

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	199.21	199.21	199.21	199.21	199.21	199.21	0.00	0.00%
Personal Services	11,462,034	11,662,829	11,810,096	11,830,260	23,124,863	23,640,356	515,493	2.23%
Operating Expenses	15,179,930	15,422,290	15,948,410	15,841,721	30,602,220	31,790,131	1,187,911	3.88%
Equipment & Intangible Assets	552,065	357,423	552,065	552,065	909,488	1,104,130	194,642	21.40%
Grants	3,767,443	5,101,505	13,515,443	11,915,443	8,868,948	25,430,886	16,561,938	186.74%
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00%
Transfers	570,674	707,549	2,932,674	2,532,674	1,278,223	5,465,348	4,187,125	327.57%
Total Costs	\$31,534,426	\$33,253,876	\$44,760,968	\$42,674,443	\$64,788,302	\$87,435,411	\$22,647,109	34.96%
General Fund	5,601,891	5,725,200	6,086,587	6,079,430	11,327,091	12,166,017	838,926	7.41%
State Special	1,071,157	1,292,045	1,100,490	1,001,546	2,363,202	2,102,036	(261,166)	(11.05%)
Federal Special	24,861,378	26,236,631	37,573,891	35,593,467	51,098,009	73,167,358	22,069,349	43.19%
Total Funds	\$31,534,426	\$33,253,876	\$44,760,968	\$42,674,443	\$64,788,302	\$87,435,411	\$22,647,109	34.96%

Page Reference

Legislative Budget Analysis, A-264

Executive Budget Comparison

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	199.21	199.21	199.21	0.00	199.21	199.21	0.00	
Personal Services	11,462,034	11,752,583	11,810,096	57,513	11,770,429	11,830,260	59,831	117,344
Operating Expenses	15,179,930	15,901,626	15,948,410	46,784	15,795,391	15,841,721	46,330	93,114
Equipment & Intangible Assets	552,065	552,065	552,065	0	552,065	552,065	0	0
Grants	3,767,443	13,335,443	13,515,443	180,000	11,735,443	11,915,443	180,000	360,000
Benefits & Claims	2,280	2,280	2,280	0	2,280	2,280	0	0
Transfers	570,674	2,932,674	2,932,674	0	2,532,674	2,532,674	0	0
Total Costs	\$31,534,426	\$44,476,671	\$44,760,968	\$284,297	\$42,388,282	\$42,674,443	\$286,161	\$570,458
General Fund	5,601,891	5,907,915	6,086,587	178,672	5,900,810	6,079,430	178,620	357,292
State/Other Special	1,071,157	940,549	1,100,490	159,941	842,561	1,001,546	158,985	318,926
Federal Special	24,861,378	37,628,207	37,573,891	(54,316)	35,644,911	35,593,467	(51,444)	(105,760)
Total Funds	\$31,534,426	\$44,476,671	\$44,760,968	\$284,297	\$42,388,282	\$42,674,443	\$286,161	\$570,458

The legislature provided a biennial appropriation of \$112,500 in general fund and matching federal funds to address recruitment and retention issues within the ChalLENge Program. In addition, the legislature reduced the costs associated with statutorily appropriated state veterans' cemetery revenues from HB 2 and corrected an allocation error between personal services and operating costs for these costs. Vacancy savings were increased by an additional 2% above that recommended by the executive for HB 2 funded positions. This reduced personal services by \$466,800 over the biennium and reduced general funds by \$119,600, state special revenue by \$28,400, and federal funds by \$318,800. Finally, the legislature provided general fund for grants for outreach services to veterans in Montana including initial contact with veterans in communities, assistance with applications and claims, volunteer training, and equipment purchases for transporting disabled veterans to services.

Agency Highlights

Department of Military Affairs Major Budget Highlights
<ul style="list-style-type: none"> ◆ The budget increases by 35.0% from the previous biennium due primarily to a change in the level of funding for Homeland Security Program Grants ◆ The legislature also provided for the addition of a second site for STARBASE at Gore Hill in Great Falls and increased federal authority for the program by \$0.6 million over the 2015 biennium ◆ Additional personal services were provided to support 3.00 FTE that will support the Army National Guard mission, 1.00 FTE to provide for homeland security exercise and evaluation, and 1.00 FTE for the new Montana STARBASE “Big Sky” Program in Great Falls

Agency Discussion

The Department of Military Affairs budget increases significantly when compared to the 2013 biennium due to:

- Additional personal services to support 3.00 FTE to support the Army National Guard mission, 1.00 FTE to provide for homeland security exercise and evaluation, and 1.00 FTE for the new Montana STARBASE “Big Sky” Program in Great Falls
- Reinstatement of \$0.8 million in overtime incurred by the Air National Guard firefighters in Great Falls
- Operating expenses associated with Homeland Security Grants within the Disaster and Emergency Services Division
- Increased grant transfers of \$4.2 million compared to the 2013 biennium
- Additional federal revenue authority for grants to local and tribal governments of \$22.0 million over the 2015 biennium

General fund increases between the two biennia due to approved funding shifts between general fund and federal funds in most programs, additional funding for recruitment and retention within the ChalleNGe Program, and support for grants for outreach services to Montana veterans.

