

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	105.70	(.50)	40.00	145.20	(.50)	40.00	145.20	145.20
Personal Services	3,486,639	429,368	1,028,298	4,944,305	415,081	1,021,519	4,923,239	9,867,544
Operating Expenses	3,910,886	911,640	1,963,982	6,786,508	869,535	1,737,731	6,518,152	13,304,660
Equipment	36,137	(1,137)	132,000	167,000	(21,137)	0	15,000	182,000
Grants	481,844	0	250,000	731,844	0	0	481,844	1,213,688
Benefits & Claims	2,280	0	0	2,280	0	0	2,280	4,560
Debt Service	7,092	0	0	7,092	(7,092)	0	0	7,092
Total Costs	\$7,924,878	\$1,339,871	\$3,374,280	\$12,639,029	\$1,256,387	\$2,759,250	\$11,940,515	\$24,579,544
General Fund	2,280,102	406,926	1,376,048	4,063,076	383,703	1,059,492	3,723,297	7,786,373
State/Other Special	98,655	71,910	21,000	191,565	71,275	21,000	190,930	382,495
Federal Special	5,546,121	861,035	1,977,232	8,384,388	801,409	1,678,758	8,026,288	16,410,676
Total Funds	\$7,924,878	\$1,339,871	\$3,374,280	\$12,639,029	\$1,256,387	\$2,759,250	\$11,940,515	\$24,579,544

Agency Description

The Department of Military Affairs, administered by the Adjutant General, oversees activities of the Air and Army National Guard, and Disaster and Emergency Services. The Montana Board of Veterans Affairs is administratively attached to the department. The department manages a joint federal-state program to maintain trained and equipped military organizations in readiness in the event of a state or national emergency. The department plans for and coordinates state responses in disaster and emergency situations. The Board of Veterans Affairs manages and cooperates with state and federal agencies in providing statewide services for discharged veterans and their families, and is responsible for the state's two veterans cemeteries.

Summary of Legislative Action

The legislature added \$8.7 million to the base for the biennium. This increase was funded by \$3.2 million general fund, \$185,185 state special revenue, and \$5.3 million federal special revenue. The increase includes funding for 39.5 FTE for each year. Significant factors contributing to this growth are: 1) \$5.6 million total funds for the Montana National Guard Challenge Program; 2) \$250,000 general fund for the Montana National Guard Scholarship Program; 3) \$1.2 million total funds for National Guard facility operating and maintenance costs; and 4) \$150,000 federal special revenue for initial equipment and supplies purchases for the Eastern Montana Veterans' Cemetery.

Agency Budget Comparison								
Budget Item	Base Budget Fiscal 1998	Executive Budget Fiscal 2000	Legislative Budget Fiscal 2000	Leg - Exec. Difference Fiscal 2000	Executive Budget Fiscal 2001	Legislative Budget Fiscal 2001	Leg - Exec. Difference Fiscal 2001	Biennium Difference Fiscal 00-01
FTE	105.70	105.20	145.20		105.20	145.20		
Personal Services	3,486,639	3,916,007	4,944,305	1,028,298	3,901,720	4,923,239	1,021,519	2,049,817
Operating Expenses	3,910,886	5,043,913	6,786,508	1,742,595	5,052,088	6,518,152	1,466,064	3,208,659
Equipment	36,137	35,000	167,000	132,000	15,000	15,000	0	132,000
Grants	481,844	581,844	731,844	150,000	631,844	481,844	(150,000)	0
Benefits & Claims	2,280	2,280	2,280	0	2,280	2,280	0	0
Debt Service	7,092	7,092	7,092	0	0	0	0	0
Total Costs	\$7,924,878	\$9,586,136	\$12,639,029	\$3,052,893	\$9,602,932	\$11,940,515	\$2,337,583	\$5,390,476
General Fund	2,280,102	2,928,531	4,063,076	1,134,545	2,953,756	3,723,297	769,541	1,904,086
State/Other Special	98,655	191,565	191,565	0	190,930	190,930	0	0
Federal Special	5,546,121	6,466,040	8,384,388	1,918,348	6,458,246	8,026,288	1,568,042	3,486,390
Total Funds	\$7,924,878	\$9,586,136	\$12,639,029	\$3,052,893	\$9,602,932	\$11,940,515	\$2,337,583	\$5,390,476

