

Program Budget Comparison

The following table summarizes the total executive 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	2,326,462	2,332,170	4,654,937	4,658,632	3,695	0.08%
Operating Expenses	1,200,818	1,309,885	1,279,248	1,273,892	2,510,703	2,553,140	42,437	1.69%
Total Costs	\$3,482,295	\$3,683,345	\$3,605,710	\$3,606,062	\$7,165,640	\$7,211,772	\$46,132	0.64%
General Fund	832,471	908,337	859,502	858,911	1,740,808	1,718,413	(22,395)	(1.29%)
Federal Special	2,649,824	2,775,008	2,746,208	2,747,151	5,424,832	5,493,359	68,527	1.26%
Total Funds	\$3,482,295	\$3,683,345	\$3,605,710	\$3,606,062	\$7,165,640	\$7,211,772	\$46,132	0.64%

Program Description

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

Program Highlights

Challenge Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Governor’s proposed budget for the division increases from the previous biennium mainly due to two new proposals: <ul style="list-style-type: none"> ● Additional federal funds to support employees attending required training ● Funding of projected overtime costs
Major LFD Issues
<ul style="list-style-type: none"> ◆ Statewide present law adjustments include general fund at a higher match rate than the state to federal funding ratio

Funding

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Department Of Military Affairs Funding by Source of Authority 2015 Biennium Budget - Challenge Program							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$1,718,413	\$0	\$0	\$1,718,413	23.8%		
Federal Special Total	\$5,493,359	\$0	\$0	\$5,493,359	76.2%		
03132 National Guard	\$5,493,359	\$0	\$0	\$5,493,359	76.2%		
Total All Funds	\$7,211,772	\$0	\$0	\$7,211,772	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

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.

LFD ISSUE	<u>Statewide Present Law Adjustments Funded at Higher Matching Rate</u>
	The Youth Challenge program is funded at a 25/75 state to federal ratio. The statewide present law adjustments are funded at 51.5/48.5 in FY 2014 and 49.2/50.8 in FY 2015. The personal services are funded at 25/75 in the budgeting system. The operating costs include adjustments for general program increases such as computer fees and human resource information which appear to qualify for the 25/75 state to federal match rate.
Legislative Option	
Increase federal authority and decrease the general fund support for the statewide present law adjustment by \$8,678 in FY 2014 and \$7,999 in FY 2015 to reflect the state to federal match rate of 25/75.	

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	96.89%	3,482,295	3,482,295	6,964,590	96.57%
Statewide PL Adjustments	16,839	16,248	33,087	1.93%	32,645	32,997	65,642	0.91%
Other PL Adjustments	10,000	10,000	20,000	1.16%	90,000	90,000	180,000	2.50%
New Proposals	192	192	384	0.02%	770	770	1,540	0.02%
Total Budget	\$859,502	\$858,911	\$1,718,413		\$3,605,710	\$3,606,062	\$7,211,772	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

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 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 201 - Funding for ChalleNGe 24/7 overtime. - The Montana Youth ChalleNGe Academy is requesting \$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 - This 100% federal spending request for authority is 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 6101 - Professional Development Center Fee Allocation	02	0.00	192	0	578	770	0.00	192	0	578	770
Total	0.00	\$192	\$0	\$578	\$770	0.00	\$192	\$0	\$578	\$770	

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.