Provisions Recommended for Inclusion in A Bill to Implement HB 2

The Joint Appropriations Subcommittee on General Government recommended that a bill to implement provisions of HB 2 include changes to the percentage of motor vehicle revenues that are deposited into the general fund each fiscal year and then transferred to two accounts within the Veterans’ Affairs Program:

- State Veterans’ Cemetery Account
- Veterans’ Services Account

The recommended increase in the percentage, from .64% to .81%, is estimated to restore the funding provided by the allocation to the levels previously provided prior to the adoption of a percentage.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Department Of Military Affairs Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$12,166,017	\$0	\$0	\$12,166,017	13.8%
State Special Total	2,102,036	-	775,647	2,877,683	3.3%
Federal Special Total	73,167,358	-	-	73,167,358	82.9%
Proprietary Total	-	-	-	-	0.0%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	<u>\$87,435,411</u>	<u>\$0</u>	<u>\$775,647</u>	<u>\$88,211,058</u>	
Percent - Total All Sources	99.1%	0.0%	0.9%		

HB 2

The Department of Military Affairs is dominated by federal government initiatives, programs, and objectives. As such the agency's primary funding source is federal funds. General fund supports a portion of most of the programs in the department and 100 percent of the cost of the National Guard Scholarship program.

State special revenue funds the Disaster and Emergency Services Division and Veterans Affairs Program. The Veterans Affairs Division accounts for the majority of the state special revenue funding with revenues generated through vehicle registrations, specialty license plates, and donations.

Federal special revenues account for the majority of the total agency funding. The most significant impact to the total funding increase is for federal Homeland Security Program Grants that remain unspent from previous fiscal years.

Statutory Appropriations

The Department of Military Affairs has two statutory appropriations that are currently estimated to be expended in the 2015 biennium and several others that are either transferred from other agencies or are not currently estimated to be needed in the next biennium.

The Montana Military Family Relief (MMFRF) Program receives a statutory appropriation to provide monetary grants to families of Montana National Guard and Reserve Component members who on or after April 28, 2007 are on active duty for federal service in a contingency operation. MMFRF grants are intended to help Montana families defray the costs of food, housing, utilities, medical services, and other expenses that become difficult to afford when a wage-earner has temporarily left civilian employment to be placed on active military duty. FY 2012 costs for the program were \$121,000, which is the amount of funding established for each year of the 2015 biennium. The program was originally funded by a transfer of \$1.0 million in general fund. Ongoing revenues include interest on a declining fund balance and donations of about \$38,000 a year.

The Veterans' Affairs Division has a statutory appropriation for operation of the Montana Veterans' Cemetery Program. The state special revenue funds are generated from cemetery plot allowances and donations.

Statutory appropriations which are not currently estimated for the 2015 biennium include:

- Local incidence responses for emergency and disasters
- Contingencies to address environmental problems

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 2012, the Governor authorized disaster relief expenditures from the general fund totaling \$7,631 with the remainder anticipated to be fully expended in FY 2013, primarily for fire suppression costs.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	5,601,891	5,601,891	11,203,782	92.09%	31,534,426	31,534,426	63,068,852	72.13%
Statewide PL Adjustments	233,664	222,074	455,738	3.75%	(10,434)	(14,453)	(24,887)	(0.03%)
Other PL Adjustments	74,545	79,024	153,569	1.26%	12,916,345	10,831,043	23,747,388	27.16%
New Proposals	176,487	176,441	352,928	2.90%	320,631	323,427	644,058	0.74%
Total Budget	\$6,086,587	\$6,079,430	\$12,166,017		\$44,760,968	\$42,674,443	\$87,435,411	

Statewide present law adjustments are negative from total funds due to reductions for overtime incurred by firefighters in Great Falls. Other present law adjustments include increased federal funding for Homeland Security Grant Program funds within the Disaster and Emergency Services Program.

Language and Statutory Authority

The legislature proposes the following language for inclusion in HB 2.

"Disaster and Emergency Services includes a reduction in general fund of \$59,763 in fiscal year 2014 and \$59,809 in fiscal year 2015, state special revenue of \$14,211 in fiscal year 2014 and \$14,214 in fiscal year 2015, and federal special revenue of \$160,814 in fiscal year 2014 and \$157,978 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	11.76	11.76	11.76	11.76	11.76	11.76	0.00	0.00%
Personal Services	851,658	878,718	908,067	907,501	1,730,376	1,815,568	85,192	4.92%
Operating Expenses	95,075	80,575	130,341	120,419	175,650	250,760	75,110	42.76%
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00%
Total Costs	\$949,013	\$961,573	\$1,040,688	\$1,030,200	\$1,910,586	\$2,070,888	\$160,302	8.39%
General Fund	635,181	635,704	727,541	717,057	1,270,885	1,444,598	173,713	13.67%
Federal Special	313,832	325,869	313,147	313,143	639,701	626,290	(13,411)	(2.10%)
Total Funds	\$949,013	\$961,573	\$1,040,688	\$1,030,200	\$1,910,586	\$2,070,888	\$160,302	8.39%

