

Agency Budget Comparison

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

Agency 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	199.21	199.21	200.21	200.21	199.21	200.21	1.00	0.50 %
Personal Services	12,000,310	12,710,168	13,585,725	13,593,287	24,710,478	27,179,012	2,468,534	9.99 %
Operating Expenses	15,170,899	15,841,721	20,426,833	20,382,076	31,012,620	40,808,909	9,796,289	31.59 %
Equipment & Intangible Assets	172,716	552,065	150,536	150,536	724,781	301,072	(423,709)	(58.46)%
Grants	10,265,846	11,915,443	11,735,443	11,735,443	22,181,289	23,470,886	1,289,597	5.81 %
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00 %
Transfers	850,470	2,532,674	2,532,674	2,532,674	3,383,144	5,065,348	1,682,204	49.72 %
Total Costs	\$38,462,521	\$43,554,351	\$48,433,491	\$48,396,296	\$82,016,872	\$96,829,787	\$14,812,915	18.06 %
General Fund	5,702,544	6,266,758	6,407,792	6,411,271	11,969,302	12,819,063	849,761	7.10 %
State/Other Special Rev. Funds	688,467	1,063,657	783,395	779,561	1,752,124	1,562,956	(189,168)	(10.80)%
Federal Spec. Rev. Funds	32,071,510	36,223,936	41,242,304	41,205,464	68,295,446	82,447,768	14,152,322	20.72 %
Total Funds	\$38,462,521	\$43,554,351	\$48,433,491	\$48,396,296	\$82,016,872	\$96,829,787	\$14,812,915	18.06 %

Page Reference

Legislative Budget Analysis, A-395

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	199.21	200.21	200.21	0.00	200.21	200.21	0.00	0.00
Personal Services	12,000,310	13,882,512	13,585,725	(296,787)	13,888,266	13,593,287	(294,979)	(591,766)
Operating Expenses	15,170,899	19,684,424	20,426,833	742,409	19,702,710	20,382,076	679,366	1,421,775
Equipment & Intangible Assets	172,716	172,716	150,536	(22,180)	172,716	150,536	(22,180)	(44,360)
Grants	10,265,846	12,875,846	11,735,443	(1,140,403)	12,875,846	11,735,443	(1,140,403)	(2,280,806)
Benefits & Claims	2,280	2,280	2,280	0	2,280	2,280	0	0
Transfers	850,470	2,050,470	2,532,674	482,204	2,050,470	2,532,674	482,204	964,408
Total Costs	\$38,462,521	\$48,668,248	\$48,433,491	(\$234,757)	\$48,692,288	\$48,396,296	(\$295,992)	(\$530,749)
General Fund	5,702,544	6,456,430	6,407,792	(48,638)	6,475,132	6,411,271	(63,861)	(112,499)
State/other Special Rev. Funds	688,467	760,699	783,395	22,696	758,491	779,561	21,070	43,766
Federal Spec. Rev. Funds	32,071,510	41,451,119	41,242,304	(208,815)	41,458,665	41,205,464	(253,201)	(462,016)
Total Funds	\$38,462,521	\$48,668,248	\$48,433,491	(\$234,757)	\$48,692,288	\$48,396,296	(\$295,992)	(\$530,749)

The legislature's adopted budget is below the executive's proposed budget because:

- Funding for the executive implementation of the 2015 pay increase was not adopted
- Fixed costs and inflation/deflation factors were adjusted

- Overtime costs were lowered in the ChalleNGe Program because the agency inadvertently included them in the budget proposal twice
- Funding to implement a program to award the Montana medal of valorous service to qualifying service members was provided

Agency Highlights

Department of Military Affairs Major Budget Highlights
<ul style="list-style-type: none"> • Budget increases are mainly due to adoption of a proposal to establish an Unexploded Ordnance Remediation Program to remediate National Guard sites statewide supported by \$8.0 million in federal funds • Reductions in federal grant support for the STARBASE Program are the result of reduced federal revenues in the Congressional budget • The legislature approved 5.50 additional FTE throughout the agency including <ul style="list-style-type: none"> ◦ 2.00 FTE veteran service officers within the Veterans' Affairs Program ◦ 2.00 FTE for the ChalleNGe Program including a program recruiter and a counselor ◦ 1.00 FTE environmental science specialist for the Air National Guard Program ◦ 0.50 FTE administrative assistant within the Director's Office

