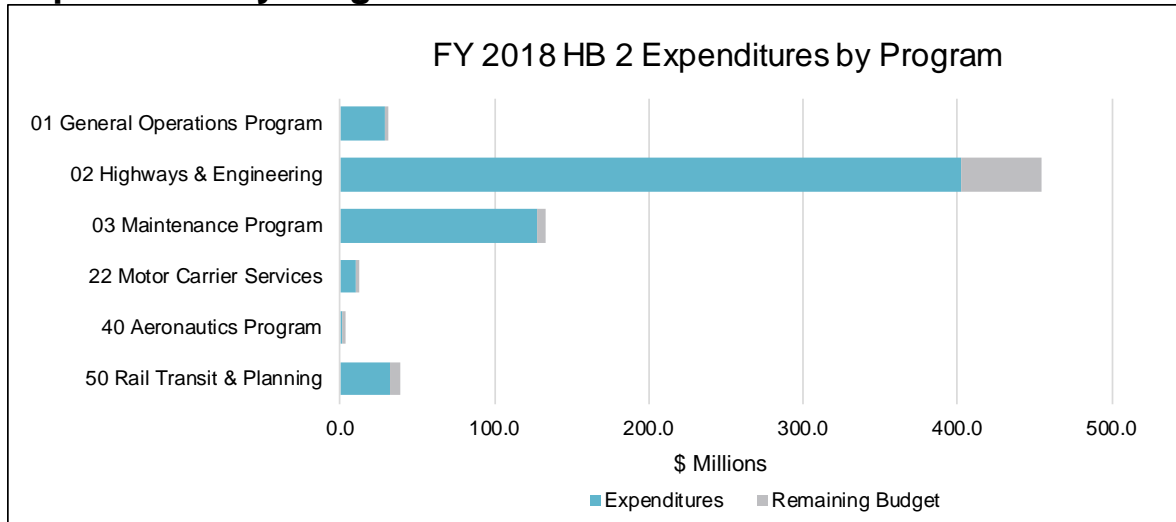
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$157,482,539	425,000	(\$425,000)	-	157,482,539	0.0%
62000 Operating Expenses	\$467,660,778	10,582,603	(\$10,587,603)	(5,000)	467,655,778	0.0%
63000 Equipment & Intangible Assets	\$3,257,658	5,000	\$0	5,000	3,262,658	0.2%
64000 Capital Outlay	\$12,957,065	-	\$0	-	12,957,065	0.0%
66000 Grants	\$29,013,112	99,000	(\$119,000)	(20,000)	28,993,112	-0.1%
67000 Benefits & Claims	\$0	-	\$0	-	-	0.0%
69000 Debt Service	\$85,270	-	\$0	-	85,270	0.0%
68000 Transfers-out	\$2,659,816	111,000	(\$91,000)	20,000	2,679,816	0.8%
<b>Grand Total</b>	<b>\$673,116,239</b>	<b>\$11,222,603</b>	<b>(\$11,222,603)</b>	<b>\$0</b>	<b>\$673,116,239</b>	<b>0.0%</b>

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

- Between the end of May and fiscal year-end, modifications to the MDT budget net to a change of \$0 while changing \$25,000 of authority between first level accounts
- Changes were insignificant (in terms of percentage values) in first level of expenditure, as shown in the figures above
- Modifications included:
  - Moving \$5,000 from operating expenses to equipment in the General Operations Program
  - Moving \$20,000 from grants to transfers-out in the Rail, Transit, and Planning Program
- As mentioned above, the primary modifications shown in the table above are the movement of authority between funds, as allowed in HB 2 language

# AGENCY HB 2 EXPENDITURES

## Expenditure by Program

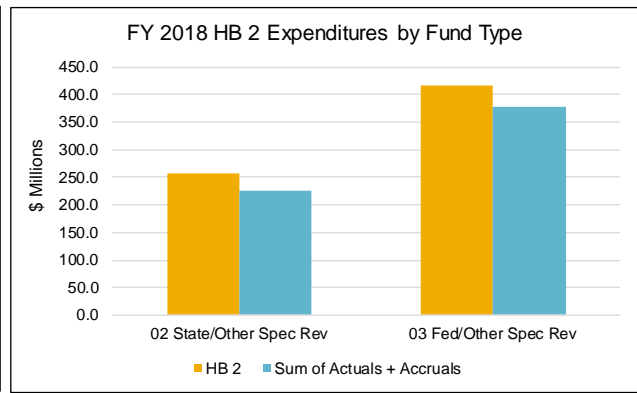
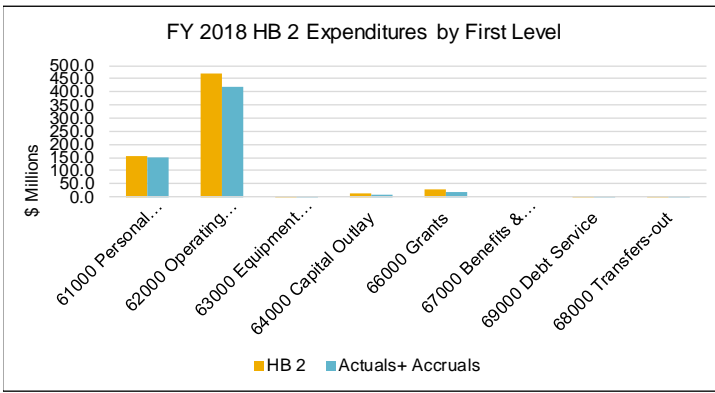


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 General Operations Program	31,409,689	28,929,897	2,479,792	92.1%
02 Highways & Engineering	454,900,924	402,317,459	52,583,465	88.4%
03 Maintenance Program	133,268,868	127,975,339	5,293,529	96.0%
22 Motor Carrier Services	11,760,561	10,183,715	1,576,846	86.6%
40 Aeronautics Program	3,032,383	1,388,982	1,643,401	45.8%
50 Rail Transit & Planning	38,743,814	32,245,387	6,498,426	83.2%
<b>Grand Total</b>	<b>\$673,116,239</b>	<b>603,040,780</b>	<b>\$70,075,459</b>	<b>89.6%</b>

*This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.*

- Overall, MDT spent 89.6% of total HB 2 authority, leaving a balance in HB 2 authority of \$70.1 million, and all programs had unused balances
  - In past years (FY 2009 - FY 2017), expenditures have averaged 84.9% of the authority, demonstrating that MDT made greater use of their authority in FY 2018
- The General Operations Program includes the agency legal and IT services and is responsible for all the fixed costs. The program expended 92.1% of the HB 2 budget in FY 2018
- The Construction Program used 88.4% of their HB 2 authority, compared to an average of 83.8%
  - HB 2 expenditures of \$402.3 million were 26.4% greater than the FY 2017 expenditures and 6.0% greater than the nine-year average
- The Maintenance Program expended 96.0% of the HB 2 budget
  - The impacts of a severe winter increased expenditures in the program
  - In June, the Maintenance Program expended \$6.0 million, or 92.0% of their budget for the state funded construction program
- The Motor Carrier Services Program expended 86.6% of the HB 2 budget and spending was consistent with historic averages
- In the Aeronautics Program budget, the costs of airport projects in HB 2 (approximately \$1.0 million of authority) are budgeted in the first year of the biennium. In FY 2018, there were no project expenditures on the related projects and the unused authority will be continued into (and used in) FY 2019. This lends the appearance of unusually low spending (45.8% of the budget) in FY 2018
- The Rail, Transit, and Planning Program expended 83.2% of the HB 2 budget and spending was consistent with historic averages
- Because the MDT HB 2 budget is biennial (as provided in language), all unused HB 2 authority (\$70.1 million) will be continued to FY 2019

# Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	157,482,539	152,210,146	96.7%
62000 Operating Expenses	467,655,778	421,201,108	90.1%
63000 Equipment & Intangible Assets	3,262,658	1,705,716	52.3%
64000 Capital Outlay	12,957,065	6,493,805	50.1%
66000 Grants	28,993,112	19,655,327	67.8%
67000 Benefits & Claims	-	-	0.0%
68000 Transfers-out	2,679,816	1,710,725	63.8%
69000 Debt Service	85,270	63,952	75.0%
<b>Grand Total</b>	<b>\$673,116,239</b>	<b>\$603,040,780</b>	<b>89.6%</b>

Fund Type	FYE Modified HB 2	Expended	Percent Expended
02 State/Other Spec Rev	256,480,955	224,460,621	87.5%
03 Fed/Other Spec Rev	416,635,284	378,580,159	90.9%
<b>Grand Total</b>	<b>\$673,116,239</b>	<b>\$603,040,780</b>	<b>89.6%</b>

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

- HB 2 personal services expenditures of \$152.2 million were 96.7% of the budget
  - The MDT personal services budget included a vacancy savings rate of 4.75%
  - Additionally, the legislature reduced the agency wide personal services budget associated with 65.05 FTE
  - Aside from approved reclassifications, promotions, career ladder moves, and longevity raises, MDT provided staff with the 1% pay increases, which took place on Feb. 15, 2018
  - Consequently, MDT experienced tighter than usual personal service budgets in FY 2018
    - In the Maintenance Program the legislature reduced the overtime funding by \$1.0 million annually and with an unusually snowy winter, the FY 2018 overtime costs were \$3.0 million, exceeding the historic average of overtime costs by \$0.9 million or 43.4%
  - In addition to the HB 2 authority, MDT used \$3.8 million of carryforward authority to fund their total personal service needs, particularly in the following cases:
    - The General Operations Program expended \$0.8 million in carryforward authority for personal services costs, and would have used 98.9% of the HB 2 personal services authority without it
    - The Construction Program expended \$1.5 million of carryforward authority for personal services costs and would have used 98.0% of their HB 2 personal service authority without it
    - Due to reductions in the personal services budget agency wide, in FY 2018 MDT used carryforward authority in personal services to ensure sufficient HB 2 authority for overtime, differential, and retirement payouts (unforeseen personal services costs)
    - The Maintenance Program would not have had sufficient personal services budget for their costs without the use of \$1.1 million in carryforward authority
- Operating expenses of \$421.2 million (90.1% of the HB 2 budget) are greater than historic levels, but there is variation by program, as previously discussed in this report
- The grants budget of \$7.1 million in the Construction Program was underutilized with expenditures of \$932,660
  - The most recent federal surface transportation legislation, the FAST act, eliminated funding for the Community Transportation Enhancement Program (CTEP), which provided passthrough grants for safety activities, pedestrian and bicycle trails, and the conversion of railway corridors to trails

- The funding is now provided through the Transportation Alternatives (TA) program, a funding program for similar projects
  - In the TA program, MDT administers (and lets) the projects
  - Consequently, TA projects are accounted for as operating expenses
  - In FY 2019, MDT may move HB 2 grant authority to operating authority due to the change

At fiscal year-end, MDT moved \$10.1 million of authority from federal special funds to state special funds. The resulting FY 2018 budget was funded with 38.1% state special revenue (SSR) and 61.9% federal special revenue funds. In FY 2018, 37.2% of expenditures were in state special revenue funds and 62.8% in federal special revenue funds. For more information on agency funding, see the analysis included in the Additional Discussion section of this report.