Executive Budget Comparison

The legislative budget is \$5.4 million higher than the executive proposal for the biennium. A reduction from the executive's request for armory utilities and maintenance expenses that totaled \$137,710 (\$111,186 general fund) was offset by: 1) an increase of \$150,000 federal funds to purchase equipment for the Eastern Montana Veterans' Cemetery

that was not in the Executive Budget; 2) an increase of \$250,000 general fund for the Montana Guard Scholarship Program; 3) an increase of \$416,528 general fund with a like reduction of federal special revenue because of a funding match change by the Federal Emergency Management Agency; and 4) an increase of \$5.4 million (\$1.6 million general fund and \$3.8 million federal funds) for the Montana National Guard Challenge Program.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	6.60	.00	40.00	46.60	.00	40.00	46.60	46.60
Personal Services	288,659	21,081	1,028,298	1,338,038	19,777	1,021,519	1,329,955	2,667,993
Operating Expenses	54,410	679	1,771,702	1,826,791	(499)	1,558,481	1,612,392	3,439,183
Equipment	0	0	0	0	0	0	0	0
Grants	0	0	250,000	250,000	0	0	0	250,000
Benefits & Claims	2,280	0	0	2,280	0	0	2,280	4,560
Total Costs	\$345,349	\$21,760	\$3,050,000	\$3,417,109	\$19,278	\$2,580,000	\$2,944,627	\$6,361,736
General Fund	312,956	20,517	1,090,000	1,423,473	18,266	760,000	1,091,222	2,514,695
State/Other Special	0	0	0	0	0	0	0	0
Federal Special	32,393	1,243	1,960,000	1,993,636	1,012	1,820,000	1,853,405	3,847,041
Total Funds	\$345,349	\$21,760	\$3,050,000	\$3,417,109	\$19,278	\$2,580,000	\$2,944,627	\$6,361,736

Program Description

The Operations Support Program provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Funding

The program is funded with general fund and federal special revenue. The federal/state agreement between Military Affairs and the associated federal agencies have identified certain personal service costs of positions that provide support to federally funded activities as applicable for federal funding. The 1999 legislature added the Montana National Guard Youth Challenge Program, which drastically changed the funding of the program from the base year. During the base year, federal funds accounted for approximately 10 percent of the funding for the Operations Support Program. For the 2001 biennium, general fund provides 39.5 percent of the program's funding, while federal special revenue provides the remaining 60.5 percent. The federal participation in the challenge program is 70 percent in federal fiscal year 1999 but drops to 65 percent in federal fiscal year 2000 and then drops to 60 percent in federal fiscal years 2001 through 2003. The Master Youth Cooperative Agreement with the federal government terminates at the end of federal fiscal year 2003 at which time the challenge program will also terminate.

Present Law Adjustments		Fiscal 2000 FTE	Fiscal 2000 General Fund	Fiscal 2000 Total Funds	Fiscal 2001 FTE	Fiscal 2001 General Fund	Fiscal 2001 Total Funds
Statewide Present Law							
	Personal Services			21,081			19,777
	Inflation/Deflation			(1,307)			(1,296)
	Fixed Costs			1,499			56
	Total Statewide Adjustments			\$21,273			\$18,537
Present Law Adjustments							
1	Local Area Network Administration	.00	766	766	.00	1,020	1,020
3	Fixed Cost Reductions	.00	(279)	(279)	.00	(279)	(279)
	Total PL Adjustments	.00	\$487	\$487	.00	\$741	\$741
Present Law Adjustments Total				\$21,760			\$19,278

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 1 - Local Area Network Administration - The legislature increased general fund to contract with the Information Services Division of the Department of Administration to administer the department's local area network (LAN).

