

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	51.15	51.15	53.15	53.15	51.15	53.15	2.00	3.91 %
Personal Services	2,461,478	2,564,420	2,907,732	2,905,971	5,025,898	5,813,703	787,805	15.67 %
Operating Expenses	1,169,548	1,273,122	1,189,548	1,175,780	2,442,670	2,365,328	(77,342)	(3.17)%
Total Costs	\$3,631,026	\$3,837,542	\$4,097,280	\$4,081,751	\$7,468,568	\$8,179,031	\$710,463	9.51 %
General Fund	812,158	909,040	1,033,387	1,030,409	1,721,198	2,063,796	342,598	19.90 %
Federal Spec. Rev. Funds	2,818,868	2,928,502	3,063,893	3,051,342	5,747,370	6,115,235	367,865	6.40 %
Total Funds	\$3,631,026	\$3,837,542	\$4,097,280	\$4,081,751	\$7,468,568	\$8,179,031	\$710,463	9.51 %

Program Description

The Montana National Guard Youth ChalleNGe Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary, two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, and increase their educational levels and employment potential. Phase I of the program is a 22 week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Highlights

Montana National Guard Youth ChalleNGe Program Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 biennium budget for the program increases 8.4% when compared to the 2015 biennium budget • The legislature provided for two additional staff and increases to personal service costs for existing program staff. This drives the increase in personal services

Program Narrative

The driving factor in the increases for personal services is the addition of 2.00 FTE, one recruiting position and one counselor. Personal services support was increased by about \$109,000 each year of the biennium for the new FTE. In addition, increases resulting from the implementation of pay raises and health insurance contributions were funded by the legislature. Other personal services funding changes include:

- Market adjustments granted throughout FY 2014 that are annualized for the 2017 biennium
- Overtime compensation for operation of the ChalleNGe Program 24 hours a day, seven days a week
- Differential pay
- Employee attainment of longevity milestones in the 2017 biennium
- Changes in employer retirement contributions

Operating expenses are reduced when compared to the 2015 biennium due to reduced spending for a number of items including clothing, advertising, and out-of-state travel.

Funding

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

Department of Military Affairs, 02-Challenge Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,063,796	0	0	2,063,796	25.23 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03132 National Guard	6,115,235	0	0	6,115,235	100.00 %	
Federal Special Total	\$6,115,235	\$0	\$0	\$6,115,235	74.77 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$8,179,031	\$0	\$0	\$8,179,031		

The Youth ChalleNGe Program is funded with general fund and federal special revenue at a 25/75 state to federal funding ratio for most costs. Some travel and special projects required by the federal/state cooperative agreement are funded 100 percent from federal funds.

Budget Summary by Category

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

Budget Summary by Category								
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	909,040	909,040	1,818,080	88.09 %	3,837,542	3,837,542	7,675,084	93.84 %
PL Adjustments	109,904	106,961	216,865	10.51 %	201,965	186,577	388,542	4.75 %
New Proposals	14,443	14,408	28,851	1.40 %	57,773	57,632	115,405	1.41 %
Total Budget	\$1,033,387	\$1,030,409	\$2,063,796		\$4,097,280	\$4,081,751	\$8,179,031	

The majority of the changes from the FY 2015 legislative appropriation are included in the present law adjustments for personal services. The legislature provided:

- An additional FTE for program recruitment
- Overtime and differential pay increases of \$119,000 each year of the biennium

These increases are partially offset by reductions in operating expenses including clothing, gasoline, state information technology services costs, travel, and equipment rentals.

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia	0.00	1,572	0	4,716	6,288	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	13,899	0	10,960	24,859	0.00	13,899	0	10,960	24,859
DP 525 - Fixed Cost Adjustment	0.00	(3,702)	0	(11,107)	(14,809)	0.00	(4,030)	0	(12,090)	(16,120)
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	45	0	133	178	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment	0.00	1,847	0	5,542	7,389	0.00	1,981	0	5,945	7,926
DP 529 - Longevity and Other adjustments	0.00	1,912	0	5,737	7,649	0.00	3,323	0	9,971	13,294
DP 550 - Motor Pool Adjustment	0.00	(560)	0	(1,682)	(2,242)	0.00	(568)	0	(1,706)	(2,274)
DP 600 - Operating Cost Adjustments	0.00	(38,180)	0	(52,198)	(90,378)	0.00	(41,736)	0	(55,138)	(96,874)
DP 610 - Other Personal Services Changes	0.00	124,341	0	103,766	228,107	0.00	125,366	0	95,492	220,858
DP 200201 - Overtime	0.00	10,125	0	30,378	40,503	0.00	10,125	0	30,378	40,503
DP 200202 - Differential Pay	0.00	3,848	0	11,545	15,393	0.00	3,848	0	11,545	15,393
DP 200203 - Challenge Recruiter	1.00	12,853	0	38,559	51,412	1.00	12,849	0	38,547	51,396
DP 200210 - Reduce Overtime Funding	0.00	(18,096)	0	(54,288)	(72,384)	0.00	(18,096)	0	(54,288)	(72,384)
Grand Total All Present Law Adjustments	1.00	\$109,904	\$0	\$92,061	\$201,965	1.00	\$106,961	\$0	\$79,616	\$186,577

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

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 527 - Inflation Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 529 - Longevity and Other adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - Operating Cost Adjustments -

The legislature adopted all other operating cost adjustments.

DP 610 - Other Personal Services Changes -

The legislature adopted all other personal service cost adjustments, except the annualization of the 2015 biennium pay plan.

DP 200201 - Overtime -

The legislature provided general fund and associated federal matching funds to support overtime and holiday salaries and associated benefits. The MYCA is required to have coverage 24 hours a day, seven days a week. The MYCA is funded 75% federal, and 25% state.

DP 200202 - Differential Pay -

The legislature provided support for duty assignment and shift differential pay.

DP 200203 - Challenge Recruiter -

The legislature approved additional personal services support for 1.00 FTE for a recruiting position. This position assists the Montana Youth Challenge Academy (MYCA) in meeting admission goals. Large geographical areas of the state created a need for an additional recruiter, as did passage of legislation that defined a process by which school districts cooperate with the (MYCA) to identify dropouts, and additional recruiting requirements of the admissions department.

DP 200210 - Reduce Overtime Funding -

The legislature reduced overtime funding to correct the inclusion of the funding twice within the budget proposal.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

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 200204 - Additional ChalleNGe Counselor	1.00	14,443	0	43,330	57,773	1.00	14,408	0	43,224	57,632
Total	1.00	\$14,443	\$0	\$43,330	\$57,773	1.00	\$14,408	\$0	\$43,224	\$57,632

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

DP 200204 - Additional ChalleNGe Counselor -

The legislature provided support for an additional 1.00 FTE for a counselor position to assist with larger enrollments and ensure compliance with the staffing requirements outlined in the Federal/State Master Youth Programs Cooperative Agreement (MYPCA) dated July 2012. The agreement requires a ratio to counselors to cadets of 1:30.