

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	23.00	23.00	24.00	24.00	23.00	24.00	1.00	4.35%
Personal Services	1,434,854	1,517,195	1,513,683	1,516,977	2,952,049	3,030,660	78,611	2.66%
Operating Expenses	602,199	353,842	712,827	700,413	956,041	1,413,240	457,199	47.82%
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	\$18,494,627	\$16,485,507	\$14,055,261	\$34,980,134	\$20,924,873	148.88%
General Fund	1,044,104	1,065,244	1,192,499	1,189,141	2,109,348	2,381,640	272,292	12.91%
State Special	216,020	350,200	247,750	250,750	566,220	498,500	(67,720)	(11.96%)
Federal Special	5,115,046	6,264,647	17,054,378	15,045,616	11,379,693	32,099,994	20,720,301	182.08%
Total Funds	\$6,375,170	\$7,680,091	\$18,494,627	\$16,485,507	\$14,055,261	\$34,980,134	\$20,924,873	148.88%

Program Description

The Disaster and Emergency Services Division (DES) duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of an incident, emergency, or disaster.

Program Highlights

Disaster & Emergency Services Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Governor’s proposed budget for the division increases by 149% due almost entirely to a change in the requested level of funding for Homeland Security Program Grants. At least 80% must be passed through to local and tribal applicants. The proposal includes increases in operating expenses, grants, and transfers ◆ Other proposals include general fund and federal funding for: <ul style="list-style-type: none"> • 1.00 FTE and support for the Homeland Security Exercise and Evaluation Program • Contracts costs and training related to the State Emergency Coordination Center (SECC) • Re-establishment of overtime for disaster and emergency services personnel
Major LFD Issues
<ul style="list-style-type: none"> ◆ The FY 2012 base budget includes funding for contract costs related to the SECC that are also proposed for additional funding. The legislature could reduce support for the costs already funded in the budget and save \$20,000 in general fund

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 - Disaster & Emergency Services							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$2,381,640	\$0	\$0	\$2,381,640	6.8%		
State Special Total	\$498,500	\$0	\$0	\$498,500	1.4%		
02156 Sar Des Dfwp Fees	\$107,000	\$0	\$0	\$107,000	0.3%		
02170 Sar Des Off Road Vehicles	\$341,500	\$0	\$0	\$341,500	1.0%		
02180 Emergency Preparedness Summit	\$20,000	\$0	\$0	\$20,000	0.1%		
Federal Special Total	\$32,099,994	\$0	\$0	\$32,099,994	91.8%		
Total All Funds	\$34,980,134	\$0	\$0	\$34,980,134	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

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. In FY 2012, the Governor authorized disaster relief expenditures from the general fund totaling \$7,631 used by DES..

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	87.68%	6,375,170	6,375,170	12,750,340	36.45%
Statewide PL Adjustments	86,477	83,159	169,636	7.12%	(4,465)	(13,505)	(17,970)	(0.05%)
Other PL Adjustments	61,818	61,778	123,596	5.19%	12,123,636	10,123,556	22,247,192	63.60%
New Proposals	100	100	200	0.01%	286	286	572	0.00%
Total Budget	\$1,192,499	\$1,189,141	\$2,381,640		\$18,494,627	\$16,485,507	\$34,980,134	

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					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 2101 - Federal Homeland Security Exercise & Evaluation	1.00	27,330	0	27,330	54,660	1.00	27,290	0	27,290	54,580
DP 2102 - Systems for State Emergency Coordination Center	0.00	15,000	0	15,000	30,000	0.00	15,000	0	15,000	30,000
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	19,488	38,976	0.00	19,488	0	19,488	38,976
Total Other Present Law Adjustments	1.00	\$61,818	\$0	\$12,061,818	\$12,123,636	1.00	\$61,778	\$0	\$10,061,778	\$10,123,556
Grand Total All Present Law Adjustments	1.00	\$148,295	\$31,730	\$11,939,146	\$12,119,171	1.00	\$144,937	\$34,730	\$9,930,384	\$10,110,051

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.

LFD COMMENT	This decision package is a new proposal, not a present law adjustment. The costs were not included in the 2013 biennium budget approved by the legislature. State statute requires the executive to present program expansions it wants considered for funding in the new biennium as a new proposal to the next legislature rather than a present law adjustment.
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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.

LFD ISSUE	<u>Contract Costs Included in the FY 2012 Base</u> The FY 2012 base budget includes \$24,000 for the annual maintenance cost and hosting services. In FY 2012 the division conducted its first training exercise, which included only one district and eight local jurisdictions at a cost of \$200. The division is requesting a total of \$30,000 in increased authority for a combination of contracted costs related to the SECC and training.
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LFD ISSUE CONT. Legislative Option
 As the contract costs are already included in the base budget the legislature may wish to consider reducing the requested funding by \$20,000 each year of the biennium. This would result in general fund savings of \$20,000 in the 2015 biennium.

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.

LFD COMMENT The DES has received significant federal funding from the Homeland Security Grant Program. Figure 3 shows the grant amounts expended, the grant funding available, and the total between FY 2009 and FY 2012.

As shown in the figure, the division has expended about 69% of the federal funds available between FY 2009 and FY 2012. However, the amount of unexpended funding authority available is still significant. Of this amount about \$19.9 million of the funding still available must be granted to local and tribal applicants under the program requirements. The legislature may wish to discuss the anticipated uses of the federal funds in the 2015 biennium.

Figure 3

Department of Military Affairs Disaster and Emergency Services Division Homeland Security Grants			
Fiscal Year	Expended	Available	Total
FY 2009	\$16,667,280	\$6,661,158	\$23,328,438
FY 2010	13,486,993	8,185,644	21,672,637
FY 2011	18,791,351	6,441,903	25,233,254
FY 2012	<u>5,968,967</u>	<u>3,595,748</u>	<u>9,564,715</u>
Total	<u>\$54,914,591</u>	<u>\$24,884,453</u>	<u>\$79,799,044</u>

In addition, the Budget Control Act includes automatic spending reductions, called sequesters, that are currently scheduled to take effect January 2, 2013. For discretionary spending the estimated amount of the reduction is 8.2%. The Homeland Security Grant Program is included in the programs that are covered by the BCA required reductions. As a result, funding for the program may be reduced beyond what is shown in the executive's proposed budget. The legislature may wish to discuss the impact of Congressional deliberations on the funding for this program.

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

Program	FTE	Fiscal 2014				Fiscal 2015					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 6101 - Professional Development Center Fee Allocation	21	0.00	100	0	186	286	0.00	100	0	186	286
Total	0.00	\$100	\$0	\$186	\$286	0.00	\$100	\$0	\$186	\$286	

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.