Page Reference

Legislative Budget Analysis, A-269

Funding

Federal fund support is provided by federal-state agreements. Costs of positions and activities that provide support to federally funded operations are applicable for federal funding. General fund supports the majority of the program in accordance with state-federal agreements.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	635,181	635,181	1,270,362	87.94%	949,013	949,013	1,898,026	91.65%
Statewide PL Adjustments	89,633	79,155	168,788	11.68%	87,600	77,122	164,722	7.95%
Other PL Adjustments	2,727	2,721	5,448	0.38%	4,075	4,065	8,140	0.39%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$727,541	\$717,057	\$1,444,598		\$1,040,688	\$1,030,200	\$2,070,888	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					94,245					93,655
Vacancy Savings					(37,836)					(37,812)
Inflation/Deflation					53					105
Fixed Costs					31,138					21,174
Total Statewide Present Law Adjustments		\$89,633	\$0	(\$2,033)	\$87,600		\$79,155	\$0	(\$2,033)	\$77,122
DP 50 - Initial Motion to FY 2012 Base	0.00	(89,633)	0	2,033	(87,600)	0.00	(79,155)	0	2,033	(77,122)
DP 51 - Adjustment for Statewide Personal Services	0.00	37,755	0	18,654	56,409	0.00	37,376	0	18,467	55,843
DP 52 - Adjustment for Statewide Operations	0.00	23,603	0	11,663	35,266	0.00	16,963	0	8,381	25,344
DP 53 - Base Funding Switch	0.00	31,002	0	(31,002)	0	0.00	27,537	0	(27,537)	0
Total Other Present Law Adjustments	0.00	\$2,727	\$0	\$1,348	\$4,075	0.00	\$2,721	\$0	\$1,344	\$4,065
Grand Total All Present Law Adjustments	0.00	\$92,360	\$0	(\$685)	\$91,675	0.00	\$81,876	\$0	(\$689)	\$81,187

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	51.15	51.15	51.15	51.15	51.15	51.15	0.00	0.00%
Personal Services	2,281,477	2,373,460	2,551,462	2,557,170	4,654,937	5,108,632	453,695	9.75%
Operating Expenses	1,200,818	1,309,885	1,278,478	1,273,122	2,510,703	2,551,600	40,897	1.63%
Total Costs	\$3,482,295	\$3,683,345	\$3,829,940	\$3,830,292	\$7,165,640	\$7,660,232	\$494,592	6.90%
General Fund	832,471	908,337	915,560	914,969	1,740,808	1,830,529	89,721	5.15%
Federal Special	2,649,824	2,775,008	2,914,380	2,915,323	5,424,832	5,829,703	404,871	7.46%
Total Funds	\$3,482,295	\$3,683,345	\$3,829,940	\$3,830,292	\$7,165,640	\$7,660,232	\$494,592	6.90%

Page Reference

Legislative Budget Analysis, A-273

Funding

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 by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	832,471	832,471	1,664,942	90.95%	3,482,295	3,482,295	6,964,590	90.92%
Statewide PL Adjustments	16,839	16,248	33,087	1.81%	32,645	32,997	65,642	0.86%
Other PL Adjustments	10,000	10,000	20,000	1.09%	90,000	90,000	180,000	2.35%
New Proposals	56,250	56,250	112,500	6.15%	225,000	225,000	450,000	5.87%
Total Budget	\$915,560	\$914,969	\$1,830,529		\$3,829,940	\$3,830,292	\$7,660,232	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					100,254					106,204
Vacancy Savings					(95,269)					(95,511)
Inflation/Deflation					(1,344)					(688)
Fixed Costs					29,004					22,992
Total Statewide Present Law Adjustments		\$16,839	\$0	\$15,806	\$32,645		\$16,248	\$0	\$16,749	\$32,997
DP 50 - Initial Motion to FY 2012 Base	0.00	(16,839)	0	(15,806)	(32,645)	0.00	(16,248)	0	(16,749)	(32,997)
DP 51 - Adjustment for Statewide Personal Services	0.00	1,192	0	3,793	4,985	0.00	2,556	0	8,137	10,693
DP 52 - Adjustment for Statewide Operations	0.00	6,612	0	21,048	27,660	0.00	5,332	0	16,972	22,304
DP 53 - Base Funding Switch	0.00	9,035	0	(9,035)	0	0.00	8,360	0	(8,360)	0
DP 201 - Funding for ChalleNge 24/7 overtime.	0.00	10,000	0	30,000	40,000	0.00	10,000	0	30,000	40,000
DP 202 - Federal spending authority for ChalleNge training	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
Total Other Present Law Adjustments	0.00	\$10,000	\$0	\$80,000	\$90,000	0.00	\$10,000	\$0	\$80,000	\$90,000
Grand Total All Present Law Adjustments	0.00	\$26,839	\$0	\$95,806	\$122,645	0.00	\$26,248	\$0	\$96,749	\$122,997

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 201 - Funding for ChalleNge 24/7 overtime. - The legislature approved \$40,000 in each year of the biennium to support overtime and holiday salaries. These costs are zero based and not included in the program's base budget. The program is required to have staff coverage 24 hour a day, 7 days a week.