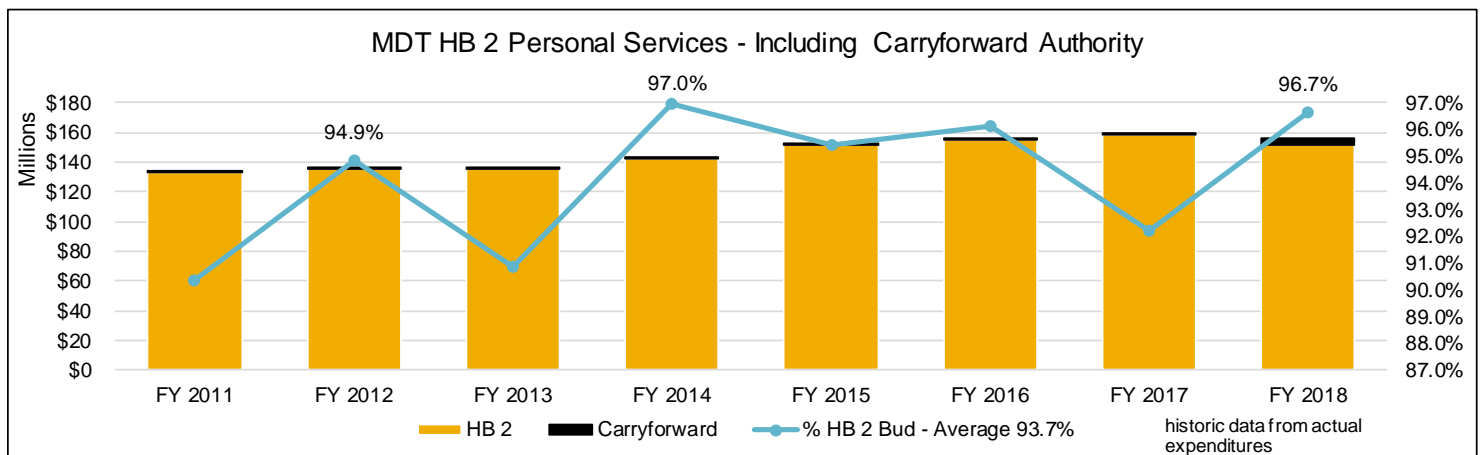
## REQUIRED REPORTS - N/A

## ADDITIONAL DISCUSSION

### Personal Services Budgets

FY 2018 HB 2 Personal Services by Program				
Program	Modified Budget	Actuals &		% Expended
		Accruals	Budget Balance	
01 General Operations	15,627,062	14,608,026	1,019,036	93.5%
02 Construction	70,917,358	68,023,718	2,893,640	95.9%
03 Maintenance	53,323,913	53,036,596	287,317	99.5%
22 Motor Carrier Services Div.	8,583,869	7,876,780	707,089	91.8%
40 Aeronautics	784,252	713,888	70,364	91.0%
50 Rail, Transit & Planning	8,246,085	7,951,139	294,946	96.4%
<b>Grand Total</b>	<b>\$157,482,539</b>	<b>\$152,210,146</b>	<b>\$5,272,393</b>	<b>96.7%</b>

- MDT expended \$152.2 million, or 96.7%, of the HB 2 personal services authority in FY 2018, compared to the nine-year average of 93.7% expended
- HB 2 personal services expenditures were \$6.5 million less than FY 2017
- MDT used \$3.8 million of carryforward authority for personal services, which is over 10 times the average use of carryforward for personal services in past years (from the average of FY 2009 through FY 2017)
  - The Maintenance Program would not have had sufficient personal services budget for their costs without the use of \$1.1 million in carryforward authority, which reflects the increase in winter highway maintenance activities in the 2017-2018 winter
  - Without the use of carryforward authority, the General Operations Program (\$0.8 million) would have used 98.9% and the Construction Program (\$1.5 million) would have used 98.0% of their personal services budget



## Operating Expenses

HB 2 Operating Expenses by Program FY 2018				
Program	Modified Budget	Actuals & Accruals	Budget Balance	% Expended
01 General Operations	15,554,577	14,115,350	1,439,227	90.7%
02 Construction	361,230,811	325,508,390	35,722,421	90.1%
03 Maintenance	79,719,747	74,810,467	4,909,280	93.8%
22 Motor Carrier Services Div.	2,929,260	2,156,207	773,053	73.6%
40 Aeronautics	1,862,543	377,702	1,484,841	20.3%
50 Rail, Transit & Planning	6,358,840	4,232,991	2,125,849	66.6%
<b>Grand Total</b>	<b>\$467,655,778</b>	<b>\$421,201,108</b>	<b>\$46,454,670</b>	<b>90.1%</b>

- MDT expended \$421.2 million on HB 2 operating expenses in FY 2018, or 90.1% of the FY 2018 modified budget authority
- Operating expenditures of 90.1% were higher than the average of past years (83.9% between FY 2009 and FY 2017)
- FY 2018 contractor payments of \$285.0 million (expenditure account 92125) in the Construction Program account for 67.6% of the total HB 2 agency operating expenses
  - \$24.3 million was funded with state special revenues
  - \$3.3 million was expended from the new BaRSAA gas tax account (HB 473 gas tax increase legislation), all of which was from HB 2 authority that was moved into the fund
  - \$260.7 million was funded with federal special revenues
- The budget for the Aeronautics Program includes \$1.0 million of operating expenses for airport projects in FY 2018 that included:
  - West Yellowstone Airport obstruction removal, pavement maintenance, and terminal improvements and taxi-lane construction at the Lincoln airport
  - In FY 2018, there were no expenditures for these projects
  - Unused appropriation authority will be continued in FY 2019

### Long-Range Planning (LRP) Budget Authority

MDT continued \$11.3 million of appropriation authority from the Long-Range Building Program (LRBP - HB 5) and the Long-Range Information Technology Program (LRITP - HB 10) and made changes to the authority that net to an increase of \$422,000. With the changes, MDT has \$11.7 million of Long-Range authority in the agency budgets. The agency has expended a total of \$1.4 million (11.8%) in FY 2018.

In addition to the LRBP authority held by MDT, the Architecture and Engineering (A&E) Division of the Department of Administration had \$4.3 million of authority to be expended for the benefit of MDT. This SSR authority is principally for the construction of equipment and road material storage facilities and is funded with agency revenues. In FY 2018, the A&E Division expended \$2.3 million, or 53.1%, of the authority in FY 2018, and the remainder of the authority will be continued in FY 2019.

### MDT Funding

- In FY 2018, total expenditures in MDT are funded with state special revenue (37.3%), federal special revenues (57.8%), and proprietary funds (4.9%)
- In the state special fund type, expenditures from the restricted highway state special revenue account (HSRRA) accounted for 85.7% of total state special revenues and 32.0% of total revenues
- In the federal special fund type, expenditures from the federal highway trust account accounted for 95.7% of total federal special revenues expended and 55.3% of total revenues

## State Special Revenues

The following table shows the major state special revenue accounts used by MDT.

2019 Biennium Projected Working Capital Balances of MDT Highway State Special Revenue Accounts										
Including FY 2018 Actual Revenues and Expenditures and FY 2019 Revenue Projections and Appropriations										
Item	HSSRA - Non-Restricted Account			HSSRA - Restricted Account			BaRSAA - Restricted Account			Total
	2018A	2019	Total	2018A	2019	Total	2018A	2019	Total	
Biennium Beginning Balance	\$1,219,113	\$2,749,556	\$1,219,113	\$45,857,574	\$59,490,713	\$45,857,574	\$0	\$10,935,252	\$0	\$47,076,687
Working Capital Adjustment			0	21,979		21,979		0	0	21,979
Adjusted Beginning Balance	1,219,113	2,749,556	1,219,113	45,879,553	59,490,713	45,879,553	0	10,935,252	0	47,098,666
Revenues <sup>1</sup>										
Net Gasoline Tax			0	100,754,044	96,496,414	197,250,459	13,934,133	8,900,058	22,834,191	220,084,650
Net Diesel Tax			0	64,344,118	65,844,176	130,188,295	256,187	1,577,430	1,833,618	132,021,912
Gross Vehicle Weight Fees (GVW)	8,195,233	9,471,602	17,666,835	27,024,671	26,203,381	53,228,053			0	70,894,888
Federal Indirect Cost Recovery			0	44,841,240	49,197,021	94,038,261			0	94,038,261
Other Revenues	280,464	209,615	490,079	5,362,068	5,801,717	11,163,785	45,160		45,160	11,699,023
Total Revenue	8,475,697	9,681,217	18,156,913	242,326,142	243,542,710	485,868,852	14,235,480	10,477,488	24,712,969	528,738,734
HB 2										
Department of Transportation (MDT)										
General Operations Program	14		14	27,914,492	30,186,089	58,100,581			0	58,100,595
Construction Program	30,374	145,000	175,374	56,075,655	71,434,978	127,510,633	2,963,471	9,800,000	12,763,471	140,449,478
Maintenance Program	0	0	0	117,394,502	128,172,685	245,567,187			0	245,567,187
Motor Carrier Services	44,126	44,528	88,654	6,868,574	7,838,329	14,706,903			0	14,795,557
Rail, Transit, & Planning Program	1,588,891	1,313,620	2,902,511	3,722,919	4,658,971	8,381,890			0	11,284,402
All MDT Carry Forward Authority	176,952		176,952	3,376,169	4,713,353	8,089,522			0	8,266,474
Non-Budgeted Authority	776,694		776,694	9,292,685		9,292,685	336,757		336,757	10,406,137
Special Session Transfers in FY 2019		8,000,000	8,000,000			0			0	8,000,000
Continued Authority <sup>2</sup>		388,554	388,554		31,697,406	31,697,406		12,609,132	12,609,132	44,695,092
Total MDT HB 2	2,617,052	9,891,702	12,508,754	224,644,996	278,701,811	503,346,807	3,300,228	22,409,132	25,709,360	541,564,922
Department of Justice (DOJ)										
Highway Patrol			0	245,788		245,788				245,788
Justice Information Technology	67,887	7	67,894	3,156		3,156				71,050
Criminal Investigation	177,117	83	177,200			0				177,200
Forensic Services Division	378,973	391,336	770,309			0				770,309
Motor Vehicle Division	3,504,065	0	3,504,065	252,793		252,793				3,756,858
Central Services	200,160	32	200,192			0				200,192
Total DOJ HB 2	4,328,202	391,458	4,719,660	501,736	0	501,736	0	0	0	5,221,396
Other Legislation										
HB 5 and HB 10 (Long-Range) Agency Authority				1,294,655	6,156,419	7,451,074				7,451,074
Long-Range Building Program (HB 5) Projects				2,273,596	2,010,623	4,284,219				4,284,219
Total MDT Other Legislation	0	0	0	3,568,250	8,167,042	11,735,292	0	0	0	11,735,292
Total Expenditures / Appropriations	6,945,254	10,283,160	17,228,414	228,714,983	286,868,853	515,583,836	3,300,228	22,409,132	25,709,360	558,521,610
Revenue less Expenditures / Appropriations	1,530,443	(601,943)	928,499	13,611,160	(43,326,143)	(29,714,984)	10,935,252	(11,931,644)	(996,392)	(29,782,876)
Actual / Projected Ending Balance	\$2,749,556	\$2,147,612	\$2,147,612	\$59,490,713	\$16,164,569	\$16,164,569	\$10,935,252	(\$996,392)	(\$996,392)	\$17,315,790

<sup>1</sup>FY 2019 revenues based on HJ 2 fuel tax projections as revised for changes made in the Bridge and Road Safety and Accountability Act (BaRSAA) legislation (HB 473) and in MDT fuel tax distributions. Revenues projected by MDT (other revenue and federal cost recovery) were updated for changes by MDT.

