

Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	40.00	40.00	40.00	40.00	40.00	40.00	0.00	0.00 %
Personal Services	2,692,818	2,907,320	3,018,642	3,028,230	5,600,138	6,046,872	446,734	7.98 %
Operating Expenses	1,653,425	1,844,861	1,960,963	1,962,646	3,498,286	3,923,609	425,323	12.16 %
Total Costs	\$4,346,243	\$4,752,181	\$4,979,605	\$4,990,876	\$9,098,424	\$9,970,481	\$872,057	9.58 %
General Fund	367,179	410,180	398,664	398,232	777,359	796,896	19,537	2.51 %
Federal Spec. Rev. Funds	3,979,064	4,342,001	4,580,941	4,592,644	8,321,065	9,173,585	852,520	10.25 %
Total Funds	\$4,346,243	\$4,752,181	\$4,979,605	\$4,990,876	\$9,098,424	\$9,970,481	\$872,057	9.58 %

Program Description

The Air National Guard, until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Highlights

Air National Guard Program Major Budget Highlights
<ul style="list-style-type: none"> • The Governor proposes 1.00 FTE environmental science specialist to address air and water quality management, monitoring and remediation as well as solid and hazardous waste disposal • An additional new proposal addresses funding to support maintenance of water and sewer lines • Other budget changes include small increases for personal services costs when compared to the 2015 legislative base and reductions in funding support for operating expenses

Program Discussion -

Comparison of FY 2015 Legislative Base to FY 2015 Adjusted Base

The Air National Guard Program did not change the FY 2015 legislative appropriations. The number shown in the budget comparison table above reflects the budget approved by the 2013 Legislature.

Comparison of the FY 2014 Actual Expenditures to FY 2015 Legislative Appropriations

Actual FY 2014 expenditures are \$0.4 million less than the FY 2015 legislative appropriation. Primary reasons for the difference are:

- The Air National Guard Program had a vacancy rate of 18.9% in FY 2014 compared to a budgeted rate of 4% for the positions in FY 2014
- Operating expenses for electricity for the Air National Guard Program at Gore Hill were \$148,000 less than estimated in the budget. In addition, janitorial services were \$40,000 less than anticipated, natural gas costs were \$17,000 below budget estimates, and consulting and professional services were \$15,000 lower

Executive Request

As shown in the program budget comparison table personal services increase about \$331,000 each year of the biennium when compared to FY 2014 actual spending. In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13, other changes include:

- Employee attainment of longevity milestones in the 2017 biennium
- Changes in employer retirement contributions
- Vacancy savings that were 18.9% in FY 2014 compared to a budgeted rate of 4.0%; the budget proposes full funding of positions that were unfilled during all or a portion of FY 2014

Operating expenses increase about \$300,000 each year of the 2017 biennium when compared to actual spending.

The majority of the increases are anticipated for two items:

- Security protection contract - \$146,200
- Water and sewage - \$132,600

Funding

The following table shows proposed program funding by source from all sources of authority.

Department of Military Affairs, 13-Air National Guard Pgm Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	796,896	0	0	796,896	7.99 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03453 Air National Guard	9,173,585	0	0	9,173,585	100.00 %	
Federal Special Total	\$9,173,585	\$0	\$0	\$9,173,585	92.01 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$9,970,481	\$0	\$0	\$9,970,481		

The Montana Air National Guard is predominately funded through federal funds. General fund, comprising about 8.0% of the total funding for the program, supports some building and grounds maintenance activities, a portion of administrative expenses, and a portion of the personal service costs for a quarter of the FTE.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	410,180	410,180	820,360	102.94 %	4,752,181	4,752,181	9,504,362	95.32 %
PL Adjustments	(37,363)	(38,024)	(75,387)	(9.46)%	(8,565)	1,793	(6,772)	(0.07)%
New Proposals	25,847	26,076	51,923	6.52 %	235,989	236,902	472,891	4.74 %
Total Budget	\$398,664	\$398,232	\$796,896		\$4,979,605	\$4,990,876	\$9,970,481	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	(19,020)	0	42,453	23,433	0.00	(19,444)	0	51,552	32,108
DP 99 - LEG. Present Law	0.00	(18,343)	0	(13,655)	(31,998)	0.00	(18,580)	0	(11,735)	(30,315)
Grand Total All Present Law Adjustments	0.00	(\$37,363)	\$0	\$28,798	(\$8,565)	0.00	(\$38,024)	\$0	\$39,817	\$1,793

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law Adjustments					
FY 2016					
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	39.00	\$519	\$0	\$18,435	\$18,954
Executive Implementation of 2015 Pay Increase		1,176	-	39,625	40,801
Fully Fund 2015 Legislatively Authorized FTE		-	-	-	-
Other		(20,715)	-	(15,607)	(36,322)
Personal Services Present Law Adjustments	39.00	(\$19,020)	\$0	\$42,453	\$23,433
FY 2017					
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	39.00	\$519	\$0	\$18,435	\$18,954
Executive Implementation of 2015 Pay Increase		1,147	-	39,654	40,801
Fully Fund 2015 Legislatively Authorized FTE		-	-	-	-
Other		(21,110)	-	(6,537)	(27,647)
Personal Services Present Law Adjustments	39.00	(\$19,444)	\$0	\$51,552	\$32,108

Reductions in funding contained in the "other" category are due to DMA's implementation of boilerplate language contained in HB 2 from the 2013 Legislature. Increases are due to the implementation of HB 13.

DP 99 - LEG. Present Law -

As shown in the present law adjustment table above, overall the executive is proposing reductions in costs and funding when compared to the FY 2015 legislative budget. The executive proposes reductions for utility costs, especially electricity, that offset increases in other operating expenses including security protection contracts for the base.

New Proposals -

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1301304 - New Air Guard Environmental Science Specialist	1.00	25,847	0	77,542	103,389	1.00	26,076	0	78,226	104,302
DP 1301305 - Funding for Water-Sewer Maintenance	0.00	0	0	132,600	132,600	0.00	0	0	132,600	132,600
Total	1.00	\$25,847	\$0	\$210,142	\$235,989	1.00	\$26,076	\$0	\$210,826	\$236,902

DP 1301304 - New Air Guard Environmental Science Specialist -

This request is for 1.00 FTE Environmental Science Specialist to meet the environmental compliance requirements of the Montana Air National Guard (MANG) in Great Falls. Approval of this FTE and operational support would create a fourth Air Guard Master Cooperative Agreement Appendix between the federal government (National Guard Bureau and United States Property and Fiscal Office) and the State of Montana (Adjutant General). The costs of the agreement are 25% state and 75% federal.

DP 1301305 - Funding for Water-Sewer Maintenance -

This request is for 100% federal spending authority to cover the annual water and sewer maintenance costs the Montana Air National Guard (MANG) would pay after privatization of water and sewer lines in FY 2016.