

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	182.15	182.15	192.65	192.65	182.15	192.65	10.50	5.76%
Personal Services	9,331,043	10,082,132	10,364,131	10,453,254	19,413,175	20,817,385	1,404,210	7.23%
Operating Expenses	15,431,921	17,171,617	16,208,878	16,380,320	32,603,538	32,589,198	(14,340)	(0.04%)
Equipment & Intangible Assets	273,976	307,305	323,976	323,976	581,281	647,952	66,671	11.47%
Capital Outlay	0	0	0	0	0	0	0	n/a
Grants	1,287,008	1,412,260	13,614,431	13,614,431	2,699,268	27,228,862	24,529,594	908.75%
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00%
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$26,326,228	\$28,975,594	\$40,513,696	\$40,774,261	\$55,301,822	\$81,287,957	\$25,986,135	46.99%
General Fund	5,345,653	5,537,043	5,700,362	5,825,156	10,882,696	11,525,518	642,822	5.91%
State Special	1,004,215	1,472,895	1,421,352	1,393,170	2,477,110	2,814,522	337,412	13.62%
Federal Special	19,976,360	21,965,656	33,391,982	33,555,935	41,942,016	66,947,917	25,005,901	59.62%
Total Funds	\$26,326,228	\$28,975,594	\$40,513,696	\$40,774,261	\$55,301,822	\$81,287,957	\$25,986,135	46.99%

Agency Description

Agency Mission: To provide safety and well being for citizens of Montana through mission-ready forces, for federal and state activations, emergency services as directed by the Governor, and services to Montana Veterans.

The Department of Military Affairs is administered by the Adjutant General and his staff. The agency oversees all activities of the Army and Air National Guard, Disaster and Emergency Services, the National Guard Youth Challenge program, and the National Guard educational outreach program, STARBASE. The Veterans Affairs Division, which is administratively attached to the department, manages and coordinates with state and federal agencies in providing services for veterans and their families as well as the state veterans' cemeteries.

The department, through the Army and Air National Guard, manages a joint federal-state program that maintains trained and equipped military organizations for the Governor in the event of a state emergency and the President in the event of a national emergency. The department also plans for and coordinates state responses in disaster and emergency situations.

Agency Highlights

Department of Military Affairs HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature approved a 47.0 percent increase in overall funding from the 2009 to the 2011 biennium including a 5.9 percent increase from the general fund ◆ The legislature added: <ul style="list-style-type: none"> • Funding for federal disaster and emergency grants that were funded through budget amendments in prior biennia • An additional 10.5 FTE and associated funding to expand the Challenge Program, Army National Guard, and Veterans Affairs ◆ The 2011 biennium budget annualizes the STARBASE program, which had a delayed start in the 2009 biennium ◆ Funding was provided for overtime in 24/7 positions throughout the agency

<ul style="list-style-type: none"> ◆ The legislature applied a \$233,150 biennial reduction in general fund to the agency ◆ The legislature authorized funding of the pay plan bill (HB 13)
HB 645 Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature authorized \$1,279,568 of federal special revenue spending authority for various facility improvement projects ◆ The legislature approved appropriation of \$250,000 general fund for a military museum at Fort Harrison ◆ \$750,000 general fund was provided for an Improvised Explosive Device (IED) training program

Summary of Legislative Action

The legislature has approved funding to add 10.5 FTE among three divisions. The additional positions include 3.0 FTE in Veterans Affairs for new Veteran Service Officers throughout the state and 1.5 FTE for the Montana Youth Challenge program for participant recruiting and mentoring. Due to prior investments in new facilities, the legislature provided an additional 1.0 FTE in the Army National Guard for facilities maintenance and 2.0 FTE in Veterans Affairs for cemetery operations at the new Missoula veterans' cemetery. The Army National Guard was provided an additional 3.0 FTE to replace contracted services. The total growth in personal services accounts for 7.23 percent of the total budget change from the prior biennium.

The legislature provided funding for overtime in 24/7 positions throughout the agency including the Montana Youth Challenge, Air National Guard, and Disaster and Emergency Services programs.

Various operational funding requests were approved by the legislature as well as funding for HB 13, the pay plan bill. An unspecified reduction in general fund was applied by the legislature to the agency in the amount of \$233,150 over the biennium.

The largest single impact of the legislatively approved budget is the addition of \$24.36 million in federal grant spending authority for Homeland Security and Disaster and Emergency Services. These funds had been added through budget amendments in prior biennia.