<sup>2</sup>MDT has a biennial budget that allows unused HB 2 authority to be continued into the second year of the biennium. This row also includes continued carryforward authority.

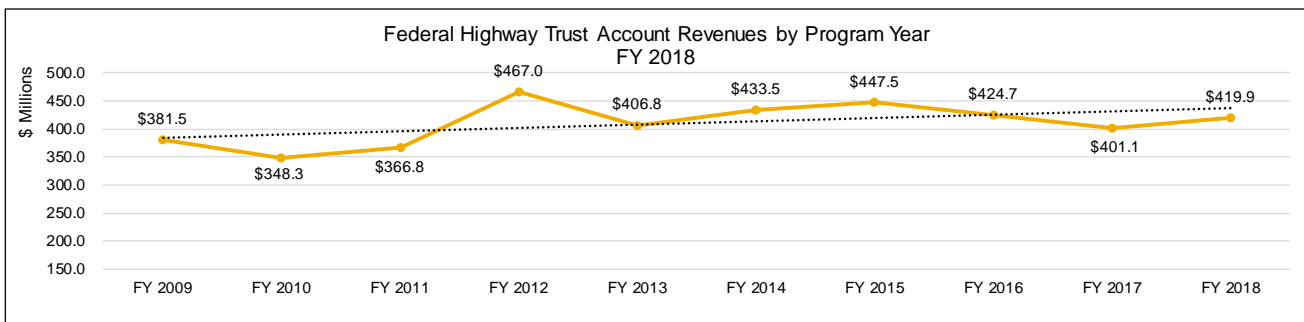


The figure on the proceeding page provides the actual FY 2018 and budgeted FY 2019 revenues and expenditures for the three-major state special revenue accounts used by MDT. This chart provides working capital balances, which differ from a regular fund balances in that it only considers current (not long-term) assets and liabilities and the expenditures do not include accruals.

- MDT has a biennial budget, and any unused HB 2 budget authority will be continued into FY 2019
  - MDT entered \$44.7 million of continued state special revenue authority in the three accounts for FY 2019
  - Generally, MDT does not fully use the continued authority, so this chart may overstate the expected expenditures for FY 2019
- If all appropriations are expended in FY 2019, expenditures in the three accounts would be \$319.6 million (33.7% greater than FY 2018)
  - The initial projected FY 2019 ending balance for the combination of the three funds is \$17.3 million, a reduction of \$29.8 million (-63.2%) from the FY 2018 beginning balance
- Details include:
  - If all appropriation authority is expended, all the MDT major state special accounts will have expenditures that exceed revenues by a projected \$55.9 million in FY 2019, but only the BaRSAA account would finish with a projected negative balance
  - MDT moved \$15.2 million of appropriation authority from the HSSRA-non-restricted account to the HSSRA restricted account to provide for the November 2017 Special Session transfer of \$8.0 million to the general fund in FY 2019, creating pressures in the restricted account
  - With a balance of \$2.7 million at the end of FY 2018, it is uncertain if the HSSRA non-restricted account will have sufficient cash on hand to make the August 30, 2018 transfer of \$4.0 million, and the agency may have to “borrow” from other state special revenue accounts on a short-term basis to accommodate the transfers to the general fund
    - In FY 2018, gross vehicle weight (GVW) fees revenues in the HSSRA non-restricted account were lower than the projections
    - With the HJ 2 GVW projections in FY 2019 included in the table, the account revenues may be overstated
  - \$3.3 million was expended on contractor payments in the BaRSAA account

Federal Special Revenues (Federal Highway Trust Account)

Most of the federal funding used in MDT comes through reimbursements from the federal highway trust fund and the associated revenues are included in the figure below.



- Federal Highway Trust Account revenues provided 95.0% of all the MDT federal revenues FY 2018
- MDT expended \$377.7 million in federal funds from the federal highway trust account, or 89.9% of the funds received, in FY 2018
  - Expenditures are paid by the federal government on a reimbursement basis
  - Federal trust revenues were 4.7% greater in FY 2018 than FY 2017, but are still lower than the revenues of FY 2012, the end of the American Recovery and Reinvestment Act of 2009 highway funding program
  - The FY 2018 federal reimbursements are related to projects planned approximately two years ago in FY 2016
- Over the nine years shown in the figure above, federal highway trust revenues have increased by an annual average of 1.1%

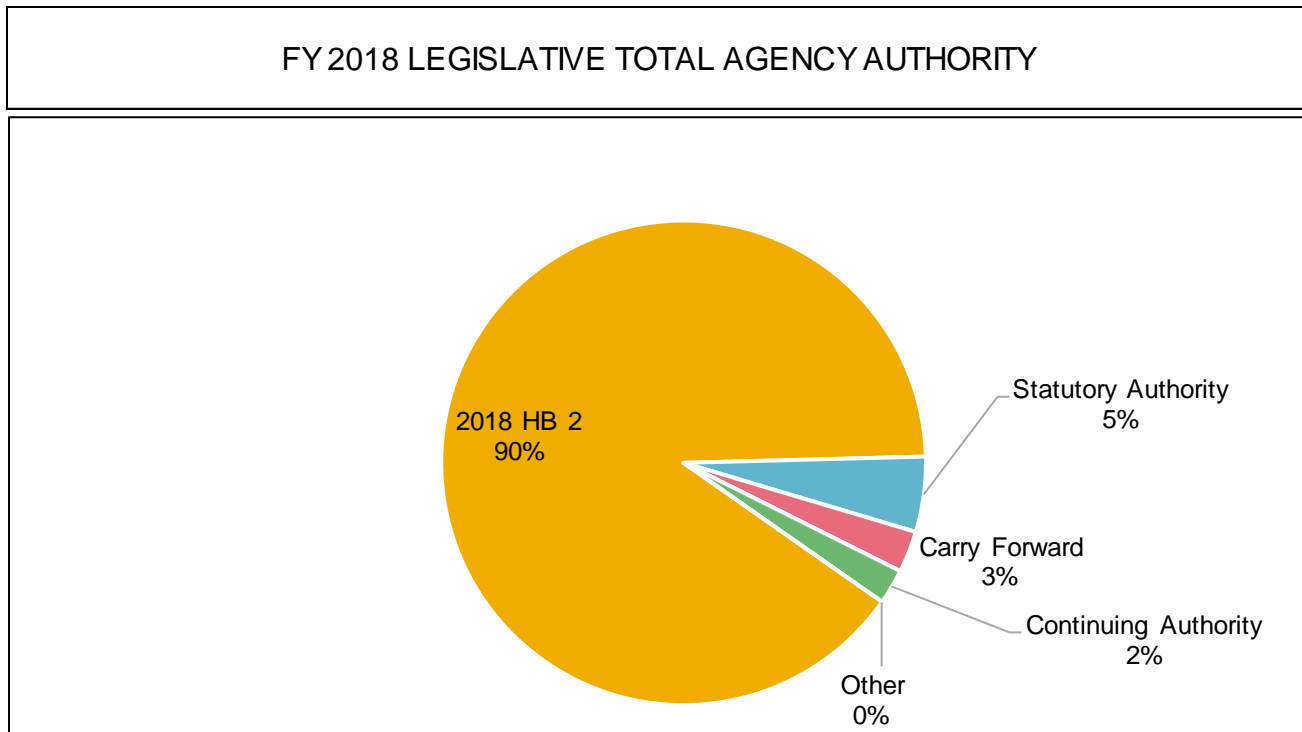


# DEPARTMENT OF LIVESTOCK

## BUDGET AND EXPENDITURE HIGHLIGHTS

- The Department of Livestock expended 97.4% of their FY 2018 HB 2 total appropriation
- Total appropriation authority remained unchanged since June.
  - General fund was 99.4% expended
  - State special revenue was 97.6% expended
  - Federal special revenue was 98.1% expended
  - Animal Health moved \$333,725 to Centralized Services and Brands Enforcement

## TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	11,195,393
Language Authority	0
Statutory Authority	625,000
Carry Forward	345,430
Continuing Authority	292,041
Budget Amendments	504,412
Other	0
Long Range Planning	0
<b>Total Budgeted Authority</b>	<b>12,962,276</b>
Non-Budgeted Proprietary	\$ 1,379,575

FY 2018 Total Agency Authority Expended	
Total Expended	12,361,502
Total Budgeted Authority	12,962,276
<b>% Expended</b>	<b>95.4%</b>

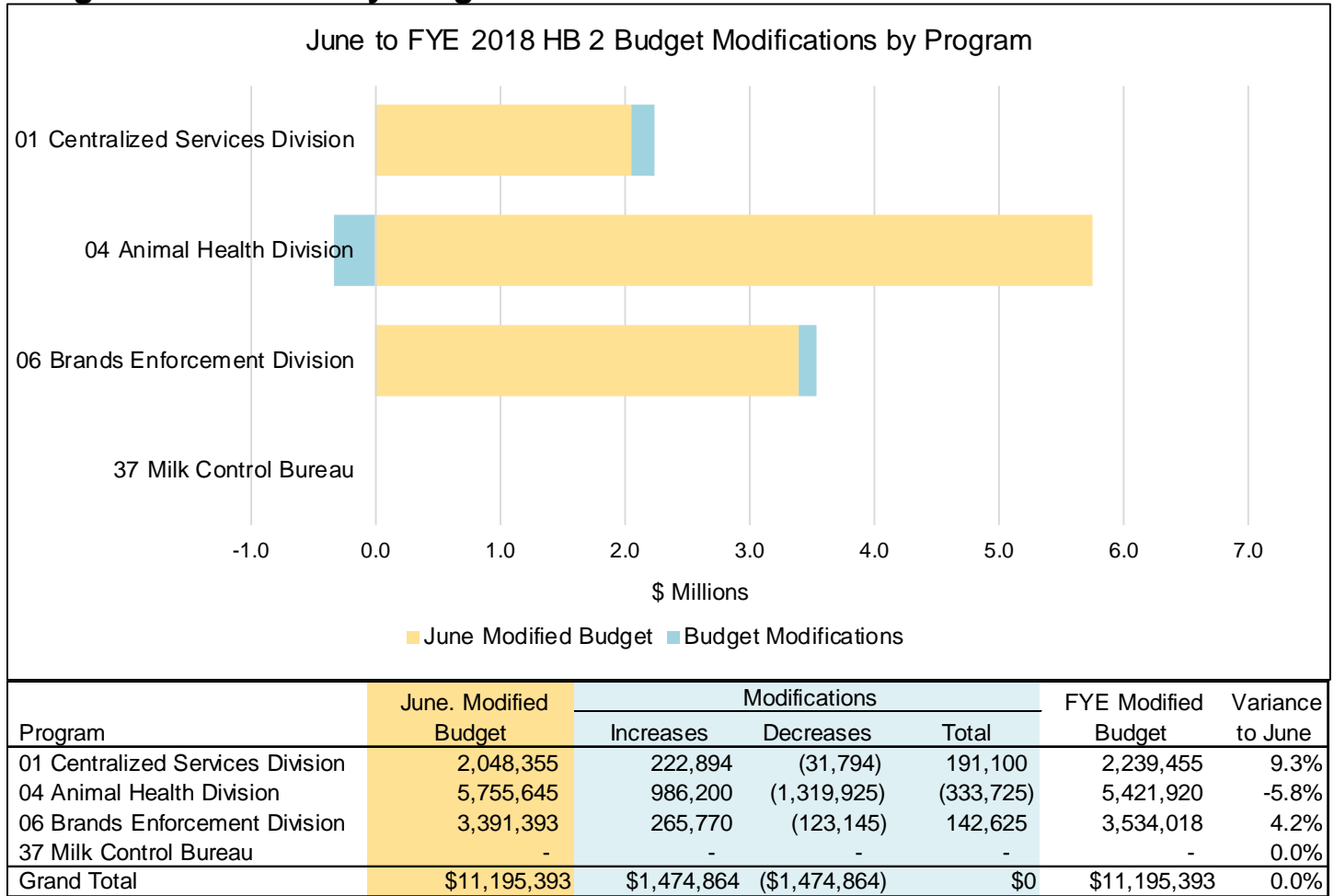
*This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.*

The Department of Livestock has total budget authority of \$13.0 million. HB 2 comprises 86.37% of total authority. The agency receives authority in addition to HB 2. The agency spent 95.4% of total budget authority in FY 2018.