Funding

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

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	12,819,063	0	0	12,819,063	13.06 %
State Special Total	1,562,956	0	1,297,000	2,859,956	2.91 %
Federal Special Total	82,447,768	0	0	82,447,768	84.02 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$96,829,787	\$0	\$1,297,000	\$98,126,787	
Percent - Total All Sources	98.68 %	0.00 %	1.32 %		

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% 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. These increase for two reasons:

- Federal Homeland Security Program Grants that remain unspent from previous fiscal years
- A new program for unexploded ordnances

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 2014 costs for the program were \$28,250, which is the amount of funding established for each year of the 2017 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 \$40,000 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 that are not currently estiamted to be needed for the 2017 biennium include:

- National guard death benefits paid by the general fund
- 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 \$16.0 million for disaster relief. These expenditures are authorized through executive orders.

In addition, the legislature created a fire suppression fund which includes statutorily appropriated funds that can be used for fire suppression costs. In FY 2014 DMA received \$368,690 to support National Guard members called out for fire suppression duties.

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	6,086,758	6,086,758	12,173,516	94.96 %	43,354,085	43,354,085	86,708,170	89.55 %
PL Adjustments	118,421	103,225	221,646	1.73 %	602,069	489,216	1,091,285	1.13 %
New Proposals	202,613	221,288	423,901	3.31 %	4,477,337	4,552,995	9,030,332	9.33 %
Total Budget	\$6,407,792	\$6,411,271	\$12,819,063		\$48,433,491	\$48,396,296	\$96,829,787	

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	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	11.76	11.76	11.76	11.76	11.76	11.76	0.00	0.00 %
Personal Services	809,971	986,222	956,356	953,854	1,796,193	1,910,210	114,017	6.35 %
Operating Expenses	96,834	120,419	124,878	106,439	217,253	231,317	14,064	6.47 %
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00 %
Total Costs	\$909,085	\$1,108,921	\$1,083,514	\$1,062,573	\$2,018,006	\$2,146,087	\$128,081	6.35 %
General Fund	598,208	764,861	721,535	703,277	1,363,069	1,424,812	61,743	4.53 %
Federal Spec. Rev. Funds	310,877	344,060	361,979	359,296	654,937	721,275	66,338	10.13 %
Total Funds	\$909,085	\$1,108,921	\$1,083,514	\$1,062,573	\$2,018,006	\$2,146,087	\$128,081	6.35 %

Page Reference

Legislative Budget Analysis, A-401

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 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	764,861	764,861	1,529,722	107.36 %	1,108,921	1,108,921	2,217,842	103.34 %
PL Adjustments	(91,081)	(109,288)	(200,369)	(14.06)%	(73,162)	(94,052)	(167,214)	(7.79)%
New Proposals	47,755	47,704	95,459	6.70 %	47,755	47,704	95,459	4.45 %
Total Budget	\$721,535	\$703,277	\$1,424,812		\$1,083,514	\$1,062,573	\$2,146,087	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	9,781	0	0	9,781	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	4,093	0	1,379	5,472	0.00	4,093	0	1,379	5,472
DP 525 - Fixed Cost Adjustment	0.00	(9,238)	0	0	(9,238)	0.00	(9,430)	0	0	(9,430)
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	274	0	0	274	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment	0.00	164	0	0	164	0.00	164	0	0	164
DP 529 - Longevity and Other adjustments	0.00	(6,576)	0	0	(6,576)	0.00	(5,944)	0	0	(5,944)
DP 531 - SITSD Rate Adjustment	0.00	2,930	0	0	2,930	0.00	2,930	0	0	2,930
DP 532 - General Liability Insurance Rate Adjustment	0.00	(7,355)	0	0	(7,355)	0.00	(5,355)	0	0	(5,355)
DP 550 - Motor Pool Adjustment	0.00	(8)	0	0	(8)	0.00	(8)	0	0	(8)
DP 600 - Operating Cost Adjustments	0.00	(19,603)	0	7,514	(12,089)	0.00	(30,370)	0	8,089	(22,281)
DP 610 - Other Personal Services Changes	0.00	(65,543)	0	9,026	(56,517)	0.00	(65,368)	0	5,768	(59,600)
DP 100444 - 4% FTE Reduction	(0.50)	0	0	0	0	(0.50)	0	0	0	0
Grand Total All Present Law Adjustments	(0.50)	(\$91,081)	\$0	\$17,919	(\$73,162)	(0.50)	(\$109,288)	\$0	\$15,236	(\$94,052)