Funding

The following table summarizes funding for each agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Agency Program	Total Agency Funding 2011 Biennium Budget				
	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Division	\$ 1,076,044	\$ -	\$ 459,188	\$ 1,535,232	1.9%
02 Challenge Program	2,605,291	-	4,026,476	6,631,767	8.2%
03 Scholarship Program	500,000	-	-	500,000	0.6%
04 Starbase	-	-	734,002	734,002	0.9%
12 Army National Guard Pgm	2,640,501	-	26,107,031	28,747,532	35.4%
13 Air National Guard Pgm	747,660	-	7,181,914	7,929,574	9.8%
21 Disaster & Emergency Services	2,162,725	634,955	28,439,306	31,236,986	38.4%
31 Veterans Affairs Program	1,793,297	2,179,567	-	3,972,864	4.9%
Grand Total	<u>\$ 11,525,518</u>	<u>\$ 2,814,522</u>	<u>\$ 66,947,917</u>	<u>\$ 81,287,957</u>	<u>100.00%</u>

The Department of Military Affairs is funded from general fund, state special revenue, and federal special revenue funds. General fund supports a portion of most of the programs in the department and 100 percent of the cost of the National Guard Scholarship program.

State special revenue funds the Disaster and Emergency Services Division, Veterans Affairs Program and Montana Military Family Relief program. The Veterans Affairs Division accounts for 77.4 percent of the state special revenue funding with revenues generated through vehicle registrations, specialty license plates, and cemetery plot fees and donations.

Federal special revenues account for approximately 82.4 percent of total agency funding. The most significant impact to the total funding increase is the movement of \$24.36 million in federal grants previously appropriated via budget amendments to HB 2 in the 2011 biennium.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	5,345,653	5,345,653	10,691,306	92.76%	26,326,228	26,326,228	52,652,456	64.77%
Statewide PL Adjustments	178,233	232,668	410,901	3.57%	642,329	687,143	1,329,472	1.64%
Other PL Adjustments	210,976	267,673	478,649	4.15%	1,250,610	1,421,031	2,671,641	3.29%
New Proposals	(34,500)	(20,838)	(55,338)	(0.48%)	12,294,529	12,339,859	24,634,388	30.31%
Total Budget	\$5,700,362	\$5,825,156	\$11,525,518		\$40,513,696	\$40,774,261	\$81,287,957	

Other Legislation

HB 645 – This bill is the appropriations bill for funds received by the state from the federal government under the American Recovery and Reinvestment Act (ARRA) of 2009. A portion of the federal funds provided by the ARRA to Montana for certain programs enabled the legislature to free-up general fund for use in implementing the intent of the ARRA at the state level. These funds are either appropriated directly in HB 645 or transferred to state special fund accounts for appropriation in the bill. Federal special funds appropriated to the agency are “siloeed” funds in the ARRA. These funds have specified federal direction pertaining to the use of the funds.

The Department of Military Affairs is provided \$1.3 million in federal special revenue for the National Guard Bureau approved projects to improve, repair and modernize facilities. In addition, the legislature provided general fund appropriations of \$250,000 for a military museum and \$750,000 for Improvised Explosive Device (IED) training.

Total Agency Funding 2011 Biennium Budget			
Agency Program	General Fund	Grand Total	Total %
12 Army National Guard Pgm	\$ 1,000,000	\$ 2,279,568	100.00%
Grand Total	\$ 1,000,000	\$ 2,279,568	100.00%

HB 2 and HB 645 Combined

The following table illustrates the combined HB 2 and HB 645 appropriations by funding source. The first two columns show the appropriations in HB 2 and HB 645 side by side, the third column shows the total funding for the agency from both bills. A detailed explanation of impacts to individual programs, including on-going funding and present law adjustments due to using one-time-only funding from HB 645 in existing programs is presented at the program level when applicable.

2011 Biennium HB 2 and HB 645 Combined Department of Military Affairs			
Fund	HB 2	One-time HB 645 Appropriations	2011 Biennium Revised Total
General Fund	\$11,525,518	\$1,000,000	\$12,525,518
State Special Revenues	2,814,522	0	\$2,814,522
Federal Special Revenues	66,947,917	1,279,568	68,227,485
Total Funds	\$81,287,957	\$2,279,568	\$83,567,525

HB 676 – This is the companion bill to HB 2 that enables substantive changes in law to implement the intent of some HB 2 appropriations. Language contained in the bill regarding the appropriation to the Veterans Affairs Program requires that the additional

Veteran Service Officer FTE attached to the veterans' service office in Missoula, on average, spend 2 days each week in Hamilton, 2 days each week in Polson, and 1 day each week in Missoula.