- Statutory funds are for livestock loss mediation and predatory animal control
- Through budget amendments the executive can increase federal appropriation for the agency to take advantage of federal grants that become available during the biennium.
- Non-budgeted proprietary funds are from lab fees charged by the diagnostic laboratory

## HB 2 BUDGET MODIFICATIONS

### Budget Modification by Program

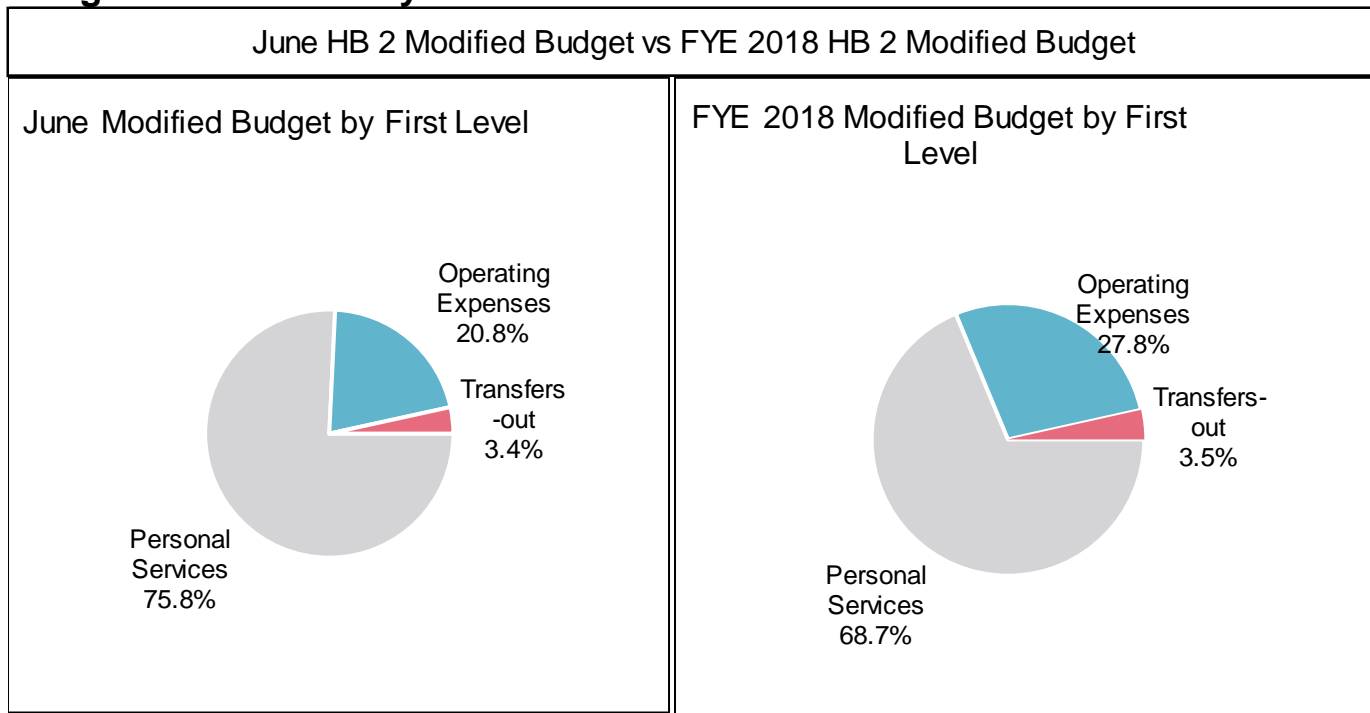


*This chart shows budget modifications by program from June through FYE.*

The agency had several budget modifications to realign appropriation authority as needed between programs:

- Decrease in personal services of \$785,594
- Increase in operating expense of \$779,602
- Increase in transfers of \$5,992

## Budget Modification by First Level



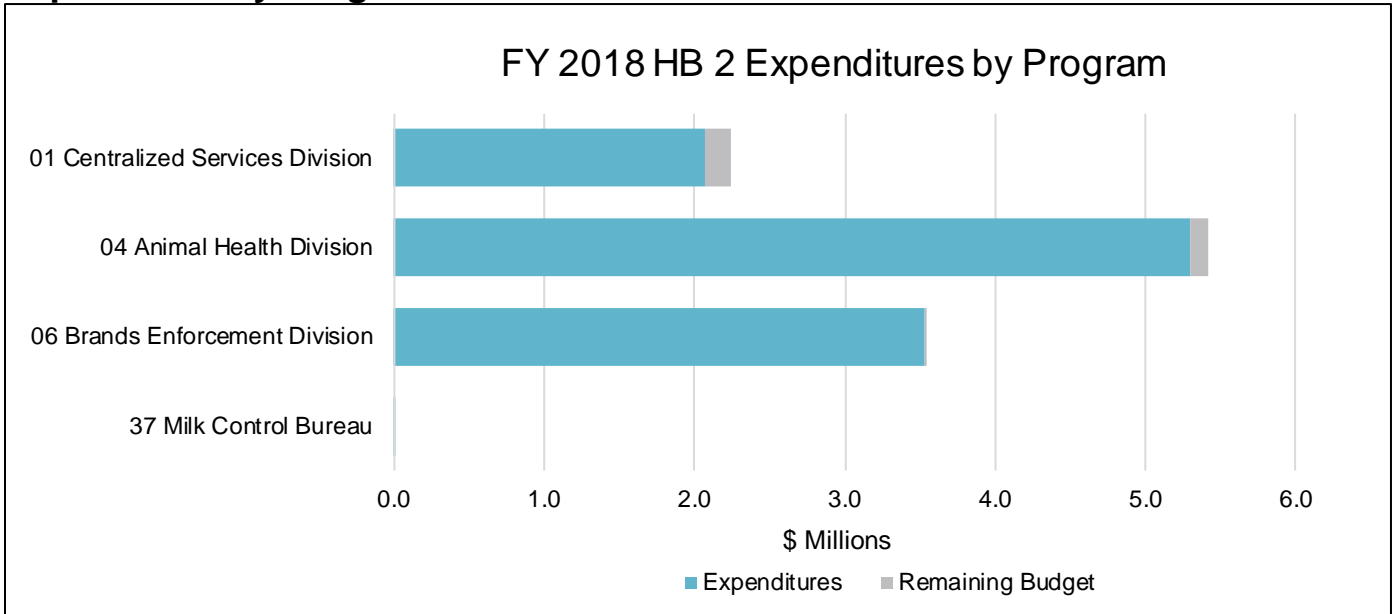
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$8,481,417	309,631	(\$1,095,225)	(785,594)	7,695,822	-9.3%
62000 Operating Expenses	\$2,329,495	1,065,233	(\$285,631)	779,602	3,109,098	33.5%
68000 Transfers-out	\$384,481	100,000	(\$94,008)	5,992	390,473	1.6%
<b>Grand Total</b>	<b>\$11,195,393</b>	<b>\$1,474,864</b>	<b>(\$1,474,864)</b>	<b>\$0</b>	<b>\$11,195,393</b>	<b>0.0%</b>

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The agency had several budget modifications to realign appropriation authority as needed between expenditure levels.

# AGENCY HB 2 EXPENDITURES

## Expenditure by Program

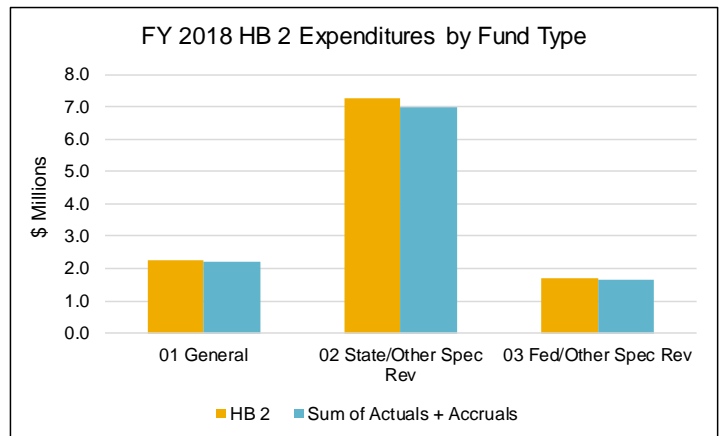
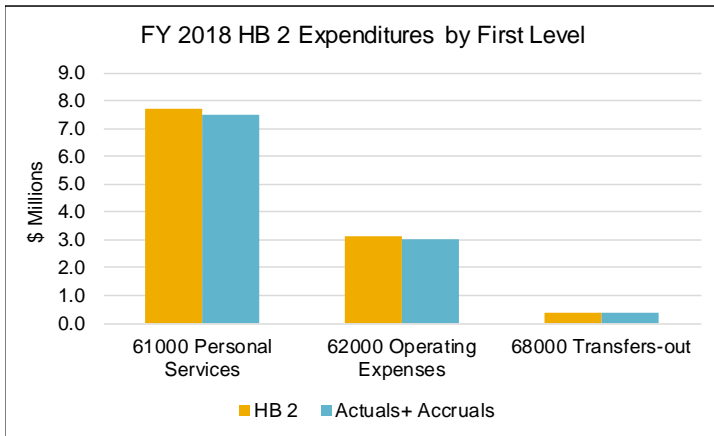


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Centralized Services Division	2,239,455	2,063,012	176,443	92.1%
04 Animal Health Division	5,421,920	5,301,045	120,875	97.8%
06 Brands Enforcement Division	3,534,018	3,533,494	524	100.0%
37 Milk Control Bureau	-	4,473	(4,473)	0.0%
<b>Grand Total</b>	<b>\$11,195,393</b>	<b>10,902,024</b>	<b>\$293,369</b>	<b>97.4%</b>

*This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.*

The agency expended 97.4% of the total budget. The Milk Control Bureau has been absorbed within the Centralized Service Division.

