

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	24.00	24.00	23.00	23.00	24.00	23.00	(1.00)	(4.17)%
Personal Services	1,492,077	1,433,061	1,805,391	1,804,411	2,925,138	3,609,802	684,664	23.41 %
Operating Expenses	461,213	685,127	544,766	532,661	1,146,340	1,077,427	(68,913)	(6.01)%
Equipment & Intangible Assets	22,180	0	22,180	22,180	22,180	44,360	22,180	100.00 %
Grants	10,265,846	11,735,443	12,875,846	12,875,846	22,001,289	25,751,692	3,750,403	17.05 %
Transfers	850,470	2,532,674	2,050,470	2,050,470	3,383,144	4,100,940	717,796	21.22 %
Total Costs	\$13,091,786	\$16,386,305	\$17,298,653	\$17,285,568	\$29,478,091	\$34,584,221	\$5,106,130	17.32 %
General Fund	1,176,995	1,250,343	1,267,268	1,266,478	2,427,338	2,533,746	106,408	4.38 %
State/Other Special Rev. Funds	73,855	236,536	73,855	73,855	310,391	147,710	(162,681)	(52.41)%
Federal Spec. Rev. Funds	11,840,936	14,899,426	15,957,530	15,945,235	26,740,362	31,902,765	5,162,403	19.31 %
Total Funds	\$13,091,786	\$16,386,305	\$17,298,653	\$17,285,568	\$29,478,091	\$34,584,221	\$5,106,130	17.32 %

Program Description

The Disaster and Emergency Services Division (DES) duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of an incident, emergency, or disaster.

Program Highlights

Disaster and Emergency Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The Governor proposes federal grant funding at about \$1.0 million a year above the 2015 legislative base budget • Personal service costs increases are due to additional homeland security grant funding, implementation of HB 13 pay plan increases and fully funding FTE authorized in the 2015 biennium

Program Discussion -

Comparison of FY 2015 Legislative Base to FY 2015 Adjusted Base

The following highlights the differences between the FY 2015 appropriations as shown in the program budget comparison table to the FY 2015 legislative appropriations used for purposes of the budget base.

FY 2015 Appropriation Transactions - Department of Military Affairs				
Program	Legislative Appropriation	Category Adjustment	Total Implementation	Executive
Personal Services	\$1,433,061		\$0	\$1,433,061
Operating Expenses	685,127	(35,000)		650,127
Equipment	0	35,000		35,000
Grants	11,735,443	0		11,735,443
Transfers	<u>2,532,674</u>	<u>0</u>		2,532,674
Total Expenditures	<u>\$16,386,305</u>	<u>\$0</u>		<u>\$16,386,305</u>
General Fund	\$1,250,343		\$0	\$1,250,343
State Special Revenue	236,536		0	236,536
Federal Special	<u>14,899,426</u>	<u>0</u>		<u>14,899,426</u>
Total Funds	<u>\$16,386,305</u>	<u>\$0</u>		<u>\$16,386,305</u>

The net impact of several adjustments to federal grant authority was that the Disaster and Emergency Services Division transferred \$35,000 for operating expenses to equipment.

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

Actual FY 2014 expenditures are \$3.3 million below the FY 2015 legislative appropriation. Primary reasons for the difference are mainly due to a reduction in homeland security grant funds. In the 2013 biennium DES received an additional \$6.4 million in federal funding for the homeland security grant program. \$2.5 million of the increase received in FY 2012 was included in the budget estimate for FY 2014. In FY 2014 homeland security grant funding did not include these additional funds.