***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 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

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 100444 - 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 0.50 FTE each year.

New Proposals -

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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 100101 - Admin Assistant FTE	0.50	27,755	0	0	27,755	0.50	27,704	0	0	27,704
DP 100110 - Montana award of valorous service	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
Total	0.50	\$47,755	\$0	\$0	\$47,755	0.50	\$47,704	\$0	\$0	\$47,704

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

DP 100101 - Admin Assistant FTE -

The legislature provided general fund to support an additional 0.50 FTE Administrative Assistant. This position will assist with various duties relating to state specific functions that are not reimbursable under federal guidelines.

DP 100110 - Montana award of valorous service -

The legislature provided \$20,000 in general fund each year of the biennium to implement the Montana award of valourous servcie to honor Montana's fallen heros who were members of the United States aremd forces and were killed or classified as missing in action while serving in combat or military operations.

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	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 %

Page Reference

Legislative Budget Analysis, A-405

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 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	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	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 changes from the legislative appropriation for FY 15 to the proposed budget.

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.

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	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
Operating Expenses	209,408	209,409	209,409	209,409	418,817	418,818	1	0.00 %
Total Costs	\$209,408	\$209,409	\$209,409	\$209,409	\$418,817	\$418,818	\$1	0.00 %
General Fund	209,408	209,409	209,409	209,409	418,817	418,818	1	0.00 %
Total Funds	\$209,408	\$209,409	\$209,409	\$209,409	\$418,817	\$418,818	\$1	0.00 %

Page Reference

Legislative Budget Analysis, A-410

Funding

This program is funded entirely from the general fund.

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	209,409	209,409	418,818	100.00 %	209,409	209,409	418,818	100.00 %
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 proposed 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	3.00	3.00	2.00	2.00	3.00	2.00	(1.00)	(33.33)%
Personal Services	197,892	272,909	150,148	149,759	470,801	299,907	(170,894)	(36.30)%
Operating Expenses	146,194	406,954	148,697	145,814	553,148	294,511	(258,637)	(46.76)%
Total Costs	\$344,086	\$679,863	\$298,845	\$295,573	\$1,023,949	\$594,418	(\$429,531)	(41.95)%
Federal Spec. Rev. Funds	344,086	679,863	298,845	295,573	1,023,949	594,418	(429,531)	(41.95)%
Total Funds	\$344,086	\$679,863	\$298,845	\$295,573	\$1,023,949	\$594,418	(\$429,531)	(41.95)%

Page Reference

Legislative Budget Analysis, A-412

Funding

This program is funded entirely with federal special revenues from the Air National Guard.

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	0	0	0	0.00 %	679,863	679,863	1,359,726	0.00 %
PL Adjustments	0	0	0	0.00 %	(381,018)	(384,290)	(765,308)	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$298,845	\$295,573	\$594,418	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	0	0	1,397	1,397	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	0	0	972	972	0.00	0	0	972	972
DP 525 - Fixed Cost Adjustment	0.00	0	0	(638)	(638)	0.00	0	0	(643)	(643)
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	0	0	41	41	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment	0.00	0	0	(306)	(306)	0.00	0	0	(306)	(306)
DP 529 - Longevity and Other adjustments	0.00	0	0	(2,633)	(2,633)	0.00	0	0	(2,437)	(2,437)
DP 600 - Operating Cost Adjustments	0.00	0	0	(258,751)	(258,751)	0.00	0	0	(260,191)	(260,191)
DP 610 - Other Personal Services Changes	0.00	0	0	(121,100)	(121,100)	0.00	0	0	(121,685)	(121,685)
DP 400444 - 4% FTE Reduction	(1.00)	0	0	0	0	(1.00)	0	0	0	0
Grand Total All Present Law Adjustments	(1.00)	\$0	\$0	(\$381,018)	(\$381,018)	(1.00)	\$0	\$0	(\$384,290)	(\$384,290)