## Expenditure By First Level Account and Fund Type



FY 2018 HB 2 Expended by First Level			
First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	7,695,822	7,488,369	97.3%
62000 Operating Expenses	3,109,098	3,018,821	97.1%
68000 Transfers-out	390,473	394,834	101.1%
<b>Grand Total</b>	<b>\$11,195,393</b>	<b>\$10,902,024</b>	<b>97.4%</b>

FY 2018 HB 2 Expended by Fund Type			
Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	2,242,608	2,228,888	99.4%
02 State/Other Spec Rev	7,252,100	7,004,209	96.6%
03 Fed/Other Spec Rev	1,700,685	1,668,927	98.1%
<b>Grand Total</b>	<b>\$11,195,393</b>	<b>\$10,902,024</b>	<b>97.4%</b>

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The agency expended 97.4% of their HB 2 appropriation.

# DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

## BUDGET AND EXPENDITURE HIGHLIGHTS

- The Department of Natural Resources and Conservation (DNRC) expended 91.7% of their FY 2018 HB 2 appropriation
  - General fund was 98.9% expended
  - State special revenue was 86.5% expended
  - Federal special revenue was 96.3% expended
- Total appropriation authority is unchanged since June.
- The agency increased state special revenue authority by \$177,821 and decreased federal special authority by the same amount. HB 2 language allows the agency to increase state special revenue for aquatic invasive species response (AIS) if federal funds are not available
- The agency transferred \$138,190 in general and state special revenue from personal services and operating expense to equipment & intangible assets and grants

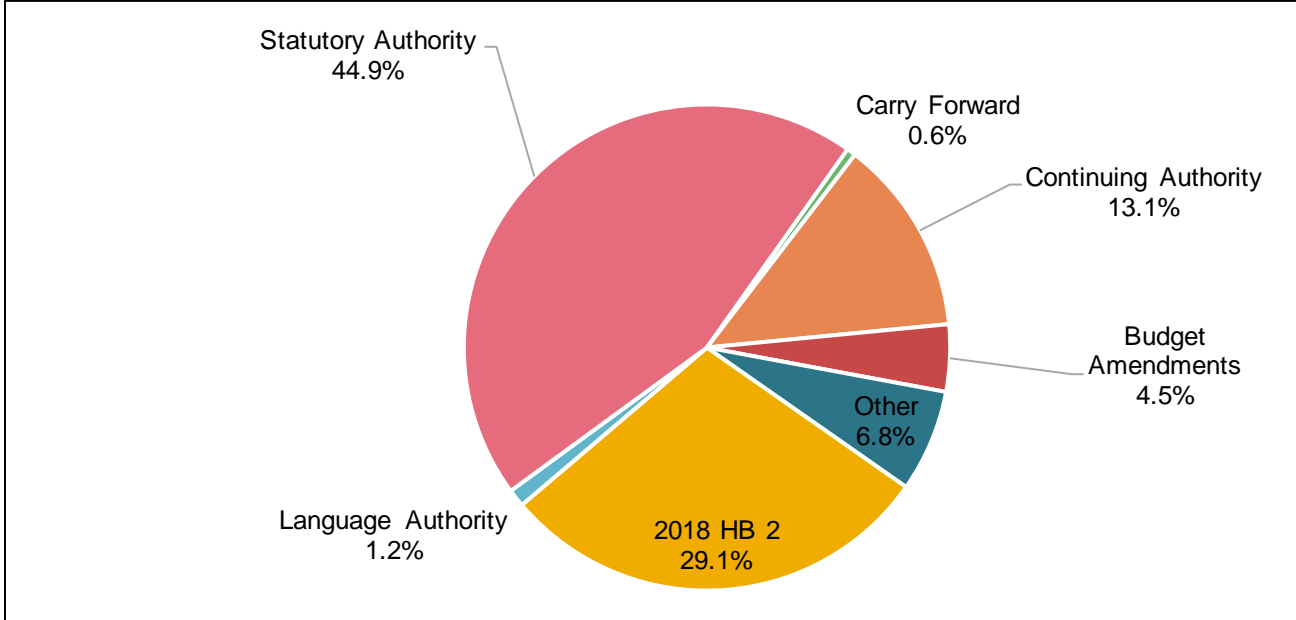
### One Time Only (OTO) Appropriations

The agency budget includes OTO appropriations of \$1.8 million. HB 2 language allows the agency to use state special revenue for federal revenue if federal funds for AIS response are not available. DNRC has expended 100% of general fund OTOs and 86.3% of total OTO appropriations. The fire tenders appropriation is biennial; the unexpended portion can be used in FY 2019. The table below summarizes the fiscal year-end expenditures and balances for OTO appropriations.

Department Natural Resources and Conservation One-Time-Only Appropriation Expenditures FY 2018					
	<u>Appropriation</u>	<u>HB2 Language</u>	<u>Expended</u>	<u>Balance</u>	<u>Percent Expended</u>
<b><u>General Fund</u></b>					
Conservation Districts Administration	\$115,000	\$0	\$115,000	\$0	100.0%
Forestry-DNRC USFS Liaison	92,000	-	92,000	-	100.0%
	<u>\$207,000</u>	<u>\$0</u>	<u>\$207,000</u>	<u>\$0</u>	<u>100.0%</u>
<b><u>State Special Revenue</u></b>					
Aquatic Invasive Species Response	\$177,821	\$177,821	\$355,625	\$17	100.0%
Montana Rural Water	180,000	-	180,000	-	100.0%
Fire Tenders	250,000	-	10,000	240,000	4.0%
Restore State Special Revenue	661,264	-	661,264	-	100.0%
Speculator Mine Centenary	100,000	-	100,000	-	100.0%
Total State Special Revenue	<u>\$1,369,085</u>	<u>\$177,821</u>	<u>\$1,306,889</u>	<u>\$240,017</u>	<u>84.5%</u>
<b><u>Federal Special Revenue</u></b>					
Aquatic Invasive Species Response	\$177,821	(\$177,821)	-	\$0	NA
Total Federal Special Revenue	<u>\$177,821</u>	<u>(\$177,821)</u>	<u>\$0</u>	<u>\$0</u>	<u>NA</u>
Fish Wild Life and Parks Total	<u>\$1,753,906</u>	<u>\$0</u>	<u>\$1,306,889</u>	<u>\$240,017</u>	<u>86.3%</u>

# TOTAL APPROPRIATION AUTHORITY OVERVIEW

## FY 2018 LEGISLATIVE TOTAL AGENCY AUTHORITY



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	64,031,044
Language Authority	2,600,000
Statutory Authority	98,853,089
Carry Forward	1,317,849
Continuing Authority	28,759,862
Budget Amendments	9,838,684
Other	14,975,974
Long Range Planning	0
<b>Total Budgeted Authority</b>	<b>220,376,502</b>
Non-Budgeted Proprietary	\$ 3,455,767

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	156,197,007
Total Budgeted Authority	220,376,502
<b>% Expended</b>	<b>70.9%</b>

*This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.*

DNRC has total authority of \$220.4 million. 29.1% of the total authority is from HB 2. The agency expended 70.9% of the total budget authority.

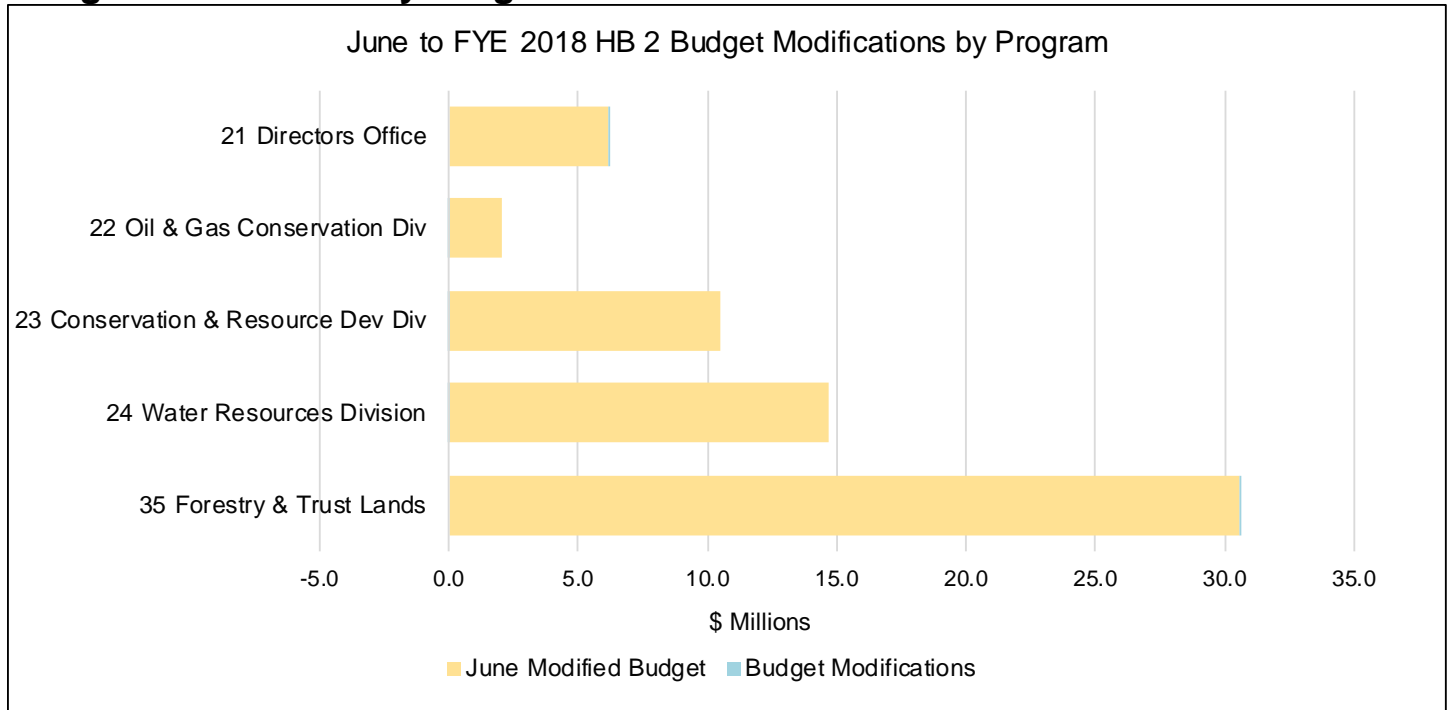
Statutory authority includes \$72.5 million in authority from the fire suppression fund. An additional \$23.2 million of federal reimbursements for fire suppression is statutorily appropriated. Other statutory appropriations include \$2.0 million from the sage grouse stewardship fund, \$0.8 million from the oil mitigation fund, and \$0.4 million in other statutory authority.

HB 2 language provided funding for improvement of state water projects, forest health, and the Broadwater hydro power facility.

Through budget amendments the executive can increase federal authority for the agency to take advantage of federal grants that become available during the biennium.