DP 202 - Federal spending authority for ChalleNge training - The legislature approved federal funds for ChalleNge employees to participate in training classes required by the National Guard Bureau.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 203 - ChalleNge Recruitment & Retention (Restrictd/Bien)	02	0.00	56,250	0	168,750	225,000	0.00	56,250	0	168,750	225,000
Total		0.00	\$56,250	\$0	\$168,750	\$225,000	0.00	\$56,250	\$0	\$168,750	\$225,000

DP 203 - ChalleNGe Recruitment & Retention (Restrictd/Bien) - The legislature provided funding to address recruitment and retention issues within the ChalleNGe Program. ChalleNGe positions for drill instructors and some teachers are below 80% of the market midpoint as established by the 2012 market salary survey resulting in significant turnover for the program. The Joint Appropriation Subcommittee on General Government requested that the Legislative Finance Committee monitor the program's progress in addressing its recruitment and retention challenges during the interim. In addition, the subcommittee requested a report on the program's progress to be provided during the next legislative session.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
Operating Expenses	209,409	209,408	209,409	209,409	418,817	418,818	1	0.00%
Total Costs	\$209,409	\$209,408	\$209,409	\$209,409	\$418,817	\$418,818	\$1	0.00%
General Fund	209,409	209,408	209,409	209,409	418,817	418,818	1	0.00%
Total Funds	\$209,409	\$209,408	\$209,409	\$209,409	\$418,817	\$418,818	\$1	0.00%

Page Reference

Legislative Budget Analysis, A-275

Funding

This program is funded entirely from the general fund.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	209,409	209,409	418,818	100.00%	209,409	209,409	418,818	100.00%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$209,409	\$209,409	\$418,818		\$209,409	\$209,409	\$418,818	

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	2.00	2.00	3.00	3.00	2.00	3.00	1.00	50.00%
Personal Services	107,355	136,429	250,129	249,743	243,784	499,872	256,088	105.05%
Operating Expenses	206,376	179,717	408,151	406,954	386,093	815,105	429,012	111.12%
Total Costs	\$313,731	\$316,146	\$658,280	\$656,697	\$629,877	\$1,314,977	\$685,100	108.77%
Federal Special	313,731	316,146	658,280	656,697	629,877	1,314,977	685,100	108.77%
Total Funds	\$313,731	\$316,146	\$658,280	\$656,697	\$629,877	\$1,314,977	\$685,100	108.77%

Page Reference

Legislative Budget Analysis, A-277

Funding

This program is funded entirely with federal special revenues from the Air National Guard. Federal funds increase between biennia due to the addition of a second STARBASE (Science, Technology, Academy, Reinforcing, Basic, Aviation, and Space Exploration) at Gore Hill in Great Falls.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	313,731	313,731	627,462	47.72%
Statewide PL Adjustments	0	0	0	0.00%	44,549	42,966	87,515	6.66%
Other PL Adjustments	0	0	0	0.00%	300,000	300,000	600,000	45.63%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$658,280	\$656,697	\$1,314,977	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					47,534					47,298
Vacancy Savings					(6,196)					(6,186)
Inflation/Deflation					11					22
Fixed Costs					3,200					1,832
Total Statewide Present Law Adjustments		\$0	\$0	\$44,549	\$44,549		\$0	\$0	\$42,966	\$42,966
DP 50 - Initial Motion to FY 2012 Base	0.00	0	0	(44,549)	(44,549)	0.00	0	0	(42,966)	(42,966)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	0	41,338	41,338	0.00	0	0	41,112	41,112
DP 52 - Adjustment for Statewide Operations	0.00	0	0	3,211	3,211	0.00	0	0	1,854	1,854
DP 401 - Funding for STARBASE Great Falls	1.00	0	0	300,000	300,000	1.00	0	0	300,000	300,000
Total Other Present Law Adjustments	1.00	\$0	\$0	\$300,000	\$300,000	1.00	\$0	\$0	\$300,000	\$300,000
Grand Total All Present Law Adjustments	1.00	\$0	\$0	\$344,549	\$344,549	1.00	\$0	\$0	\$342,966	\$342,966

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 401 - Funding for STARBASE Great Falls - The STARBASE program in Great Falls was started in FY 2012. The legislature approved federal funds to continue the program. The program provides the students of Great Falls the opportunity to attend a high technology classroom that provides math and science education in a different atmosphere.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	42.30	42.30	45.30	45.30	42.30	45.30	3.00	7.09%
Personal Services	2,704,807	2,610,140	2,882,999	2,885,500	5,314,947	5,768,499	453,552	8.53%
Operating Expenses	10,855,098	11,185,278	10,941,504	10,957,573	22,040,376	21,899,077	(141,299)	(0.64%)
Equipment & Intangible Assets	552,065	357,423	552,065	552,065	909,488	1,104,130	194,642	21.40%
Total Costs	\$14,111,970	\$14,152,841	\$14,376,568	\$14,395,138	\$28,264,811	\$28,771,706	\$506,895	1.79%
General Fund	1,621,054	1,639,409	1,639,115	1,643,639	3,260,463	3,282,754	22,291	0.68%
State Special	0	0	2,000	2,000	0	4,000	4,000	n/a
Federal Special	12,490,916	12,513,432	12,735,453	12,749,499	25,004,348	25,484,952	480,604	1.92%
Total Funds	\$14,111,970	\$14,152,841	\$14,376,568	\$14,395,138	\$28,264,811	\$28,771,706	\$506,895	1.79%

Page Reference

Legislative Budget Analysis, A-280

Funding

The Army National Guard program is funded with a combination of general fund and federal funds. General fund accounts for about 11.5% of total funding. The funding ratio between general fund and federal funds depends on the nature of the activity, the use or location of the facility, and the goals of the operation. Possible scenarios include funding:

- Entirely with state funds
- Entirely with federal funds
- As a shared responsibility, with federal funds at 75% and general fund at 25% or 50% federal and 50% general fund