HB 127 – This bill creates a Montana National Guard land purchase account in the state special revenue fund and requires that if the state sells an armory, the money from the sale must be deposited in the account. It also creates a statutory appropriation from the account for the preparations to purchase or for the purchase of land necessary for the Montana National Guard's mission upon the authorization of the Governor.

HB 273 – This bill increases the maximum amount available for transfer to local sheriff's offices for search and rescue operations from \$3,000 to \$6,000 per rescue operation and increases the maximum amount available to match local funds for the purchase of search and rescue equipment from \$2,000 to \$6,000.

Executive Budget Comparison

The following table compares the legislative budget in the 2011 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2008	Executive Budget Fiscal 2010	Legislative Budget Fiscal 2010	Leg – Exec. Difference Fiscal 2010	Executive Budget Fiscal 2011	Legislative Budget Fiscal 2011	Leg – Exec. Difference Fiscal 2011	Biennium Difference Fiscal 10-11
FTE	182.15	192.65	192.65	0.00	192.65	192.65	0.00	
Personal Services	9,331,043	10,221,578	10,364,131	142,553	10,263,559	10,453,254	189,695	332,248
Operating Expenses	15,431,921	16,317,953	16,208,878	(109,075)	16,489,395	16,380,320	(109,075)	(218,150)
Equipment & Intangible Assets	273,976	323,976	323,976	0	323,976	323,976	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,287,008	13,614,431	13,614,431	0	13,614,431	13,614,431	0	0
Benefits & Claims	2,280	2,280	2,280	0	2,280	2,280	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$26,326,228	\$40,480,218	\$40,513,696	\$33,478	\$40,693,641	\$40,774,261	\$80,620	\$114,098
General Fund	5,345,653	5,765,949	5,700,362	(65,587)	5,876,537	5,825,156	(51,381)	(116,968)
State/Other Special	1,004,215	1,407,954	1,421,352	13,398	1,377,190	1,393,170	15,980	29,378
Federal Special	19,976,360	33,306,315	33,391,982	85,667	33,439,914	33,555,935	116,021	201,688
Total Funds	\$26,326,228	\$40,480,218	\$40,513,696	\$33,478	\$40,693,641	\$40,774,261	\$80,620	\$114,098

The legislature approved the executive budget for the agency in its entirety. In addition, the legislature has added \$7,500 each year (\$15,000 for the biennium) to the Veterans Affairs Program for operating expenses associated with Veteran Service Officer travel expenses from the Missoula office to Hamilton and Polson.

An unspecified general fund reduction was applied to the agency in the amount of \$233,150 over the biennium by the legislature. Language included in the bill allows the agency to allocate the reduction among programs when developing their 2011 biennium operating plans.

The legislature added funding for the implementation of HB 13, the pay plan bill.

Language and Statutory Authority

The legislature added the following language to HB 2:

“Centralized Services includes unspecified reductions in general fund money of \$116,575 in fiscal year 2010 and \$116,575 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans.”

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	11.20	11.20	11.20	11.20	11.20	11.20	0.00	0.00%
Personal Services	670,827	797,159	782,926	789,364	1,467,986	1,572,290	104,304	7.11%
Operating Expenses	91,829	121,430	(19,870)	(24,330)	213,259	(44,200)	(257,459)	(120.73%)
Equipment & Intangible Assets	1,291	0	1,291	1,291	1,291	2,582	1,291	100.00%
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00%
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$766,227	\$920,869	\$766,627	\$768,605	\$1,687,096	\$1,535,232	(\$151,864)	(9.00%)
General Fund	548,684	630,258	537,970	538,074	1,178,942	1,076,044	(102,898)	(8.73%)
State Special	0	0	0	0	0	0	0	n/a
Federal Special	217,543	290,611	228,657	230,531	508,154	459,188	(48,966)	(9.64%)
Total Funds	\$766,227	\$920,869	\$766,627	\$768,605	\$1,687,096	\$1,535,232	(\$151,864)	(9.00%)

Program Description

The Centralized Services Division provides departmental administration through the Office of the Adjutant General and agency-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.