# HB 2 BUDGET MODIFICATIONS

## Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
24 Water Resources Division	14,659,635	37,365	(41,299)	(3,934)	14,655,701	0.0%
21 Directors Office	6,199,983	3,484	(3,290)	194	6,200,177	0.0%
22 Oil & Gas Conservation Div	2,058,105	-	(302)	(302)	2,057,803	0.0%
23 Conservation & Resource Dev Div	10,514,168	284,821	(291,918)	(7,097)	10,507,071	-0.1%
35 Forestry & Trust Lands	30,599,153	11,138	-	11,138	30,610,291	0.0%
<b>Grand Total</b>	<b>\$64,031,044</b>	<b>\$336,807</b>	<b>(\$336,807)</b>	<b>(\$0)</b>	<b>\$64,031,044</b>	<b>0.0%</b>

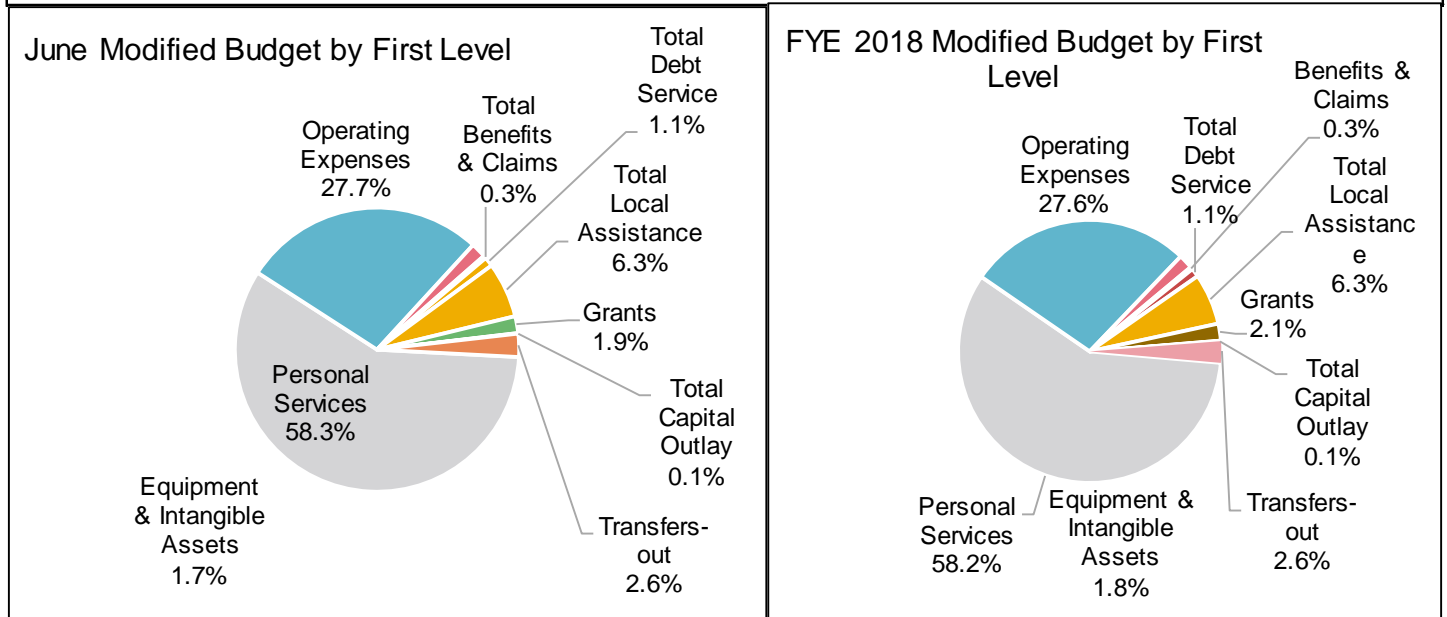
*This chart shows budget modifications by program from June through FYE.*

The agency had several budget modifications to realign appropriation authority between programs.



## Budget Modification by First Level

### June HB 2 Modified Budget vs FYE 2018 HB 2 Modified Budget



### June to FYE 2018 HB 2 Budget Modification by First Level

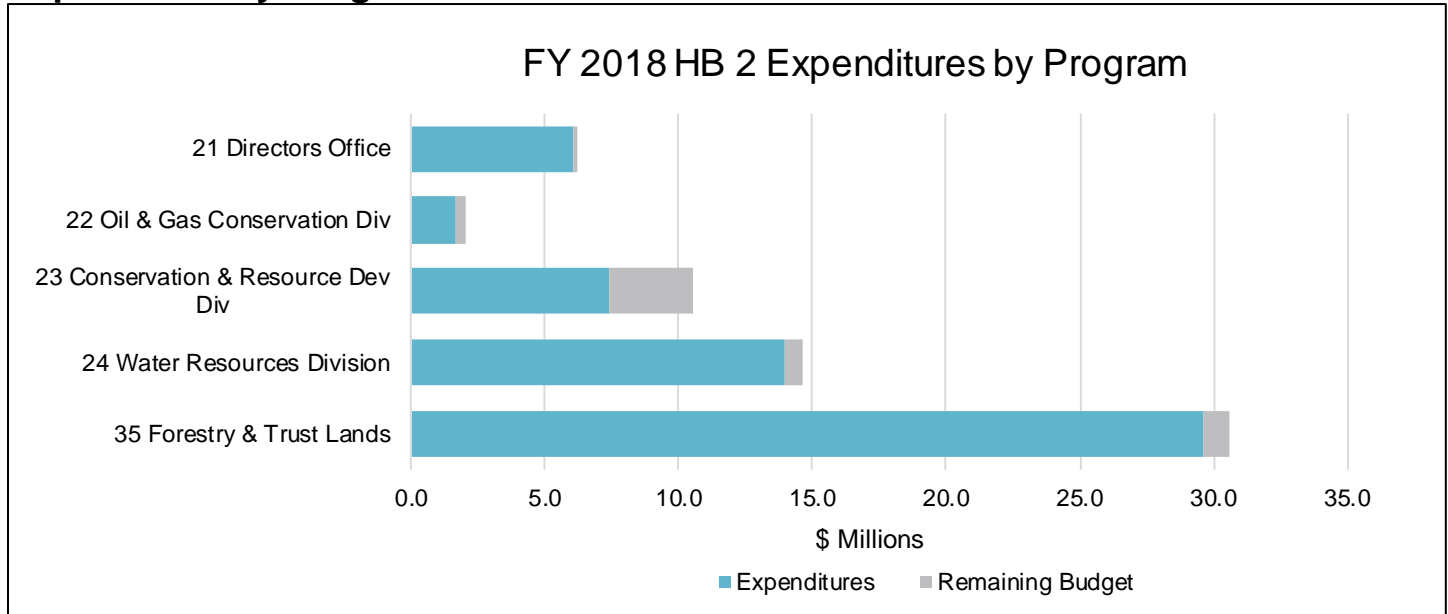
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$37,321,211	100,000	(\$146,190)	(46,190)	37,275,021	-0.1%
62000 Operating Expenses	\$17,733,833	98,617	(\$190,617)	(92,000)	17,641,833	-0.5%
63000 Equipment & Intangible Assets	\$1,101,777	31,190	\$0	31,190	1,132,967	2.8%
64000 Capital Outlay	\$40,000	-	\$0	-	40,000	0.0%
65000 Local Assistance	\$4,038,090	-	\$0	-	4,038,090	0.0%
66000 Grants	\$1,229,165	107,000	\$0	107,000	1,336,165	8.7%
67000 Benefits & Claims	\$200,000	-	\$0	-	200,000	0.0%
69000 Debt Service	\$679,525	-	\$0	-	679,525	0.0%
68000 Transfers-out	\$1,687,443	-	\$0	-	1,687,443	0.0%
<b>Grand Total</b>	<b>\$64,031,044</b>	<b>\$336,807</b>	<b>(\$336,807)</b>	<b>\$0</b>	<b>\$64,031,044</b>	<b>0.0%</b>

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The agency transferred \$138,190 from personal services and operating expense to equipment & intangible assets and grants.

# AGENCY HB 2 EXPENDITURES

## Expenditure by Program

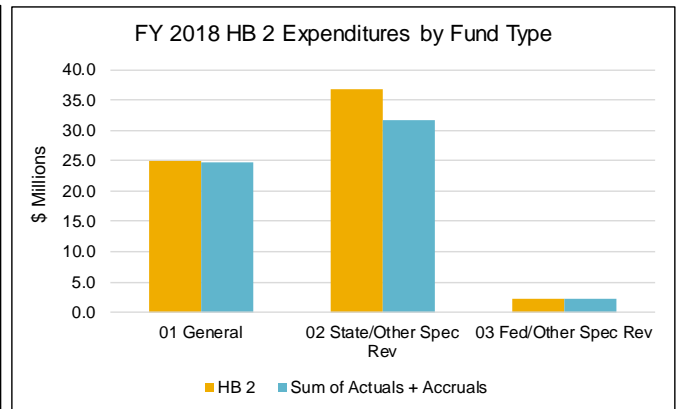
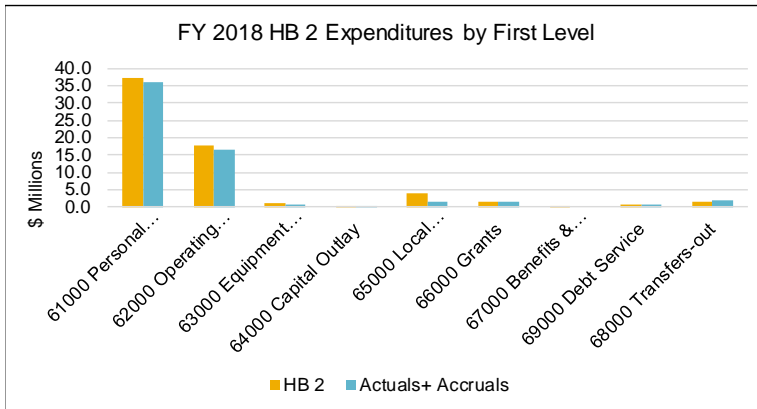


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
24 Water Resources Division	14,655,701	13,967,842	687,860	95.3%
21 Directors Office	6,200,177	6,066,917	133,260	97.9%
22 Oil & Gas Conservation Div	2,057,803	1,687,993	369,811	82.0%
23 Conservation & Resource Dev Div	10,507,071	7,370,958	3,136,113	70.2%
35 Forestry & Trust Lands	30,610,291	29,631,104	979,186	96.8%
<b>Grand Total</b>	<b>\$64,031,044</b>	<b>58,724,815</b>	<b>\$5,306,229</b>	<b>91.7%</b>

*This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.*

Overall, expenditures by program are as anticipated for fiscal year-end. The table above reflects lower than anticipated expenditures within program 22 and 23. These lower expenditures are related to renewable resource bonds, trust land administration, expenditures from the coal severance tax account, and the oil & gas earmarked revenue account. See the discussion under other items for more detail on unexpended state and federal special revenue.

## Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	37,275,021	36,089,093	96.8%
62000 Operating Expenses	17,641,833	16,517,135	93.6%
63000 Equipment & Intangible Assets	1,132,967	813,712	71.8%
64000 Capital Outlay	40,000	11,067	27.7%
65000 Local Assistance	4,038,090	1,437,875	35.6%
66000 Grants	1,336,165	1,411,014	105.6%
67000 Benefits & Claims	200,000	-	0.0%
68000 Transfers-out	1,687,443	1,765,854	104.6%
69000 Debt Service	679,525	679,065	99.9%
<b>Grand Total</b>	<b>\$64,031,044</b>	<b>\$58,724,815</b>	<b>91.7%</b>

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	24,981,293	24,709,808	98.9%
02 State/Other Spec Rev	36,719,729	31,770,579	86.5%
03 Fed/Other Spec Rev	2,330,022	2,244,427	96.3%
<b>Grand Total</b>	<b>\$64,031,044</b>	<b>\$58,724,815</b>	<b>91.7%</b>

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

DNRC expended only 91.7% of their FY 2018 HB 2. The agency expended 98.9% of the general fund appropriation. Federal funds make up 3.6% of the total appropriation and were 96.3% expended at fiscal year-end.