When a facility is owned by the state and located on state land, maintenance and utility costs are split evenly with the federal government. When a facility is state owned, but located on federal land, the maintenance and utility costs are funded 75% federal and 25% state general fund. When a facility is classified as a logistics facility, the funding is 100% federal funds for the entire facility. Federally owned facilities located on federal land and those that serve training missions are predominantly funded with 100% federal funds, except when the building is used as an armory. Armories constructed with federal funds and located on federal land are funded 75/25 federal/general fund for maintenance and utility costs. When armories are rented to groups, the state special revenue funds generated from rental fees are used to augment general fund support of the facilities.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	1,621,054	1,621,054	3,242,108	98.76%	14,111,970	14,111,970	28,223,940	98.10%
Statewide PL Adjustments	18,061	18,060	36,121	1.10%	97,503	107,223	204,726	0.71%
Other PL Adjustments	0	4,525	4,525	0.14%	167,095	175,945	343,040	1.19%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$1,639,115	\$1,643,639	\$3,282,754		\$14,376,568	\$14,395,138	\$28,771,706	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					149,778					152,591
Vacancy Savings					(114,183)					(114,295)
Inflation/Deflation					27,028					58,068
Fixed Costs					34,880					10,859
Total Statewide Present Law Adjustments		\$18,061	\$2,000	\$77,442	\$97,503		\$18,060	\$2,000	\$87,163	\$107,223
DP 50 - Initial Motion to FY 2012 Base	0.00	(18,061)	(2,000)	(77,442)	(97,503)	0.00	(18,060)	(2,000)	(87,163)	(107,223)
DP 51 - Adjustment for Statewide Personal Services	0.00	(40,930)	0	76,525	35,595	0.00	(40,868)	0	79,164	38,296
DP 52 - Adjustment for Statewide Operations	0.00	31,697	0	30,211	61,908	0.00	32,073	0	36,854	68,927
DP 53 - Base Funding Switch	0.00	27,294	2,000	(29,294)	0	0.00	26,855	2,000	(28,855)	0
DP 1201 - Army National Guard Mission Support	3.00	0	0	142,597	142,597	3.00	0	0	142,397	142,397
DP 1202 - Army National Guard Operations & Maintenance	0.00	0	0	24,498	24,498	0.00	4,525	0	29,023	33,548
Total Other Present Law Adjustments	3.00	\$0	\$0	\$167,095	\$167,095	3.00	\$4,525	\$0	\$171,420	\$175,945
Grand Total All Present Law Adjustments	3.00	\$18,061	\$2,000	\$244,537	\$264,598	3.00	\$22,585	\$2,000	\$258,583	\$283,168

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 1201 - Army National Guard Mission Support - The legislature approved 3.00 additional FTE to support the Army National Guard mission. The first 1.00 FTE provides support for the Installations Status Report (ISR) requirements of the ARNG. Each state is mandated by the federal government to document, establish, implement, update, and maintain data collected for ISR requirements. The second 1.00 FTE provides purchasing support to the Construction and Facilities Management Office of the ARNG in the administration and management of approximately 150 on-going contracts. The third 1.00 FTE assists with administrative and financial duties within the ARNG that have increasing requirements for federal budgets.

DP 1202 - Army National Guard Operations & Maintenance - The legislature approved funding for the Miles City Readiness Center and the Great Falls Armed Forces Reserve Center, two facilities that were completed after the base year and thus are not supported in the 2015 biennium budget.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	40.00	40.00	40.00	40.00	40.00	40.00	0.00	0.00%
Personal Services	2,620,408	2,668,452	2,682,129	2,687,730	5,288,860	5,369,859	80,999	1.53%
Operating Expenses	1,732,490	1,755,665	1,835,606	1,844,861	3,488,155	3,680,467	192,312	5.51%
Total Costs	\$4,352,898	\$4,424,117	\$4,517,735	\$4,532,591	\$8,777,015	\$9,050,326	\$273,311	3.11%
General Fund	374,869	382,588	396,664	399,460	757,457	796,124	38,667	5.10%
Federal Special	3,978,029	4,041,529	4,121,071	4,133,131	8,019,558	8,254,202	234,644	2.93%
Total Funds	\$4,352,898	\$4,424,117	\$4,517,735	\$4,532,591	\$8,777,015	\$9,050,326	\$273,311	3.11%

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Legislative Budget Analysis, A-284

Funding

The Montana Air National Guard is predominately funded through federal funds. General fund, comprising less than 9% 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 by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	374,869	374,869	749,738	94.17%	4,352,898	4,352,898	8,705,796	96.19%
Statewide PL Adjustments	21,795	24,591	46,386	5.83%	(317,143)	(308,382)	(625,525)	(6.91%)
Other PL Adjustments	0	0	0	0.00%	481,980	488,075	970,055	10.72%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$396,664	\$399,460	\$796,124		\$4,517,735	\$4,532,591	\$9,050,326	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(261,867)					(262,381)
Vacancy Savings					(94,342)					(94,322)
Inflation/Deflation					17,017					32,387
Fixed Costs					22,049					15,934
Total Statewide Present Law Adjustments		\$21,795	\$0	(\$338,938)	(\$317,143)		\$24,591	\$0	(\$332,973)	(\$308,382)
DP 50 - Initial Motion to FY 2012 Base	0.00	(21,795)	0	338,938	317,143	0.00	(24,591)	0	332,973	308,382
DP 51 - Adjustment for Statewide Personal Services	0.00	5,364	0	(361,573)	(356,209)	0.00	5,342	0	(362,045)	(356,703)
DP 52 - Adjustment for Statewide Operations	0.00	3,130	0	35,936	39,066	0.00	5,613	0	42,708	48,321
DP 53 - Base Funding Switch	0.00	13,301	0	(13,301)	0	0.00	13,636	0	(13,636)	0
DP 1301 - Federal Authority for Firefighter Overtime	0.00	0	0	417,930	417,930	0.00	0	0	424,025	424,025
DP 1302 - Federal Authority for Firefighter Training	0.00	0	0	20,250	20,250	0.00	0	0	20,250	20,250
DP 1303 - Federal Authority for Natural Gas	0.00	0	0	22,000	22,000	0.00	0	0	22,000	22,000
DP 1306 - Federal Authority for Security Contract Increase	0.00	0	0	21,800	21,800	0.00	0	0	21,800	21,800
Total Other Present Law Adjustments	0.00	\$0	\$0	\$481,980	\$481,980	0.00	\$0	\$0	\$488,075	\$488,075
Grand Total All Present Law Adjustments	0.00	\$21,795	\$0	\$143,042	\$164,837	0.00	\$24,591	\$0	\$155,102	\$179,693

