

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	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	10,942,062	10,958,131	22,040,376	21,900,193	(140,183)	(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	\$14,377,126	\$14,395,696	\$28,264,811	\$28,772,822	\$508,011	1.80%
General Fund	1,621,054	1,639,409	1,639,175	1,643,699	3,260,463	3,282,874	22,411	0.69%
State Special	0	0	2,000	2,000	0	4,000	4,000	n/a
Federal Special	12,490,916	12,513,432	12,735,951	12,749,997	25,004,348	25,485,948	481,600	1.93%
Total Funds	\$14,111,970	\$14,152,841	\$14,377,126	\$14,395,696	\$28,264,811	\$28,772,822	\$508,011	1.80%

Program Description

The Army National Guard (ARNG), until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming, and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing statewide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana Constitutions and Title 10, Chapters 1-3, MCA.

Program Highlights

Army National Guard Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ The proposed budget for the division increases from the previous biennia mainly due to proposals to: <ul style="list-style-type: none"> • Increase support for an additional 3.0 FTE to support various functions related to the mission of the Army National Guard • Provide operations and maintenance costs for two facilities which will be completed in the 2015 biennium

Program Discussion

The executive is requesting 3.00 FTE to provide support for various functions related to the mission of the Army National Guard. The request increases personal services costs by \$0.3 million in the 2015 biennium. Personal services also increase due to:

- Broadband pay increases granted in FY 2012 that are annualized in the 2015 biennium
- A vacancy rate of 5.7% in FY 2012 compared to the legislatively established 4%

Operating costs increase due to:

- Statewide present law adjustments for insurance and bonds, State Information Technology Services Division charges, and electricity

- o A proposal to increase operations and maintenance costs for two facilities which will be completed in the 2015 biennium

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 - Army National Guard Pgm							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$3,282,874	\$0	\$0	\$3,282,874	11.4%		
State Special Total	\$4,000	\$0	\$0	\$4,000	0.0%		
02343 Armory Rental Funds	\$4,000	\$0	\$0	\$4,000	0.0%		
Federal Special Total	\$25,485,948	\$0	\$0	\$25,485,948	88.6%		
03132 National Guard	\$25,485,948	\$0	\$0	\$25,485,948	88.6%		
Total All Funds	\$28,772,822	\$0	\$0	\$28,772,822	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

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:

- o Entirely with state funds
- o Entirely with federal funds
- o 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	98.09%
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	60	60	120	0.00%	558	558	1,116	0.00%
Total Budget	\$1,639,175	\$1,643,699	\$3,282,874		\$14,377,126	\$14,395,696	\$28,772,822	

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					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 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 1201 - Army National Guard Mission Support – The executive requests 3.00 additional FTE to support the Army National Guard mission. The first 1.00 FTE would provide 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 would provide 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 would assist with administrative and financial duties within the ARNG that have increasing requirements for federal budgets.

Figure 3

DP 1202 - Army National Guard Operations & Maintenance - The executive requests 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. Figure 1 shows the support by facility for the 2015 biennium.

Department of Military Affairs Army National Guard Facilities Additional Operations and Maintenance Costs			
Facility	General Fund	Federal Funds	Total
Miles City readiness center	\$4,525	\$4,525	\$9,050
Great Falls Armed Forces Reserve Center	0	24,498	24,498
Total	\$4,525	\$29,023	\$33,548

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	12	0.00	60	0	498	558	0.00	60	0	498	558
Total	0.00	\$60	\$0	\$498	\$558	0.00	\$60	\$0	\$498	\$558	

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.