State special revenue is the largest part of the total budget at 57.3%. The agency expended 86.5% of the state special revenue. Details on state special revenue funds and federal special funds are provided in the next section.

### Other Items

The agency is required to use state special and federal special revenue before general fund whenever possible. While the general fund comes with flexibility in how it is spent, state and federal special revenue is restricted by statute and federal regulations. The DNRC budget has 38 different state and federal special revenue accounts which have limitations on use. These funds comprise 60.9% of total budget authority.

The table below shows 11 funds that make up the majority for the total state special revenue appropriation. Highlighted funds are less than 90% expended.

Department of Natural Resources and Conservation  
 HB 2 State Special Revenue Appropriations  
 Percent Expended

<b>State Fund</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Exp</b>
02938 TLMD Trust Administration	\$13,067,424	\$12,658,678	\$408,746	96.9%
02039 Fire Protection Assessments	3,724,762	3,481,452	243,310	93.5%
02432 Oil & Gas ERA	2,739,200	2,410,957	328,243	88.0%
02431 Water Adjudication	2,452,663	2,411,362	41,301	98.3%
02470 State Project Hydro Earnings	2,400,893	2,256,900	143,993	94.0%
02971 RDB PROCEEDS	2,073,420	1,001,000	1,072,420	48.3%
02048 Conservation District Acct	2,067,799	2,067,769	30	100.0%
02449 Forest Resources-Forest Improv	1,352,971	1,346,402	6,569	99.5%
02967 GO 2013D Bond Proceeds Taxable	998,731	83,767	914,964	8.4%
02015 TSEP Regional Water System	958,938	817,675	141,263	85.3%
02326 CST 2016E Ban Proceeds (Tax)	890,939	353,108	537,831	39.6%
All Other State Special Revenue (20 Accounts)	3,991,989	2,881,510	1,110,479	72.2%
<b>Total State Special Revenue</b>	<b>\$36,719,729</b>	<b>\$31,770,579</b>	<b>\$4,949,150</b>	<b>86.5%</b>

The table below shows the entire federal funds appropriation. Highlighted funds are less than 90% expended.

Department of Natural Resources and Conservation  
 HB 2 State Federal Revenue Appropriations  
 Percent Expended

<b>Federal Fund</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Exp</b>
03469 Consolidated Grant FY18	\$1,056,158	\$1,056,158	-	100.0%
03255 DO FEDERAL INDIRECT	492,774	492,774	-	100.0%
03470 Non-Consolidated Grant FY18	300,000	257,237	42,763	85.7%
03149 WPC17 SRF Grant	118,556	118,556	-	100.0%
03356 Oil & Gas Federal	96,420	54,852	41,568	56.9%
03094 FEMA Federal Grants	93,957	93,957	-	100.0%
03034 Yellowstone Groundwater NPS	21,795	20,532	1,263	94.2%
Total Funding	\$2,179,660	\$2,094,065	\$85,595	96.1%

# DEPARTMENT OF AGRICULTURE

## BUDGET AND EXPENDITURE HIGHLIGHTS

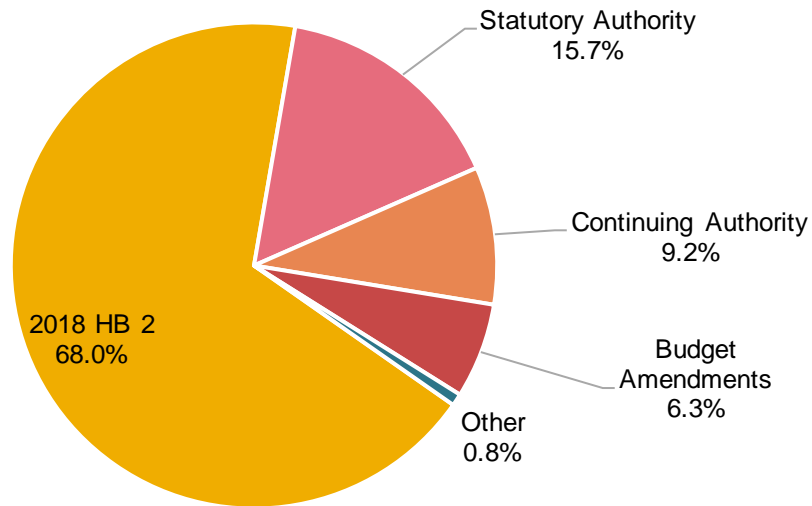
- The Department of Agriculture expended 83.9% of their FY 2018 HB 2 appropriation
  - General fund was 99.4% expended
  - State special revenue was 82.5% expended
  - Federal special revenue was 93.8% expended
  - Enterprise funds were 87.1% expended
- Total appropriation authority is unchanged since June
- The agency moved \$10,000 in appropriation authority from weed seed free storage account to the noxious weed administration account. This adjustment also changed the first level accounting from operations to grants
- The agency transferred \$10,192 in general and state special revenue from the Central Management Division and the Agricultural Development Division to the Agricultural Sciences Division
- The agency budget includes a one-time-only (OTO) appropriation of \$2.0 million for the Montana Wheat and Barley Committee that has not been expended. Since the appropriation is biennial, the unexpended portion can be used in FY 2019.

The table below summarizes the fiscal year end expenditures and balances for OTO appropriations.

Department Agriculture One-Time-Only Appropriation Expenditures FY 2018				
	<u>Appropriation</u>	<u>Expended</u>	<u>Balance</u>	<u>Percent Expended</u>
<b><u>State Special Revenue</u></b>				
Montana Wheat and Barley Committee	\$2,000,000	\$0	\$2,000,000	0.0%
Total State Special Revenue	\$2,000,000	\$0	\$2,000,000	0.0%
Fish Wild Life and Parks Total	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>0.0%</u>

# TOTAL APPROPRIATION AUTHORITY OVERVIEW

## FY 2018 LEGISLATIVE TOTAL AGENCY AUTHORITY



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	19,144,397
Language Authority	0
Statutory Authority	4,417,740
Carry Forward	0
Continuing Authority	2,580,935
Budget Amendments	1,784,398
Other	225,570
Long Range Planning	0
<b>Total Budgeted Authority</b>	<b>28,153,040</b>
Non-Budgeted Proprietary	\$ 58,200

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	20,100,454
Total Budgeted Authority	28,153,040
<b>% Expended</b>	<b>71.4%</b>

*This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.*

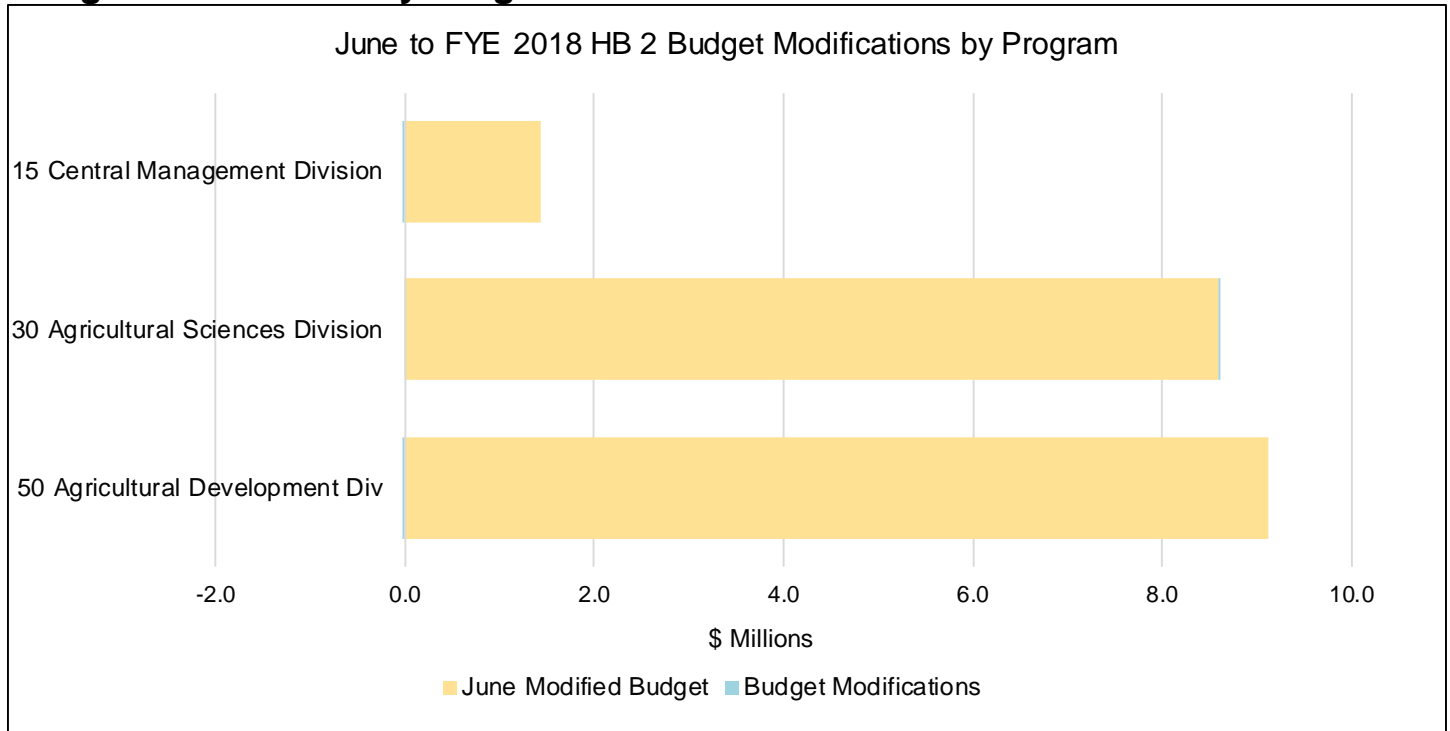
The Department of Agriculture has total budgeted authority of \$28.2 million, most of which is HB 2. The agency expended 71.4% of total authority.

Statutory authority includes funding from the coal severance to fund the growth through agriculture program. Check off fees are statutorily appropriated for marketing Montana agricultural products. Other statutory appropriation includes funding for hail insurance, grain warehouse liquidation and seed capital programs.

Through budget amendments the executive can increase federal appropriation for the agency to take advantage of federal grants that become available during the biennium.

# HB 2 BUDGET MODIFICATIONS

## Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
15 Central Management Division	1,428,653	-	(6,034)	(6,034)	1,422,619	-0.4%
30 Agricultural Sciences Division	8,592,971	20,912	(10,000)	10,912	8,603,883	0.1%
50 Agricultural Development Div	9,122,773	-	(4,878)	(4,878)	9,117,895	-0.1%
<b>Grand Total</b>	<b>\$19,144,397</b>	<b>\$20,912</b>	<b>(\$20,912)</b>	<b>\$0</b>	<b>\$19,144,397</b>	<b>0.0%</b>

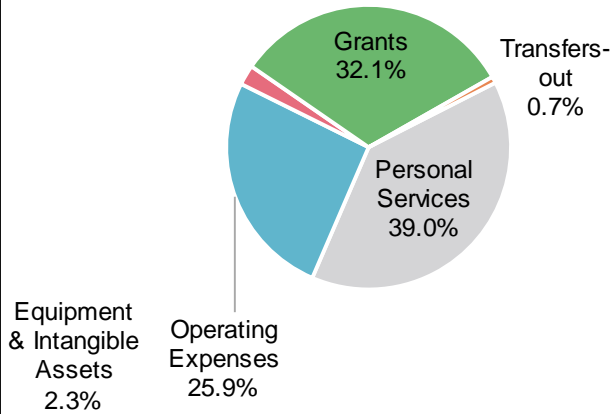
*This chart shows budget modifications by program from June through FYE.*

The agency had several budget modifications to realign appropriation authority as needed between programs.