DP 3 - Fixed Cost Reductions - The legislature reduced general fund by \$279 in each year to adjust fixed costs for rate reductions that had statewide impacts.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds	
2	Montana Guard Scholarship Program	.00	250,000	250,000	.00	0	0
4	Montana Guard Challenge Program	40.00	840,000	2,800,000	40.00	760,000	2,580,000
Total New Proposals		40.00	\$1,090,000	\$3,050,000	40.00	\$760,000	\$2,580,000

New Proposals

DP 2 - Montana Guard Scholarship Program - The legislature increased general fund to provide scholarships of up to \$500 per semester to enlisted Montana National Guard personnel enrolled as full-time undergraduate students in colleges, universities, or training programs. The legislature designated this as a restricted, biennial, one-time appropriation. This funding will provide \$500 scholarships for 500 student-semesters which is equivalent to 125 students attending two semesters in each of the two years of the biennium.

DP 4 - Montana Guard Challenge Program - The legislature increased general fund by \$1.6 million and federal special revenue by \$3.78 million for the biennium to fund the Montana National Guard Youth Challenge Program. The legislature designated the funding as a one-time, biennial appropriation and restricted its use to the program. Funding for 40.0 FTE for each year is included in this funding. The Montana program is designed to offer 2 classes each year with 100 students in each class and has an estimated cost of \$14,000 for each student per year.

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. The program accepts youth to participate in a five-month residential program, living and training in a military environment, and provides a one-year post residential mentoring component. The program focuses on developing discipline and responsibility to improve life skills and employment potential. The program is designed in a large part to allow the target youth to obtain their high school equivalency diploma (GED).

The federal program is currently programmed to terminate at the end of federal fiscal year 2003 and has a declining federal participation. The federal participation in the program is 70 percent in federal fiscal year 1999 but drops to 65 percent in federal fiscal year 2000 and then drops to 60 percent in federal fiscal years 2001 through 2003. However, the legislature made the funding for the program one-time only for the 2001 biennium to allow the next legislature to evaluate it and determine whether it should continue.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	26.30	.00	.00	26.30	.00	.00	26.30	26.30
Personal Services	775,981	168,027	0	944,008	162,226	0	938,207	1,882,215
Operating Expenses	2,815,821	763,690	97,400	3,676,911	743,381	169,010	3,728,212	7,405,123
Equipment	14,989	20,011	0	35,000	11	0	15,000	50,000
Debt Service	7,092	0	0	7,092	(7,092)	0	0	7,092
Total Costs	\$3,613,883	\$951,728	\$97,400	\$4,663,011	\$898,526	\$169,010	\$4,681,419	\$9,344,430
General Fund	913,252	314,656	34,860	1,262,768	304,565	57,592	1,275,409	2,538,177
State/Other Special	16	3,984	21,000	25,000	3,984	21,000	25,000	50,000
Federal Special	2,700,615	633,088	41,540	3,375,243	589,977	90,418	3,381,010	6,756,253
Total Funds	\$3,613,883	\$951,728	\$97,400	\$4,663,011	\$898,526	\$169,010	\$4,681,419	\$9,344,430

Program Description

The Army National Guard provides a trained and equipped military organization for use in the event of a state or national emergency. This program supports 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 state-wide communication services, security contracts, and leases for buildings and land used by the Army National Guard.

Funding

The Army National Guard program is primarily funded with a combination of general fund and federal funds. Funding depends on how a facility is used and can be either funded: 1) entirely with state funds; 2) entirely with federal funds; or 3) as a shared responsibility, with federal funds at 75 percent and general fund at 25 percent (service contract buildings). When a facility is owned by the state and located on state land, the funding is 100 percent general fund. When a facility is state owned but located on federal land, the maintenance costs are funded 75/25 but utility costs are funded 100 percent by general fund. When a facility is classified as a logistics facility, the funding is 75 percent federal and 25 percent general fund for the entire facility. Federally owned facilities located on federal lands and those that serve a training mission are generally funded 100 percent with federal funds, except when the building is used as an armory. Armories constructed with federal funds and located on federal land are funded 100 percent general fund for utilities and 75 percent federal and 25 percent general fund for maintenance 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. The Montana Tradeport Authority in Billings will provide state special revenue in the amount of \$21,000 per year to support utility costs of the new Billings Armory during the first four years of operation.