Program Highlights

Centralized Services Division HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The legislatively approved budget decreases 9.0 percent from the 2009 biennium to the 2011 biennium due to a 2.0 percent reduction in general fund applied to the agency

Program Narrative

The legislatively approved budget for the Centralized Services Division decreases by 9 percent in the 2011 biennium over the 2009 biennium. The legislature applied a 2 percent general fund reduction totaling \$233,150 to the agency via this division along with language that provides for the distribution of the reduction among divisions at the discretion of the agency. The general fund reduction accounts for the program's entire biennial budget decrease.

Funding was provided by the legislature for the implementation of HB 13, the pay plan bill and for the workers' compensation management plan.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table Centralized Services Division							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 548,684	71.6%	\$ 537,970	70.2%	\$ 538,074	70.0%	
01100 General Fund	548,684	71.6%	537,970	70.2%	538,074	70.0%	
03000 Total Federal Special Funds	217,543	28.4%	228,657	29.8%	230,531	30.0%	
03132 National Guard	152,714	19.9%	157,745	20.6%	159,040	20.7%	
03134 Disaster & Emergency Services	27,716	3.6%	31,520	4.1%	31,773	4.1%	
03453 Air National Guard	37,113	4.8%	39,392	5.1%	39,718	5.2%	
Grand Total	\$ 766,227	100.0%	\$ 766,627	100.0%	\$ 768,605	100.0%	

The Centralized Services Division is funded through both the general fund and federal funds. 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. For the 2011 biennium, federal funds support 29.9 percent of the funding for the program.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	548,684	548,684	1,097,368	101.98%	766,227	766,227	1,532,454	99.82%
Statewide PL Adjustments	118,648	115,132	233,780	21.73%	135,136	131,976	267,112	17.40%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(129,362)	(125,742)	(255,104)	(23.71%)	(134,736)	(129,598)	(264,334)	(17.22%)
Total Budget	\$537,970	\$538,074	\$1,076,044		\$766,627	\$768,605	\$1,535,232	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “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 2010-----				-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					164,111					165,397
Vacancy Savings					(33,399)					(33,448)
Inflation/Deflation					625					912
Fixed Costs					3,799					(885)
Total Statewide Present Law Adjustments		\$118,648	\$0	\$16,488	\$135,136		\$115,132	\$0	\$16,844	\$131,976
Grand Total All Present Law Adjustments	0.00	\$118,648	\$0	\$16,488	\$135,136	0.00	\$115,132	\$0	\$16,844	\$131,976

New Proposals

Program	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13										
01	0.00	2,736	0	1,140	3,876	0.00	8,256	0	3,420	11,676
DP 6014 - Pay Plan Lump Sum Payment OTO										
01	0.00	1,810	0	750	2,560	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Management Pgm Allocation										
01	0.00	452	0	0	452	0.00	389	0	0	389
DP 6105 - 2 Percent Unspecified Reduction of General Fund										
01	0.00	(116,575)	0	0	(116,575)	0.00	(116,575)	0	0	(116,575)
DP 8101 - Increasing 4% Vacancy Savings to 7%										
01	0.00	(17,785)	0	(7,264)	(25,049)	0.00	(17,812)	0	(7,276)	(25,088)
Total	0.00	(\$129,362)	\$0	(\$5,374)	(\$134,736)	0.00	(\$125,742)	\$0	(\$3,856)	(\$129,598)

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Pgm Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 6105 - 2 Percent Unspecified Reduction of General Fund - This item provides an unspecified reduction in general fund of 2 percent for the agency. Language included in the bill allows the agency to allocate the reduction in funding among programs when developing 2011 biennium operating plans.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Language and Statutory Authority

The legislature added the following language to HB 2:

"Centralized Services includes unspecified reductions in general fund money of \$116,575 in fiscal year 2010 and \$116,575 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans."