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 1301 - Federal Authority for Firefighter Overtime - Statewide present law adjustments include reductions in personal service costs due to the elimination of overtime from the salary costs used to calculate the amount of the adjustment. This adjustment drives the personal service costs negative in both fiscal years of the biennium.

The legislature approved 100% federal spending authority for the overtime salary and benefit costs incurred by the Air National Guard firefighters in Great Falls. Overtime costs are zero based and are not captured in the personnel services snapshot used for the initial budget preparation.

There are 30 Air Guard firefighters in Great Falls. These firefighters work between 182 and 416 regular extra hours per year. The requirement for additional hours is due to the 24 hour a day, 7 day a week crash/fire coverage necessary to support and maintain the Air National Guard mission and joint use requirements with the Great Falls International Airport. These scheduling requirements and holiday hours result in an additional 13,188 paid hours each year. FLSA overtime must also be paid for all firefighter hours worked exceeding 212 in a two-pay period month, resulting in an additional 3,168 paid overtime hours each year.

DP 1302 - Federal Authority for Firefighter Training - The legislature approved federal spending authority for aircraft live fire training for 30 firefighters at the Air National Guard in Great Falls at a cost of \$675.00 per employee. This is annual mandatory training required per federal regulations for all firefighters working in a 24/7 aircraft crash/fire environment. The aircraft live fire training is conducted at the Helena Regional Airport on specialized aircraft and spill trainers for three days.

DP 1303 - Federal Authority for Natural Gas - The legislature approved federal funding for yearly additional natural gas distribution lines maintenance costs. The recurring utility maintenance costs are a new cost for MANG, and will be 100% federally reimbursed to the State of Montana through the Master Cooperative Agreement. The costs are estimated at approximately \$22,000 per year, based on recent tariff rates approved by the Public Service Commission.

DP 1306 - Federal Authority for Security Contract Increase - The legislature approved federal funding for an existing security protection services contract at the Montana Air National Guard base in Great Falls. The contract for security protection exceeds \$500,000, and the contract price did not increase in 2011 or 2012. In FY 2013 the costs increased by \$21,800, largely due to wage and benefit increases for the contracted security personnel over the past two years.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	23.00	23.00	24.00	24.00	23.00	24.00	1.00	4.35%
Personal Services	1,434,854	1,517,195	1,232,077	1,238,198	2,952,049	2,470,275	(481,774)	(16.32%)
Operating Expenses	602,199	353,842	697,541	685,127	956,041	1,382,668	426,627	44.62%
Grants	3,767,443	5,101,505	13,335,443	11,735,443	8,868,948	25,070,886	16,201,938	182.68%
Transfers	570,674	707,549	2,932,674	2,532,674	1,278,223	5,465,348	4,187,125	327.57%
Total Costs	\$6,375,170	\$7,680,091	\$18,197,735	\$16,191,442	\$14,055,261	\$34,389,177	\$20,333,916	144.67%
General Fund	1,044,104	1,065,244	1,132,636	1,129,232	2,109,348	2,261,868	152,520	7.23%
State Special	216,020	350,200	233,539	236,536	566,220	470,075	(96,145)	(16.98%)
Federal Special	5,115,046	6,264,647	16,831,560	14,825,674	11,379,693	31,657,234	20,277,541	178.19%
Total Funds	\$6,375,170	\$7,680,091	\$18,197,735	\$16,191,442	\$14,055,261	\$34,389,177	\$20,333,916	144.67%

Page Reference

Legislative Budget Analysis, A-288

Funding

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 \$22.0 million increase in federal funding for the upcoming biennium compared the 2013 biennium. The increased funding is provided for Homeland Security Grants of which 80% are allocated to local and tribal governments.

