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	24.00	24.00	26.00	26.00	24.00	26.00	2.00	8.33 %
Personal Services	1,365,406	1,435,807	1,599,489	1,598,920	2,801,213	3,198,409	397,196	14.18 %
Operating Expenses	165,202	344,256	166,840	158,411	509,458	325,251	(184,207)	(36.16)%
Grants	0	180,000	0	0	180,000	0	(180,000)	(100.00)%
Total Costs	**$1,530,608**	**$1,960,063**	**$1,766,329**	**$1,757,331**	**$3,490,671**	**$3,523,660**	**$32,989**	**0.95 %**
General Fund	916,416	1,134,942	1,043,784	1,037,831	2,051,358	2,081,615	30,257	1.47 %
State/Other Special Rev. Funds	614,192	825,121	722,545	719,500	1,439,313	1,442,045	2,732	0.19 %
Total Funds	**$1,530,608**	**$1,960,063**	**$1,766,329**	**$1,757,331**	**$3,490,671**	**$3,523,660**	**$32,989**	**0.95 %**

Program Description

The Veterans' Affairs Program assists discharged veterans and their families in cooperation with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort William H. Harrison in Helena, and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Highlights

Veterans' Affairs Program
Major Budget Highlights

- The legislature approved 2.00 FTE veterans' service officers to assist Montana veterans
- Additional increases for personal services support implementation of HB 13 enacted by the 2013 Legislature

Program Narrative

Veterans' Affairs Program personal services increase when compared to the 2015 biennium. In addition to providing funding to support increases that result from the implementation of pay raises and health insurance contributions included in HB 13 as enacted by the 2013 Legislature, other changes include:

- Approval of 2.00 FTE veteran service officers to provide additional services to veterans in Montana
- Funding for market, situational, and proficiency pay adjustments granted throughout the 2015 biennium that are annualized for the 2017 biennium
- Employee attainment of longevity milestones in the 2017 biennium

Reductions in operating expenses include projected reductions in:

- Minor equipment
- Computer hardware
- Postage and mailing
- In-state travel
- Motor pool lease vehicles

Funding

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

Department of Military Affairs, 31-Veterans' Affairs Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,081,615	0	0	2,081,615	43.91 %
02214 Veterans Affairs Cemeteries	0	0	1,217,000	1,217,000	45.77 %
02222 Patriotic License Plate Fees	200,000	0	0	200,000	7.52 %
02548 Veterans Affairs SB401	1,242,045	0	0	1,242,045	46.71 %
State Special Total	**$1,442,045**	**$0**	**$1,217,000**	**$2,659,045**	**56.09 %**
03413 Veterans Cemetary	0	0	0	0	0.00 %
Federal Special Total	**$0**	**$0**	**$0**	**$0**	**0.00 %**
Proprietary Total	**$0**	**$0**	**$0**	**$0**	**0.00 %**
Total All Funds	**$3,523,660**	**$0**	**$1,217,000**	**$4,740,660**	

The Veterans' Affairs program is funded with both general fund and state special revenue. General fund is used to support functions throughout the program.

The veterans' service account was created by the legislature during the 2003 regular session in SB 401, which allocated proceeds from the sale of veterans' specialty license plates. In addition to the revenue received from the sale of some specialty license plates, this account and the Veterans' Affairs Cemeteries receive a portion of motor vehicle registration revenue that is deposited in the general fund each year. The 2013 Legislature increased the percentage of motor vehicle fees into this account from 0.64% to 0.81%. For the 2017 biennium, based on the higher level of revenue, the legislature approved a one-time-only funding switch of $50,000 each year of the biennium, reducing general fund and increasing state special revenue for the 2017 biennium. The one-time-only designation was included to ensure that the veterans' service account could sustain the higher level of appropriations.

The State Veterans' Cemeteries Program statutory funding includes revenue derived primarily from cemetery donations and plot allowances. Finally, the Patriotic License Plate Account receives revenue from a $15 surcharge on original and renewal patriotic license plates issued in Montana.

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	General Fund				Total Funds			
Budget Item	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	954,942	954,942	1,909,884	91.75 %	1,759,797	1,759,797	3,519,594	99.88 %
PL Adjustments	(21,200)	(26,883)	(48,083)	(2.31)%	(103,510)	(112,238)	(215,748)	(6.12)%
New Proposals	110,042	109,772	219,814	10.56 %	110,042	109,772	219,814	6.24 %
Total Budget	**$1,043,784**	**$1,037,831**	**$2,081,615**		**$1,766,329**	**$1,757,331**	**$3,523,660**	

The legislature reduced general fund support for this program through a funding switch using state special revenues provided through increased percentage in motor vehicle registrations. New proposals for additional service officers to assist disabled veterans through the process of applying for benefits and services are about 6.2% of the increase.

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.

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 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia										
	0.00	4,192	0	0	4,192	0.00	0	0	0	0
DP 515 - State Share Health Insurance										
	0.00	5,832	5,832	0	11,664	0.00	5,832	5,832	0	11,664
DP 525 - Fixed Cost Adjustment										
	0.00	(2,346)	(1,978)	0	(4,324)	0.00	(2,466)	(2,078)	0	(4,544)
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)										
	0.00	(723)	840	0	117	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment										
	0.00	(11,372)	(11,373)	0	(22,745)	0.00	(11,143)	(11,144)	0	(22,287)
DP 529 - Longevity and Other adjustments										
	0.00	(1,283)	(1,284)	0	(2,567)	0.00	610	609	0	1,219
DP 550 - Motor Pool Adjustment										
	0.00	(1,160)	(1,160)	0	(2,320)	0.00	(1,176)	(1,176)	0	(2,352)
DP 600 - Operating Cost Adjustments										
	0.00	3,256	(155,592)	0	(152,336)	0.00	1,099	(157,761)	0	(156,662)
DP 610 - Other Personal Services Changes										
	0.00	32,404	32,405	0	64,809	0.00	30,361	30,363	0	60,724
DP 3100200 - Funding Switch for Veteran's Affairs (OTO)										
	0.00	(50,000)	50,000	0	0	0.00	(50,000)	50,000	0	0
Grand Total All Present Law Adjustments										
	0.00	**($21,200)**	**($82,310)**	**$0**	**($103,510)**	**0.00**	**($26,883)**	**($85,355)**	$0	($112,238)

*"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 anualization of the 2015 biennium pay plan.

DP 3100200 - Funding Switch for Veteran's Affairs (OTO) -

The legislature was able to reduce general fund due to available state special revenues for the veterans' service account. In order to ensure funding in the state special revenue fund was available in the next biennium the funding switch was designated as one-time-only. This will allow the legislature to evaluate the ongoing revenues within the state special revenue account in the next biennium.

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 3103102 - Veterans Service Officers										
	2.00	110,042	0	0	110,042	2.00	109,772	0	0	109,772
Total	**2.00**	**$110,042**	**$0**	**$0**	**$110,042**	**2.00**	**$109,772**	**$0**	$0	$109,772

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

DP 3103102 - Veterans Service Officers -

The legislature provided support for 2.00 FTE Veterans Service Officers to augment existing agency staff in the Veteran's Affairs (VA) Division to serve existing and future clients who are requesting federal VA veterans benefits. The service

officers will provide support for expanded programs for the Veterans of Foreign Wars Veterans Service Program and filing of veterans benefits for the offspring of parents exposed to Agent Orange.