Executive Request

The program budget comparison table shows the impacts of the budget after the transfers of appropriation authority are taken into account. The program requests an additional \$4.0 million in federal appropriation authority above FY 2014 actual expenditures. Requests for additional program expenditures include:

- \$120,000 for increases in personal services
- \$70,000 related to projected increases for operating expenses
- \$3.8 million to pay for local, tribal and state projects to strengthen the state's ability to prevent and respond to any hazard events. The grant focus is interoperable communications, fusion center operations, and explosive ordnance disposal

Funding

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

Department of Military Affairs, 21-Disaster & Emergency Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,533,746	0	0	2,533,746	7.33 %	
02156 SAR DES DFWP Fees	41,928	0	0	41,928	28.39 %	
02170 SAR DES Off Road Vehicles	96,096	0	0	96,096	65.06 %	
02180 EMERGENCY PREPAREDNESS SUMMIT	0	0	0	0	0.00 %	
02335 DES Training Conference	9,686	0	0	9,686	6.56 %	
02847 Fire Suppression Fund	0	0	0	0	0.00 %	
State Special Total	\$147,710	\$0	\$0	\$147,710	0.43 %	
03022 Federal Disaster Assistance	0	0	0	0	0.00 %	
03134 Disaster & Emergency Services	31,902,765	0	0	31,902,765	100.00 %	
Federal Special Total	\$31,902,765	\$0	\$0	\$31,902,765	92.25 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$34,584,221	\$0	\$0	\$34,584,221		

Funding for the Disaster and Emergency Services Division is broken down roughly into three functional areas:

- Administration and coordination
- Search and rescue
- Grant programs

Administrative and coordination functions are funded primarily through a 50/50 partnership between state general fund and federal revenues. Disaster coordination functions are usually funded 100% with federal funds.

Search and rescue activities are funded through state special revenue funds derived from surcharges on conservation licenses and off-road vehicle licenses.

Grant activities are dominated by federal funding. The amount of this funding budgeted in HB 2 varies greatly depending on the federal source and available amounts known at the time of the budget submission. This is reflected in the reduction in federal funding for the upcoming biennium from the current biennium.

The Governor is also provided a number of statutory appropriations in the event of a declared emergency or disaster. The most notable of these is the authority to authorize up to \$16 million for disaster relief. These expenditures are authorized through executive orders. In FY 2014, the Governor authorized disaster relief expenditures from the general fund totaling \$1.1 million.

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	1,250,343	1,250,343	2,500,686	98.70 %	16,386,305	16,386,305	32,772,610	94.76 %
PL Adjustments	16,925	16,135	33,060	1.30 %	912,348	899,263	1,811,611	5.24 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$1,267,268	\$1,266,478	\$2,533,746		\$17,298,653	\$17,285,568	\$34,584,221	

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.

Present Law Adjustments	-----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	6,907	(66,390)	431,813	372,330	0.00	6,663	(67,179)	431,866	371,350
DP 99 - LEG. Present Law	0.00	10,018	(96,291)	626,291	540,018	0.00	9,472	(95,502)	613,943	527,913
Grand Total All Present Law Adjustments	0.00	\$16,925	(\$162,681)	\$1,058,104	\$912,348	0.00	\$16,135	(\$162,681)	\$1,045,809	\$899,263

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					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	23.00	\$5,799	\$0	\$5,379	\$11,178
Executive Implementation of 2015 Pay Increase		14,533	-	13,479	28,012
Fully Fund 2015 Legislatively Authorized FTE		-	14,214	157,978	172,192
Other		(13,425)	(80,604)	254,977	160,948
Personal Services Present Law Adjustments	23.00	\$6,907	(\$66,390)	\$431,813	\$372,330
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	23.00	\$5,799	\$0	\$5,379	\$11,178
Executive Implementation of 2015 Pay Increase		14,392	-	13,620	28,012
Fully Fund 2015 Legislatively Authorized FTE		-	14,214	157,978	172,192
Other		(13,528)	(81,393)	254,890	159,968
Personal Services Present Law Adjustments	23.00	\$6,663	(\$67,179)	\$431,866	\$371,350

Reductions in funding contained in the "other" category are due to DMA's implementation of boilerplate language contained in HB 2 enacted by the 2013 Legislature. Increases due to the implementation of HB 13 and reinstatement of personal services funding that was reduced by the legislature in the previous session are also reflected in the table above. Almost half of the increase in federal funding in the "other" category is related to the projected costs for the Homeland Security Grant Program.

DP 99 - LEG. Present Law -

As shown in the present law adjustment table on the previous page, overall the executive is proposing increases in costs and funding when compared to the FY 2015 legislative budget. Grants and transfers to local governments supported by federal homeland security grant funds drive the increases.