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 over the biennium for disaster relief. These expenditures are authorized through executive orders. In FY 2012, the Governor authorized disaster relief expenditures from the general fund totaling \$7,631, with the remainder anticipated to be fully expended in FY 2013, primarily for fire suppression costs.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	1,044,104	1,044,104	2,088,208	92.32%	6,375,170	6,375,170	12,750,340	37.08%
Statewide PL Adjustments	86,477	83,159	169,636	7.50%	(4,465)	(13,505)	(17,970)	(0.05%)
Other PL Adjustments	61,818	61,778	123,596	5.46%	12,061,818	10,061,778	22,123,596	64.33%
New Proposals	(59,763)	(59,809)	(119,572)	(5.29%)	(234,788)	(232,001)	(466,789)	(1.36%)
Total Budget	\$1,132,636	\$1,129,232	\$2,261,868		\$18,197,735	\$16,191,442	\$34,389,177	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					44,359					47,879
Vacancy Savings					(59,166)					(59,312)
Inflation/Deflation					(101)					(6)
Fixed Costs					10,443					(2,066)
Total Statewide Present Law Adjustments		\$86,477	\$31,730	(\$122,672)	(\$4,465)		\$83,159	\$34,730	(\$131,394)	(\$13,505)
DP 50 - Initial Motion to FY 2012 Base	0.00	(86,477)	(31,730)	122,672	4,465	0.00	(83,159)	(34,730)	131,394	13,505
DP 51 - Adjustment for Statewide Personal Services	0.00	(2,425)	(502)	(11,880)	(14,807)	0.00	(1,872)	(387)	(9,174)	(11,433)
DP 52 - Adjustment for Statewide Operations	0.00	1,694	350	8,298	10,342	0.00	(339)	(70)	(1,663)	(2,072)
DP 53 - Base Funding Switch	0.00	87,208	31,882	(119,090)	0	0.00	85,370	35,187	(120,557)	0
DP 2101 - Federal Homeland Security Exercise & Evaluation	1.00	27,330	0	0	27,330	1.00	27,290	0	0	27,290
DP 2102 - Systems for State Emergency Coordination Center	0.00	15,000	0	0	15,000	0.00	15,000	0	0	15,000
DP 2103 - Spending Authority for Homeland Security Program	0.00	0	0	12,000,000	12,000,000	0.00	0	0	10,000,000	10,000,000
DP 2104 - DES Overtime	0.00	19,488	0	0	19,488	0.00	19,488	0	0	19,488
Total Other Present Law Adjustments	1.00	\$61,818	\$0	\$12,000,000	\$12,061,818	1.00	\$61,778	\$0	\$10,000,000	\$10,061,778
Grand Total All Present Law Adjustments	1.00	\$148,295	\$31,730	\$11,877,328	\$12,057,353	1.00	\$144,937	\$34,730	\$9,868,606	\$10,048,273

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittees.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 2101 - Federal Homeland Security Exercise & Evaluation - The executive proposes to provide the Homeland Security Exercise & Evaluation Program (HSEEP) with an additional 1.00 FTE. HSEEP is an initiative directed by the Department of Homeland Security (DHS) to make all emergency management exercises uniform in nature. To continue to receive Emergency Management Assistance Grants (EMPG), HSEEP exercise guidelines must be followed. The executive proposes to use this position to help insure guidelines are met.

DP 2102 - Systems for State Emergency Coordination Center - The executive requests funding for the State Emergency Coordination Center (SECC) to maintain the crisis management system that tracks and records all activities. The annual maintenance costs are \$13,000 per year which covers upgrades and end user support. There is a \$7,000 per year cost for hosting the system. In addition, funds would be used for continued outreach and training with local, tribal, and state end users at an estimated \$10,000 per year.

DP 2103 - Spending Authority for Homeland Security Program - The Homeland Security Grant Program manages US Department of Homeland Security (DHS) anti-terrorism grant funds to pay for local, tribal, and state projects to strengthen the state’s ability to prevent and respond to any hazard events. Focus for the grants is on interoperable communications, fusion center operations, explosive ordinance disposal and many other areas. Of the funds received through this grant program, at least 80% must be passed through to local and tribal applicants.

DP 2104 - DES Overtime - This is a request to provide funding for the overtime salary and benefits costs incurred by the DES duty officers to provide 24 hour, 7 day a week disaster and emergency response. Overtime costs are zero based and not captured in the personnel services snapshot used for the initial budget preparation.

New Proposals

New Proposals											
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 54 - Additional Vacancy Savings	21	0.00	(59,763)	(14,211)	(160,814)	(234,788)	0.00	(59,809)	(14,214)	(157,978)	(232,001)
Total	0.00	(\$59,763)	(\$14,211)	(\$160,814)	(\$234,788)	0.00	(\$59,809)	(\$14,214)	(\$157,978)	(\$232,001)	

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	29.00	29.00	24.00	24.00	29.00	24.00	(5.00)	(17.24%)
Personal Services	1,461,475	1,478,435	1,303,233	1,304,418	2,939,910	2,607,651	(332,259)	(11.30%)
Operating Expenses	278,465	347,920	447,380	344,256	626,385	791,636	165,251	26.38%
Grants	0	0	180,000	180,000	0	360,000	360,000	n/a
Total Costs	\$1,739,940	\$1,826,355	\$1,930,613	\$1,828,674	\$3,566,295	\$3,759,287	\$192,992	5.41%
General Fund	884,803	884,510	1,065,662	1,065,664	1,769,313	2,131,326	362,013	20.46%
State Special	855,137	941,845	864,951	763,010	1,796,982	1,627,961	(169,021)	(9.41%)
Total Funds	\$1,739,940	\$1,826,355	\$1,930,613	\$1,828,674	\$3,566,295	\$3,759,287	\$192,992	5.41%

Page Reference

Legislative Budget Analysis, A-293

Funding

The Legislative Finance Committee (LFC) reviewed statutory appropriations for the Veterans' Affairs Program and determined that the money for the Veterans' Cemetery Program was appropriated twice, once in HB 2 and again in statute. The LFC recommended that the funding included in HB 2 be eliminated, allowing the statutory appropriation for the program to continue to provide support. As a result of the recommendation, the legislature eliminated the statutorily appropriated funds from HB 2, reducing personal services associated with 5.00 FTE and \$180,500 in operating expenses.