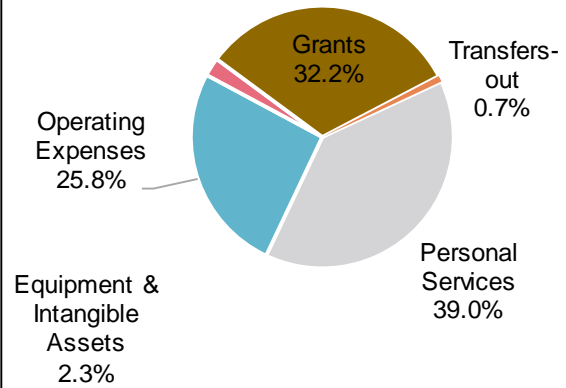
## Budget Modification by First Level

### June HB 2 Modified Budget vs FYE 2018 HB 2 Modified Budget

June Modified Budget by First Level



FYE 2018 Modified Budget by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$7,461,873	-	\$0	-	7,461,873	0.0%
62000 Operating Expenses	\$4,950,604	10,912	(\$20,912)	(10,000)	4,940,604	-0.2%
63000 Equipment & Intangible Assets	\$437,824	-	\$0	-	437,824	0.0%
66000 Grants	\$6,154,339	10,000	\$0	10,000	6,164,339	0.2%
68000 Transfers-out	\$139,757	-	\$0	-	139,757	0.0%
<b>Grand Total</b>	<b>\$19,144,397</b>	<b>\$20,912</b>	<b>(\$20,912)</b>	<b>\$0</b>	<b>\$19,144,397</b>	<b>0.0%</b>

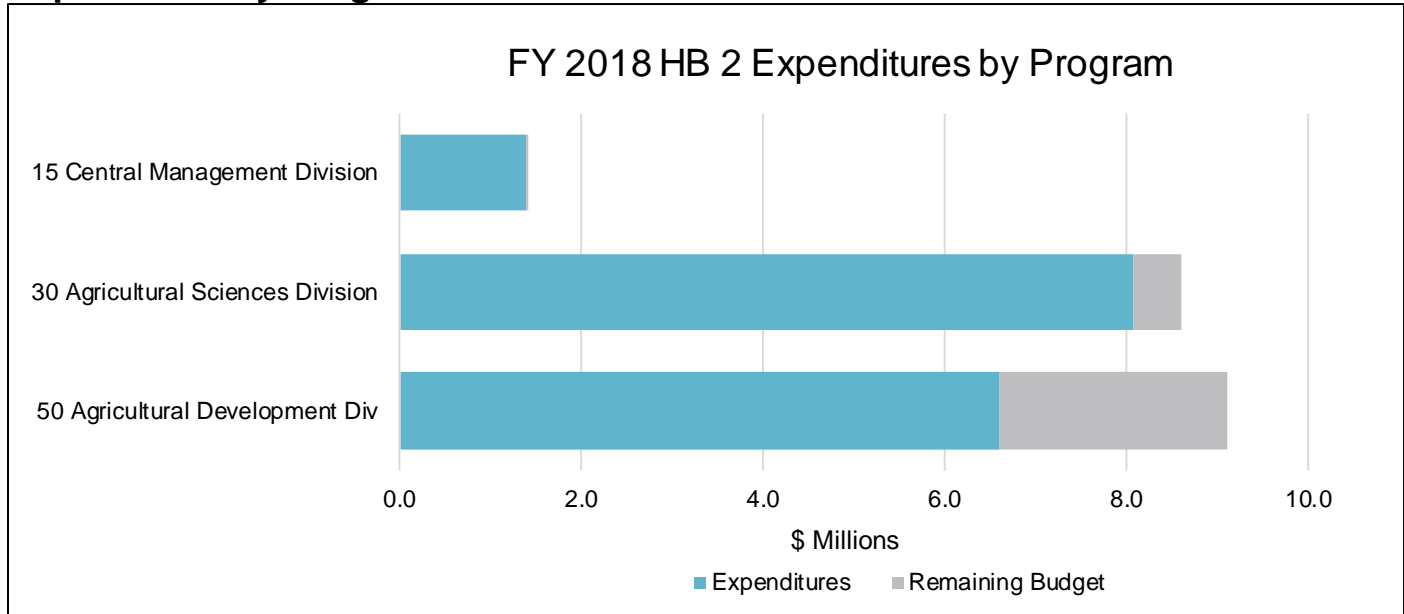
The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The agency had several budget modifications to realign appropriation authority as needed between expenditure level.



# AGENCY HB 2 EXPENDITURES

## Expenditure by Program

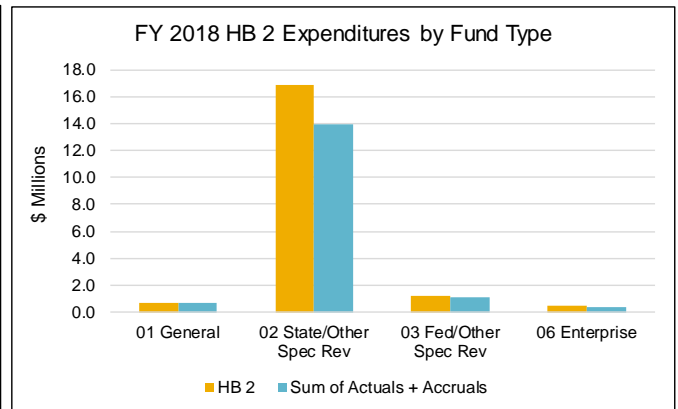
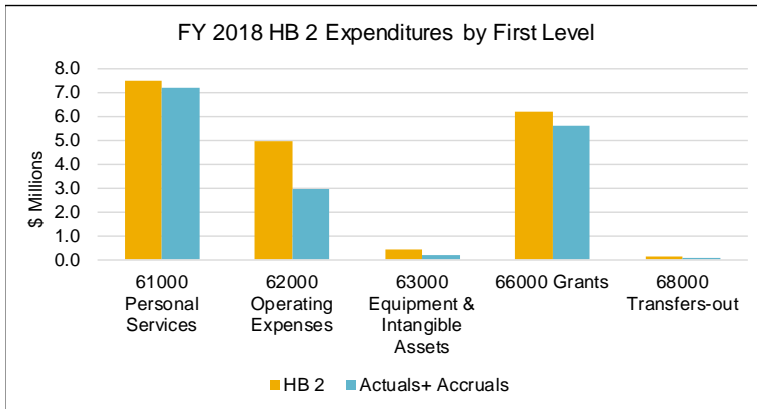


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
15 Central Management Division	1,422,619	1,390,585	32,034	97.7%
30 Agricultural Sciences Division	8,603,883	8,074,601	529,282	93.8%
50 Agricultural Development Div	9,117,895	6,596,669	2,521,226	72.3%
<b>Grand Total</b>	<b>\$19,144,397</b>	<b>16,061,856</b>	<b>\$3,082,541</b>	<b>83.9%</b>

*This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.*

The Department of Agriculture expended 83.9% of their HB 2 budget authority. The agency expended 99.4% for the general fund and 93.8% of the federal funds appropriation. State special revenue was only 82.5% expended. State special revenue is the largest component of the budget at 87.9% of the total. The agency did not expend any portion of the \$2.0 million appropriation for the wheat and barley board and \$1.0 million less than anticipated on the Agriculture Development and Sciences Divisions. Due to the biennial nature of the \$2.0 million appropriation for the wheat and barley board, the agency may use the authority in FY 2019. See the discussion at the end of the next session for more detail on unexpended state special revenue.

## Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	7,461,873	7,196,630	96.4%
62000 Operating Expenses	4,940,604	2,980,399	60.3%
63000 Equipment & Intangible Assets	437,824	203,851	46.6%
66000 Grants	6,164,339	5,590,801	90.7%
68000 Transfers-out	139,757	90,173	64.5%
<b>Grand Total</b>	<b>\$19,144,397</b>	<b>\$16,061,856</b>	<b>83.9%</b>

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	679,829	675,724	99.4%
02 State/Other Spec Rev	16,835,787	13,888,733	82.5%
03 Fed/Other Spec Rev	1,166,382	1,094,585	93.8%
06 Enterprise	462,399	402,814	87.1%
<b>Grand Total</b>	<b>\$19,144,397</b>	<b>\$16,061,856</b>	<b>83.9%</b>

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

Agency expended only 83.9% of the HB 2 appropriation

The agency expended 99.4% of the general fund appropriation and 83.9% of the total HB 2 appropriation. State special revenue makes up 87.9% of the HB 2 funding. At fiscal year-end only 82.5% of the state special revenue was expended. Two thirds of the unexpended state special revenue are in the Wheat and Barley Research and Marketing account.

### Other Items

The agency is required to use state special and federal special revenue before general fund whenever possible. While the general fund comes with flexibility in how it is spent, state and federal special revenue is restricted by statute and federal regulations. 94.0% of the agency budget is comprised of 31 different state and federal special revenue accounts, which have limitations on use.

The table below shows 10 funds that make up 90% for the total state special revenue appropriation. Highlighted funds are less than 90% expended.

Department Agriculture HB 2 State Special Revenue Appropriations Percent Expended				
<u>State Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>	<u>% Exp</u>
02040 Wheat & Barley Research & Mktg	\$6,803,578	\$4,802,636	\$2,000,942	70.6%
02068 Noxious Weed Admin Account	2,148,650	2,146,027	2,623	99.9%
02193 Pesticide Account	1,378,548	1,337,765	40,783	97.0%
02453 Grain Services	1,270,076	1,076,999	193,077	84.8%
02192 Pesticide Groundwater Account	1,213,566	1,158,634	54,932	95.5%
02454 Commercial Feed	939,769	759,044	180,725	80.8%
02268 Produce Account	544,635	502,296	42,339	92.2%
02452 Commercial Fertilizer	398,984	369,422	29,562	92.6%
02062 Growth Through Agriculture	390,809	179,495	211,314	45.9%
02264 Organic Certification	366,403	359,910	6,493	98.2%
All Other State Special Revenue (18 Accounts)	1,380,769	1,196,505	184,264	86.7%
<b>Total State Special Revenue</b>	<b>\$16,835,787</b>	<b>\$13,888,733</b>	<b>\$2,947,054</b>	<b>82.5%</b>

The table below shows the entire federal funds appropriation. Highlighted funds are less than 90% expended.

Department of Agriculture HB 2 State Federal Revenue Appropriations Percent Expended				
<u>Federal Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>	<u>% Exp</u>
03118 Agriculture ASD Federal	\$996,634	\$938,117	58,517	94.1%
03225 Agriculture ADD Federal	97,576	91,552	6,024	93.8%
03120 Agriculture CMD Federal	72,172	64,916	7,256	89.9%
Total Funding	\$1,166,382	\$1,094,585	\$71,797	93.8%