For the 2001 biennium, general fund provides 27.2 percent of the program's total funding. Federal special revenue provides an additional 72.3 percent and state special revenue provides the remaining 0.5 percent.

Present Law Adjustments		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Present Law Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
Statewide Present Law							
Personal Services				168,027			162,226
Inflation/Deflation				18,886			18,715
Fixed Costs				20,781			5,125
Total Statewide Adjustments				\$207,694			\$186,066
Present Law Adjustments							
1201	Additional Utilities Existing Location	.00	7,375	89,500	.00	7,375	89,500
1202	Deferred Maintenance Armories	.00	135,300	139,300	.00	135,300	139,300
1203	Deferred Maintenance Service Contra	.00	19,750	79,000	.00	19,750	79,000
1204	Armory Programmed Paint Projects	.00	137,627	137,627	.00	137,627	137,627
1210	Maintenance Equipment	.00	5,075	49,600	.00	7,525	24,400
1213	Communications Data Circuits	.00	0	230,000	.00	0	230,000
1214	Security Increase Army Guard	.00	0	20,200	.00	0	20,918
1216	Federal Equipment Deletion	.00	0	(14,989)	.00	0	(14,989)
1217	Lease - Recruiting & Retention	.00	0	13,796	.00	0	13,796
1218	Debt Service Reduction in FY 2001	.00	0	0	.00	(7,092)	(7,092)
Total PL Adjustments		.00	\$305,127	\$744,034	.00	\$300,485	\$712,460
Present Law Adjustments Total				\$951,728			\$898,526

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 1201 - Additional Utilities Existing Location - The legislature increased general fund by \$14,750 and federal special revenue by \$164,250 for the biennium to annualize utility expenditures for two new facilities - the Army Aviation Support Facility (AASF) at the Helena airport and the Training Site Support Facility (TSSF) at Fort Harrison - that began operating partially through the base year.

DP 1202 - Deferred Maintenance Armories - The legislature increased general fund by \$270,600 and state special revenue fund by \$8,000 for the biennium to address deferred maintenance activities at state armories.

DP 1203 - Deferred Maintenance Service Contra - The legislature increased general fund by \$39,500 and federal special revenue by \$118,500 for the biennium to address deferred maintenance activities at service contract buildings.

DP 1204 - Armory Programmed Paint Projects - The legislature increased general fund for interior and exterior painting at state armories. The legislature designated this as a one-time appropriation.

DP 1210 - Maintenance Equipment - The legislature increased general fund by \$12,600 and federal special revenue by \$61,400 for the biennium for new and replacement equipment used for facility maintenance.

DP 1213 - Communications Data Circuits - The legislature increased federal special revenue by \$460,000 for the biennium for increased data circuits that will provide dedicated network capabilities to the 26 National Guard sites located in communities outside of Helena. The network will carry data, video conferencing, electronic mail, Internet access, and distance learning traffic.

DP 1214 - Security Increase Army Guard - The legislature increased federal special revenue for security services at Fort Missoula, Fort Harrison, Limestone Training Area, and the headquarters armory in Helena.

DP 1216 - Federal Equipment Deletion - The legislature reduces federal special revenue to adjust for a one-time base year equipment purchase.

DP 1217 - Lease - Recruiting & Retention - The legislature increased federal special revenue to lease and operate a storefront recruiting office in Helena.