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	47.65	47.65	49.15	49.15	47.65	49.15	1.50	3.15%
Personal Services	2,060,522	2,088,284	2,120,055	2,135,491	4,148,806	4,255,546	106,740	2.57%
Operating Expenses	1,110,658	1,197,848	1,192,733	1,183,488	2,308,506	2,376,221	67,715	2.93%
Total Costs	\$3,171,180	\$3,286,132	\$3,312,788	\$3,318,979	\$6,457,312	\$6,631,767	\$174,455	2.70%
General Fund	1,251,661	1,288,737	1,301,534	1,303,757	2,540,398	2,605,291	64,893	2.55%
Federal Special	1,919,519	1,997,395	2,011,254	2,015,222	3,916,914	4,026,476	109,562	2.80%
Total Funds	\$3,171,180	\$3,286,132	\$3,312,788	\$3,318,979	\$6,457,312	\$6,631,767	\$174,455	2.70%

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, increase their educational levels, and their 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 HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature added funding for increased personal services including: <ul style="list-style-type: none"> • The addition of 0.5 FTE and associated costs for mentoring • The addition of 1.0 FTE and associated costs for recruiting ◆ The legislature approved funding for overtime not included in the base ◆ Federal spending authority was provided for Challenge Program employee training

Program Narrative

In addition to approving the statewide present law adjustment for the program, the legislature has provided additional funding to the Youth Challenge Program for participant recruitment and post-residential phase mentoring. The funding supports 1.0 FTE for expanded recruiting in areas of the state identified by the 2005 Legislative Audit where high school drop-out rates exceeded the program's recruitment rates and 0.5 FTE to bring a half-time case manager position to full time.

The legislature approved funding for overtime and other costs that are not carried forward in the base budget for the upcoming biennium. In addition the legislature provided spending authority for 100% federally funded training programs for some eligible Youth Challenge employees. Funding was provided by the legislature as well for the implementation of HB 13, the pay plan bill and for the workers' compensation management plan.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Challenge Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 1,251,661	39.5%	\$ 1,301,534	39.3%	\$ 1,303,757	39.3%
01100 General Fund	1,251,661	39.5%	1,301,534	39.3%	1,303,757	39.3%
03000 Total Federal Special Funds	1,919,519	60.5%	2,011,254	60.7%	2,015,222	60.7%
03132 National Guard	1,919,519	60.5%	2,011,254	60.7%	2,015,222	60.7%
Grand Total	\$ 3,171,180	100.0%	\$ 3,312,788	100.0%	\$ 3,318,979	100.0%

The Youth Challenge Program is funded with general fund and federal special revenue at a 60/40 federal to state funding ratio for most costs. Some travel and special projects required by the federal/state cooperative agreement are funded 100 percent from federal funds. Total funding ratios between general fund and federal special revenue remain nearly constant and reflect the increases in total expenditures.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	1,251,661	1,251,661	2,503,322	96.09%	3,171,180	3,171,180	6,342,360	95.64%
Statewide PL Adjustments	22,367	21,398	43,765	1.68%	22,406	20,591	42,997	0.65%
Other PL Adjustments	36,293	36,213	72,506	2.78%	140,731	140,527	281,258	4.24%
New Proposals	(8,787)	(5,515)	(14,302)	(0.55%)	(21,529)	(13,319)	(34,848)	(0.53%)
Total Budget	\$1,301,534	\$1,303,757	\$2,605,291		\$3,312,788	\$3,318,979	\$6,631,767	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					76,869					84,039
Vacancy Savings					(85,497)					(85,784)
Inflation/Deflation					1,748					2,031
Fixed Costs					29,286					20,305
Total Statewide Present Law Adjustments		\$22,367	\$0	\$39	\$22,406		\$21,398	\$0	(\$807)	\$20,591
DP 201 - Improve ChalleNGE Recruiting Efforts	1.00	15,342	0	23,014	38,356	1.00	15,346	0	23,018	38,364
DP 202 - Funding for ChalleNGe 24/7 Overtime	0.00	14,000	0	21,000	35,000	0.00	14,000	0	21,000	35,000
DP 203 - Challenge Mentoring Activity Support	0.50	7,533	0	11,300	18,833	0.50	7,534	0	11,302	18,836
DP 204 - Federal Spending Authority for Challenge Training	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 7101 - Fuel Inflation Reduction	0.00	(582)	0	(876)	(1,458)	0.00	(667)	0	(1,006)	(1,673)
Total Other Present Law Adjustments	1.50	\$36,293	\$0	\$104,438	\$140,731	1.50	\$36,213	\$0	\$104,314	\$140,527
Grand Total All Present Law Adjustments	1.50	\$58,660	\$0	\$104,477	\$163,137	1.50	\$57,611	\$0	\$103,507	\$161,118

DP 201 - Improve ChalleNGE Recruiting Efforts - The legislature approved \$38,356 in FY 2010 and \$38,364 in FY 2011 in additional general fund and federal special revenue funding for 1.00 FTE to improve the program's recruiting efforts.