*"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 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 400444 - 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year.

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	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	45.30	45.30	44.30	44.30	45.30	44.30	(1.00)	(2.21)%
Personal Services	2,980,668	3,110,429	3,217,426	3,219,822	6,091,097	6,437,248	346,151	5.68 %
Operating Expenses	11,269,075	10,957,573	15,403,150	15,432,550	22,226,648	30,835,700	8,609,052	38.73 %
Equipment & Intangible Assets	150,536	552,065	150,536	150,536	702,601	301,072	(401,529)	(57.15)%
Total Costs	\$14,400,279	\$14,620,067	\$18,771,112	\$18,802,908	\$29,020,346	\$37,574,020	\$8,553,674	29.47 %
General Fund	1,622,180	1,587,983	1,701,198	1,735,614	3,210,163	3,436,812	226,649	7.06 %
State/Other Special Rev. Funds	420	2,000	420	420	2,420	840	(1,580)	(65.29)%
Federal Spec. Rev. Funds	12,777,679	13,030,084	17,069,494	17,066,874	25,807,763	34,136,368	8,328,605	32.27 %
Total Funds	\$14,400,279	\$14,620,067	\$18,771,112	\$18,802,908	\$29,020,346	\$37,574,020	\$8,553,674	29.47 %

Page Reference

Legislative Budget Analysis, A-415

Funding

The Army National Guard program is funded with a combination of general fund and federal funds. 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 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	1,587,983	1,587,983	3,175,966	92.41 %	14,620,067	14,620,067	29,240,134	77.82 %
PL Adjustments	108,689	124,303	232,992	6.78 %	125,267	81,856	207,123	0.55 %
New Proposals	4,526	23,328	27,854	0.81 %	4,025,778	4,100,985	8,126,763	21.63 %
Total Budget	\$1,701,198	\$1,735,614	\$3,436,812		\$18,771,112	\$18,802,908	\$37,574,020	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	2,456	0	26,189	28,645	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	4,832	0	16,697	21,529	0.00	4,832	0	16,697	21,529
DP 520 - Fully Fund Legislatively Authorized FTE	0.00	59,809	0	0	59,809	0.00	59,809	0	0	59,809
DP 525 - Fixed Cost Adjustment	0.00	5,085	0	41,865	46,950	0.00	4,031	0	33,236	37,267
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	612	0	189	801	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment	0.00	7,096	0	63,860	70,956	0.00	7,423	0	66,804	74,227
DP 529 - Longevity and Other adjustments	0.00	3,122	0	10,815	13,937	0.00	5,564	0	19,275	24,839
DP 550 - Motor Pool Adjustment	0.00	(6)	0	(54)	(60)	0.00	(6)	0	(55)	(61)
DP 600 - Operating Cost Adjustments	0.00	87,170	(1,585)	(214,607)	(129,022)	0.00	105,889	(1,585)	(243,274)	(138,970)
DP 610 - Other Personal Services Changes	0.00	(61,487)	5	73,204	11,722	0.00	(63,239)	5	66,450	3,216
DP 1200444 - 4% FTE Reduction	(1.00)	0	0	0	0	(1.00)	0	0	0	0
Grand Total All Present Law Adjustments	(1.00)	\$108,689	(\$1,580)	\$18,158	\$125,267	(1.00)	\$124,303	(\$1,580)	(\$40,867)	\$81,856

**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 520 - Fully Fund Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

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 1200444 - 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year.