DP 1218 - Debt Service Reduction in FY 2001 - The legislature reduced general fund for debt service that will not be needed after fiscal 2000.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
1201	Army Guard - 2000/1 Buildings-Utilities	.00	21,000	77,600	.00	40,614	129,140
1202	Janitorial Services - New Locations	.00	13,860	19,800	.00	16,978	39,870
Total New Proposals		.00	\$34,860	\$97,400	.00	\$57,592	\$169,010

New Proposals

DP 1201 - Army Guard - 2000/1 Buildings-Utilities - The legislature increased general fund by \$61,614, state special revenue by \$42,000, and federal special revenue by \$103,126 for the biennium for utility costs at nine new facilities that are scheduled to come on line during the biennium. The new facilities are the Regional Training Center, the Combat Pistol Qualification Course, the Bachelor/Officer Quarters (Fort Harrison), the Training Site Warehouse, the Battalion Maintenance Shelter, the Advanced Technology (Simulations) Center, the Qualifications Training Range, the Armed Forces Reserve Center (Billings), and the Armed Forces Reserve Center (Fort Harrison).

DP 1202 - Janitorial Services - New Locations - The legislature increased general fund by \$30,838 and federal special revenue by \$28,832 for the biennium for janitorial services for new facilities (see list of facilities in new proposal 1201) that will come on line during the biennium.

Language

"If federal authorities determine that federal money cannot be used to pay for audit costs in item 2a [National Guard Program], general fund money up to \$11,537 is appropriated to pay those costs."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	33.00	.00	.00	33.00	.00	.00	33.00	33.00
Personal Services	1,172,016	102,358	0	1,274,374	101,578	0	1,273,594	2,547,968
Operating Expenses	727,500	30,602	0	758,102	22,343	0	749,843	1,507,945
Total Costs	\$1,899,516	\$132,960	\$0	\$2,032,476	\$123,921	\$0	\$2,023,437	\$4,055,913
General Fund	194,335	17,874	0	212,209	16,553	0	210,888	423,097
Federal Special	1,705,181	115,086	0	1,820,267	107,368	0	1,812,549	3,632,816
Total Funds	\$1,899,516	\$132,960	\$0	\$2,032,476	\$123,921	\$0	\$2,023,437	\$4,055,913

Program Description

The Air National Guard program maintains a trained and equipped military organization for use in the event of a state or national emergency. The program staff provides administrative, facilities maintenance, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard Program operates under both federal and state mandates in accordance with its dual missions to maintain a trained and ready military force and a state civil disaster response capability.

Funding

The Air Guard Program is generally funded with a 75 percent federal participation and a 25 percent general fund state match. Personal service costs for firefighters and security services are funded entirely with federal funds. For the 2001 biennium, general fund provides 10.4 percent of the program's total funding and federal special revenue provides the remaining 89.6 percent.

Present Law Adjustments		Fiscal 2000 FTE	Fiscal 2000 General Fund	Fiscal 2000 Total Funds	Fiscal 2001 FTE	Fiscal 2001 General Fund	Fiscal 2001 Total Funds
Statewide Present Law							
	Personal Services			40,358			39,578
	Fixed Costs			10,556			2,297
	Total Statewide Adjustments			\$50,914			\$41,875
Present Law Adjustments							
1301	Air security contract increase	.00	0	20,046	.00	0	20,046
1304	Increase Mission	.00	0	62,000	.00	0	62,000
	Total PL Adjustments	.00	\$0	\$82,046	.00	\$0	\$82,046
	Present Law Adjustments Total			\$132,960			\$123,921

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 1301 - Air security contract increase - The legislature increased federal special revenue to increase security at the air base at Gore Hill in Great Falls.

DP 1304 - Increase Mission - The legislature increased federal special revenue for firefighters at Gore Hill to be on station for an extended period of time in response to a mission change from air-to-air defense to air-to-ground defense.

Language

"If federal authorities determine that federal money cannot be used to pay for audit costs in item 3a [Air National Guard Program], general fund money up to \$7,391 is appropriated to pay those costs."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	20.00	.00	.00	20.00	.00	.00	20.00	20.00
Personal Services	681,738	107,166	0	788,904	104,000	0	785,738	1,574,642
Operating Expenses	205,852	25,407	10,880	242,139	17,064	10,240	233,156	475,295
Equipment	0	0	0	0	0	0	0	0
Grants	481,844	0	0	481,844	0	0	481,844	963,688
Total Costs	\$1,369,434	\$132,573	\$10,880	\$1,512,887	\$121,064	\$10,240	\$1,500,738	\$3,013,625
General Fund	242,756	20,897	185,188	448,841	17,967	241,900	502,623	951,464
State/Other Special	18,746	58	0	18,804	45	0	18,791	37,595
Federal Special	1,107,932	111,618	(174,308)	1,045,242	103,052	(231,660)	979,324	2,024,566
Total Funds	\$1,369,434	\$132,573	\$10,880	\$1,512,887	\$121,064	\$10,240	\$1,500,738	\$3,013,625