The legislature provided additional support for the Veterans' Affairs Program by:

- Increasing spending authority for patriotic plates by \$100,000 over the biennium
- Providing \$180,000 in grant authority for outreach services to veterans
- Providing an additional \$0.3 million in state special revenue by changing the percentage of motor vehicle revenues that are transferred from the general fund to state special revenue accounts supporting veterans' services and cemetery programs.

Provisions Recommended for Inclusion in A Bill to Implement HB 2

The Joint Appropriations Subcommittee on General Government recommended that a bill to implement provisions of HB 2 include changes to the percentage of motor vehicle revenues that are deposited into the general fund each fiscal year and then transferred to two accounts within the Veterans' Affairs Program:

- State Veterans' Cemetery Account
- Veterans' Services Account

The recommended increase in the percentage, from .64% to .81% is estimated to restore the funding provided by the allocation to the levels previously provided prior to the adoption of a percentage.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	884,803	884,803	1,769,606	83.03%	1,739,940	1,739,940	3,479,880	92.57%
Statewide PL Adjustments	859	861	1,720	0.08%	48,877	47,126	96,003	2.55%
Other PL Adjustments	0	0	0	0.00%	(188,623)	(288,820)	(477,443)	(12.70%)
New Proposals	180,000	180,000	360,000	16.89%	330,419	330,428	660,847	17.58%
Total Budget	\$1,065,662	\$1,065,664	\$2,131,326		\$1,930,613	\$1,828,674	\$3,759,287	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					102,934					103,898
Vacancy Savings					(62,579)					(62,614)
Inflation/Deflation					(2,930)					(1,664)
Fixed Costs					11,452					7,506
Total Statewide Present Law Adjustments		\$859	\$48,018	\$0	\$48,877		\$861	\$46,265	\$0	\$47,126
DP 50 - Initial Motion to FY 2012 Base	0.00	(859)	(48,018)	0	(48,877)	0.00	(861)	(46,265)	0	(47,126)
DP 51 - Adjustment for Statewide Personal Services	0.00	50,893	(10,538)	0	40,355	0.00	51,639	(10,355)	0	41,284
DP 52 - Adjustment for Statewide Operations	0.00	8,078	444	0	8,522	0.00	6,107	(265)	0	5,842
DP 53 - Base Funding Switch	0.00	(58,112)	58,112	0	0	0.00	(56,885)	56,885	0	0
DP 3101 - Move Cemetery Positions and Expenses to SA	(5.00)	0	(288,623)	0	(288,623)	(5.00)	0	(288,820)	0	(288,820)
DP 3102 - Spending Authority for Patriotic Plates (Biennial)	0.00	0	100,000	0	100,000	0.00	0	0	0	0
Total Other Present Law Adjustments	(5.00)	\$0	(\$188,623)	\$0	(\$188,623)	(5.00)	\$0	(\$288,820)	\$0	(\$288,820)
Grand Total All Present Law Adjustments	(5.00)	\$859	(\$140,605)	\$0	(\$139,746)	(5.00)	\$861	(\$242,555)	\$0	(\$241,694)

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 3101 - Move Cemetery Positions and Expenses to SA - This request moves the State Veterans' Cemetery Program from HB 2 to a statutory appropriation, as recommended by the Legislative Finance Committee. This adjustment removes the personal services budget for 5.0 FTE and related expenses of the program.

DP 3102 - Spending Authority for Patriotic Plates (Biennial) - The legislature approved biennial spending authority of \$100,000 from the patriot license plate state special revenue account. The funding is to be used for staff training, operational support, and state veterans service organization projects of mutual support such as homeless veteran stand downs and outreach programs. The authority is provided as a biennial appropriation.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3103 - Veterans Outreach Servcs-(Restricted/Biennial/OTO)										
31	0.00	180,000	0	0	180,000	0.00	180,000	0	0	180,000
DP 3104 - Realignment of Veterans Affairs Funding										
31	0.00	0	150,419	0	150,419	0.00	0	150,428	0	150,428
Total	0.00	\$180,000	\$150,419	\$0	\$330,419	0.00	\$180,000	\$150,428	\$0	\$330,428

DP 3103 - Veterans Outreach Servcs-(Restricted/Biennial/OTO) - The legislature approved funding to provide grants for outreach services to veterans in Montana including initial contact with veterans in communities, assistance with applications and claims, volunteer training, and equipment purchases for transporting disabled veterans to services.

DP 3104 - Realignment of Veterans Affairs Funding - The General Government Joint Appropriations Subcommittee has recommended a realignment in the allocation of motor vehicle revenues by increasing the percentage allocated to the Veteran's Affairs Program from 0.64% to 0.81%. This would bring the funding in the two state special revenue accounts supporting the program to the levels previously provided through two separate allocation methods, \$10 for each military plate sold and \$0.50 for each light vehicle registration. The Joint Appropriation Subcommittee requested statutory language to enact the changes be included in the HB 2 companion bill. This change is contingent on passage and approval of that portion of the bill.