New Proposals -

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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 1201201 - Operational Support for New ARNG Facilities	0.00	4,526	0	21,252	25,778	0.00	23,328	0	77,657	100,985
DP 1201202 - Unexploded Ordnance Remediation for MTARNG	0.00	0	0	4,000,000	4,000,000	0.00	0	0	4,000,000	4,000,000
Total	0.00	\$4,526	\$0	\$4,021,252	\$4,025,778	0.00	\$23,328	\$0	\$4,077,657	\$4,100,985

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

DP 1201201 - Operational Support for New ARNG Facilities -

The Facilities Management Office constructs, operates and maintains facilities which are used primarily by the Montana Army National Guard (MTARNG) statewide. The legislature approved additional funding to support the operating costs of buildings that will come on line after the base year. The funding provides for janitorial services, utilities, grounds maintenance, and required building inspections such as fire sprinkler, fire alarm, and kitchen hood inspections. The increased operating cost is for the Miles City Readiness Center that will be occupied in January of 2015, an addition to the Aviation Readiness Center in Helena to accommodate existing soldiers and equipment, and small additions to four buildings at Fort William H. Harrison.

DP 1201202 - Unexploded Ordnance Remediation for MTARNG -

The Facilities Management Office is responsible for management of the Unexploded Ordnance (UXO) Remediation Program for the Montana National Guard statewide. The legislature established federal spending authority to operate the UXO program.

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	Legislative Budget 2016	Legislative Budget 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	2,977,841	2,987,429	5,600,138	5,965,270	365,132	6.52 %
Operating Expenses	1,653,425	1,844,861	1,949,706	1,944,876	3,498,286	3,894,582	396,296	11.33 %
Total Costs	\$4,346,243	\$4,752,181	\$4,927,547	\$4,932,305	\$9,098,424	\$9,859,852	\$761,428	8.37 %
General Fund	367,179	410,180	432,820	430,114	777,359	862,934	85,575	11.01 %
Federal Spec. Rev. Funds	3,979,064	4,342,001	4,494,727	4,502,191	8,321,065	8,996,918	675,853	8.12 %
Total Funds	\$4,346,243	\$4,752,181	\$4,927,547	\$4,932,305	\$9,098,424	\$9,859,852	\$761,428	8.37 %

Page Reference

Legislative Budget Analysis, A-420

Funding

The Montana Air National Guard is predominately funded through federal funds. General fund 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	95.07 %	4,752,181	4,752,181	9,504,362	96.39 %
PL Adjustments	(3,207)	(6,142)	(9,349)	(1.08)%	(60,623)	(56,778)	(117,401)	(1.19)%
New Proposals	25,847	26,076	51,923	6.02 %	235,989	236,902	472,891	4.80 %
Total Budget	\$432,820	\$430,114	\$862,934		\$4,927,547	\$4,932,305	\$9,859,852	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	1,048	0	5,240	6,288	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	519	0	18,435	18,954	0.00	519	0	18,435	18,954
DP 525 - Fixed Cost Adjustment	0.00	1,853	0	(10,693)	(8,840)	0.00	1,838	0	(10,801)	(8,963)
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	(22)	0	197	175	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment	0.00	0	0	(164,450)	(164,450)	0.00	0	0	(158,324)	(158,324)
DP 529 - Longevity and Other adjustments	0.00	(732)	0	(26,141)	(26,873)	0.00	(496)	0	(17,717)	(18,213)
DP 600 - Operating Cost Adjustments	0.00	14,110	0	109,462	123,572	0.00	12,611	0	106,591	119,202
DP 610 - Other Personal Services Changes	0.00	(19,983)	0	10,534	(9,449)	0.00	(20,614)	0	11,180	(9,434)
DP 1300444 - 4% FTE Reduction	(1.00)	0	0	0	0	(1.00)	0	0	0	0
Grand Total All Present Law Adjustments	(1.00)	(\$3,207)	\$0	(\$57,416)	(\$60,623)	(1.00)	(\$6,142)	\$0	(\$50,636)	(\$56,778)

*"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 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 1300444 - 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year.