Program Description

The Disaster and Emergency Services Division: 1) works with local, state, and federal officials to prepare, update, and coordinate emergency preparedness, mitigation, response, and recovery plans; 2) provides technical assistance and coordination of the state's response to assist political subdivisions in time of emergencies; and 3) receives, records, and disburses federal funds to eligible political subdivisions. Political subdivisions must provide matching funds for all federal reimbursement programs except disaster recovery. The division is responsible for disaster planning activities, responding quickly and effectively to disasters and emergencies, being a source of information and 24-hour contact point, and coordinating state assistance to local governments.

Funding

The Disaster Coordination Response Program is supported with general fund, state special revenue, and federal funds. The disaster coordination functions that provide support to communities and that contribute to the overall mission of the division are generally funded 50 percent general fund and 50 percent federal funds. Disaster coordination functions that focus on specifically identified hazards or functions are generally funded 100 percent with federal funds. State special revenue is fee revenue from persons who attend division-sponsored workshops and conferences and is used to support those functions. For the 2001 biennium, general fund provides 31.6 percent of the program's total funding. Federal special revenue provides an additional 67.2 percent and state special revenue provides the remaining 1.2 percent.

Present Law Adjustments							
Present Law Description		Fiscal 2000 FTE	Fiscal 2000 General Fund	Fiscal 2000 Total Funds	Fiscal 2001 FTE	Fiscal 2001 General Fund	Fiscal 2001 Total Funds
Statewide Present Law							
Personal Services				96,178			93,012
Inflation/Deflation				5,368			4,233
Fixed Costs				19,831			12,369
Total Statewide Adjustments				\$121,377			\$109,614
Present Law Adjustments							
2103	LAN Support	.00	191	766	.00	255	1,020
2111	Overtime for Duty Officer	.00	1,563	10,988	.00	1,563	10,988
2112	Fixed Cost Reductions	.00	(279)	(558)	.00	(279)	(558)
Total PL Adjustments		.00	\$1,475	\$11,196	.00	\$1,539	\$11,450
Present Law Adjustments Total				\$132,573			\$121,064

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in

the table correspond to the narrative descriptions.

DP 2103 - LAN Support - The legislature increased general fund by \$446 and federal special revenue by \$1,340 for the biennium for costs to contract with the Information Services Division of the Department of Administration for administration of the department's local area network (LAN).

DP 2111 - Overtime for Duty Officer - The legislature approved \$3,126 general fund and \$18,850 federal special revenue for the biennium for overtime for duty officers.

DP 2112 - Fixed Cost Reductions - The legislature reduced general fund by \$558 and federal special revenue by \$558 for the biennium to adjust fixed costs for rate reductions that had statewide impacts.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
2101	DES Funding Change	.00	179,748	0	.00	236,780	0
2102	Vehicles for New District Reps	.00	5,440	10,880	.00	5,120	10,240
Total New Proposals		.00	\$185,188	\$10,880	.00	\$241,900	\$10,240

New Proposals

DP 2101 - DES Funding Change - The legislature reduced federal special revenue and increased general fund by \$416,528 for the biennium to provide a funding switch to match Federal Emergency Management Agency (FEMA) funding for disaster coordination response. This was in response to a change in federal match requirements from 100 percent federal funds to 50 percent federal funds and 50 percent state funds.

DP 2102 - Vehicles for New District Reps - The legislature increased general fund by \$10,560 and federal special revenue by \$10,560 for the biennium to lease motor pool vehicles for district representatives in the Lewistown and Billings areas.