New Proposals -

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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

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

DP 1301304 - New Air Guard Environmental Science Specialist -

The legislature funded 1.00 FTE Environmental Science Specialist to meet the environmental compliance requirements of the Montana Air National Guard (MANG) in Great Falls. The approval creates 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 -

The legislature provided 100% federal spending authority to cover the annual water and sewer maintenance costs for the Montana Air National Guard (MANG) after privatization of water and sewer lines in FY 2016.

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	Legislative Budget 2016	Legislative Budget 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	1,776,733	1,777,532	2,925,138	3,554,265	629,127	21.51 %
Operating Expenses	461,213	685,127	1,234,605	1,208,797	1,146,340	2,443,402	1,297,062	113.15 %
Equipment & Intangible Assets	22,180	0	0	0	22,180	0	(22,180)	(100.00)%
Grants	10,265,846	11,735,443	11,735,443	11,735,443	22,001,289	23,470,886	1,469,597	6.68 %
Transfers	850,470	2,532,674	2,532,674	2,532,674	3,383,144	5,065,348	1,682,204	49.72 %
Total Costs	\$13,091,786	\$16,386,305	\$17,279,455	\$17,254,446	\$29,478,091	\$34,533,901	\$5,055,810	17.15 %
General Fund	1,176,995	1,250,343	1,265,659	1,264,617	2,427,338	2,530,276	102,938	4.24 %
State/Other Special Rev. Funds	73,855	236,536	60,430	59,641	310,391	120,071	(190,320)	(61.32)%
Federal Spec. Rev. Funds	11,840,936	14,899,426	15,953,366	15,930,188	26,740,362	31,883,554	5,143,192	19.23 %
Total Funds	\$13,091,786	\$16,386,305	\$17,279,455	\$17,254,446	\$29,478,091	\$34,533,901	\$5,055,810	17.15 %

Page Reference

Legislative Budget Analysis, A-424

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 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.

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	1,250,343	1,250,343	2,500,686	98.83 %	16,386,305	16,386,305	32,772,610	94.90 %
PL Adjustments	15,316	14,274	29,590	1.17 %	893,150	868,141	1,761,291	5.10 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$1,265,659	\$1,264,617	\$2,530,276		\$17,279,455	\$17,254,446	\$34,533,901	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	3,318	0	9,956	13,274	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	5,799	0	5,379	11,178	0.00	5,799	0	5,379	11,178
DP 520 - Fully Fund Legislatively Authorized FTE	0.00	14,214	0	157,978	172,192	0.00	14,214	0	157,978	172,192
DP 525 - Fixed Cost Adjustment	0.00	450	0	5,473	5,923	0.00	512	0	6,229	6,741
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	(2,131)	0	2,501	370	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment	0.00	(1,789)	0	(3,631)	(5,420)	0.00	(1,777)	0	(3,608)	(5,385)
DP 529 - Longevity and Other adjustments	0.00	0	0	(1,343)	(1,343)	0.00	0	0	2,351	2,351
DP 550 - Motor Pool Adjustment	0.00	(305)	0	(3,879)	(4,184)	0.00	(310)	0	(3,933)	(4,243)
DP 600 - Operating Cost Adjustments	0.00	9,185	(95,502)	625,832	539,515	0.00	9,364	(95,502)	612,695	526,557
DP 610 - Other Personal Services Changes	0.00	(13,425)	(80,604)	255,674	161,645	0.00	(13,528)	(81,393)	253,671	158,750
DP 2100444 - 4% FTE Reduction	(1.00)	0	0	0	0	(1.00)	0	0	0	0
Grand Total All Present Law Adjustments	(1.00)	\$15,316	(\$176,106)	\$1,053,940	\$893,150	(1.00)	\$14,274	(\$176,895)	\$1,030,762	\$868,141

**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 520 - Fully Fund Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

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 2100444 - 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year.

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	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 %

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Legislative Budget Analysis, A-429

Funding

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 all of the 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%.

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 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	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	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 annualization 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 changes from the legislative appropriation for FY 15 to the proposed budget.

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 would 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.