Program Proposed Budget	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	19.80	(.50)	.00	19.30	(.50)	.00	19.30	19.30
Personal Services	568,245	30,736	0	598,981	27,500	0	595,745	1,194,726
Operating Expenses	107,303	91,262	84,000	282,565	87,246	0	194,549	477,114
Equipment	21,148	(21,148)	132,000	132,000	(21,148)	0	0	132,000
Total Costs	\$696,696	\$100,850	\$216,000	\$1,013,546	\$93,598	\$0	\$790,294	\$1,803,840
General Fund	616,803	32,982	66,000	715,785	26,352	0	643,155	1,358,940
State/Other Special	79,893	67,868	0	147,761	67,246	0	147,139	294,900
Federal Special	0	0	150,000	150,000	0	0	0	150,000
Total Funds	\$696,696	\$100,850	\$216,000	\$1,013,546	\$93,598	\$0	\$790,294	\$1,803,840

Program Description

The Veterans Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City and at Fort Harrison, in Helena. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate.

Funding

The Veterans Affairs Program is funded with general fund for all functions except for cemetery operations. Veterans cemetery operations are fully funded by state special revenue funds from donations, veteran license plate fees, and cemetery plot allowances. In fiscal 1998, veterans license plate fee revenues generated the largest portion of state special revenue funding. For the 2001 biennium, general fund provides 75.3 percent of the program's total funding. State special revenue provides an additional 16.4 percent and federal special revenue provides the remaining 8.3 percent.

Present Law Adjustments	Fiscal 2000 FTE	Fiscal 2000 General Fund	Fiscal 2000 Total Funds	Fiscal 2001 FTE	Fiscal 2001 General Fund	Fiscal 2001 Total Funds
Statewide Present Law						
Personal Services			44,590			41,274
Inflation/Deflation			3,838			3,054
Fixed Costs			494			(2,738)
Total Statewide Adjustments			\$48,922			\$41,590
Present Law Adjustments						
3103 Eastern Montana Veterans Cemetery	(.50)	0	61,146	(.50)	0	61,226
3105 Helena Cemetery SSR Auth Adjustment	.00	0	(9,148)	.00	0	(9,148)
3107 Fixed Cost Reductions	.00	(70)	(70)	.00	(70)	(70)
Total PL Adjustments	(.50)	(\$70)	\$51,928	(.50)	(\$70)	\$52,008
Present Law Adjustments Total			\$100,850			\$93,598

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 3103 - Eastern Montana Veterans Cemetery - The legislature reduced 0.50 FTE for each year but increased state special revenue for administration, operation, and contracted maintenance of the Eastern Montana Veterans Cemetery being built in Miles City. The 1997 legislature authorized the construction of the cemetery and provided 0.5 FTE to maintain it. The division now anticipates contracting out the cemetery's maintenance. The position being eliminated was

not filled, nor did any expenditures occur in the base year. The cemetery was originally anticipated to begin operating in fiscal 1999 but is now anticipated to begin operating in fiscal 2000.

DP 3105 - Helena Cemetery SSR Auth Adjustment - The legislature reduced state special revenue for a reduction associated with a one-time base year equipment purchase of a small tractor with a backhoe attachment and for partial offsetting increases to purchase agricultural supplies to support the operation of the cemetery.

DP 3107 - Fixed Cost Reductions - The legislature reduced general fund to adjust fixed costs for rate reductions that had statewide impacts.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
3101	World War II Appropriation-OTO	.00	66,000	66,000	.00	0	0
3106	Eastern VA Cemetery-Equipment-OTO	.00	0	150,000	.00	0	0
Total New Proposals		.00	\$66,000	\$216,000	.00	\$0	\$0

New Proposals

DP 3101 - World War II Appropriation-OTO - The legislature approved a one-time general fund appropriation to provide a donation for the construction of the World War II Memorial in Washington, D.C. This equates to a donation of \$1 for each state citizen who served in the armed forces during World War II.

DP 3106 - Eastern VA Cemetery-Equipment-OTO - The legislature approved a one-time biennial appropriation of federal special revenue for the initial equipment and supplies for the Eastern Montana Veterans Cemetery.