DP 202 - Funding for ChalleNGe 24/7 Overtime - The legislature approved \$35,000 general fund and federal special revenue funding each year of the biennium to support overtime, holidays worked, and excess exempt comp time payout costs for the Montana Youth ChalleNGe program. These costs are zero based and are not included in the program's base budget. These costs are incurred because the program is required to have staff coverage 24 hours a day, 7 days a week.

DP 203 - Challenge Mentoring Activity Support - The legislature approved \$18,833 in FY 2010 and \$18,836 in FY 2011 general fund and federal special revenue funding to add 0.50 FTE to serve as a case manager for mentoring activities for the Montana Youth ChalleNGe Program.

DP 204 - Federal Spending Authority for Challenge Training - The legislature approved an appropriation of \$50,000 federal special revenue each year of the biennium for ChalleNGe employees to participate in training classes required by the National Guard Bureau. These federal funds do not require any state matching funds.

DP 7101 - Fuel Inflation Reduction - The legislature approved a reduction in funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is that no inflation adjustment has been applied to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13										
02	0.00	6,402	0	9,798	16,200	0.00	19,352	0	29,500	48,852
DP 6014 - Pay Plan Lum Sum Payment OTO										
02	0.00	9,464	0	14,431	23,895	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Management Pgm Allocation										
02	0.00	999	0	1,500	2,499	0.00	866	0	1,301	2,167
DP 8101 - Increasing 4% Vacancy Savings to 7%										
02	0.00	(25,652)	0	(38,471)	(64,123)	0.00	(25,733)	0	(38,605)	(64,338)
Total	0.00	(\$8,787)	\$0	(\$12,742)	(\$21,529)	0.00	(\$5,515)	\$0	(\$7,804)	(\$13,319)

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Pgm Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
Operating Expenses	250,000	250,000	250,000	250,000	500,000	500,000	0	0.00%
Total Costs	\$250,000	\$250,000	\$250,000	\$250,000	\$500,000	\$500,000	\$0	0.00%
General Fund	250,000	250,000	250,000	250,000	500,000	500,000	0	0.00%
Total Funds	\$250,000	\$250,000	\$250,000	\$250,000	\$500,000	\$500,000	\$0	0.00%

Program Description

The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Highlights

Scholarship Program HB 2 Budget Highlights
◆ The legislature approved the present law budget for the program

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Scholarship Program						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 250,000	100.0%	\$ 250,000	100.0%	\$ 250,000	100.0%
01100 General Fund	250,000	100.0%	250,000	100.0%	250,000	100.0%
Grand Total	\$ 250,000	100.0%	\$ 250,000	100.0%	\$ 250,000	100.0%

This program is funded entirely through the general fund.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	250,000	250,000	500,000	100.00%	250,000	250,000	500,000	100.00%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other 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	\$250,000	\$250,000	\$500,000		\$250,000	\$250,000	\$500,000	

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	95,963	168,044	209,156	210,284	264,007	419,440	155,433	58.87%
Operating Expenses	154,039	81,956	157,644	156,918	235,995	314,562	78,567	33.29%
Total Costs	\$250,002	\$250,000	\$366,800	\$367,202	\$500,002	\$734,002	\$234,000	46.80%
Federal Special	250,002	250,000	366,800	367,202	500,002	734,002	234,000	46.80%
Total Funds	\$250,002	\$250,000	\$366,800	\$367,202	\$500,002	\$734,002	\$234,000	46.80%

Program Description

The Montana STARBASE "Big Sky" Program is a program for elementary school aged children to raise the interest and improve the knowledge and skills of at-risk youth in math, science, and technology by exposing them and their teachers to real world applications of math and science through experimental learning, simulations, and experiments in aviation and space-related fields as it deals with a technological environment. The program also addresses drug use prevention, health, self esteem, and life skills with a math and science based program. The program has implemented policies, responsibilities, and procedures for execution of the program under the authority of Section 2193b of Title 10, United States Code and Department of Defense Instruction, 1025.7.

Program Highlights

STARBASE Program HB 2 Budget Highlights	
◆	The legislatively approved funding increases by 46.8 percent in the 2011 biennium from the 2009 biennium are due to the program not yet being in full operation during the base year

Program Narrative

The legislatively approved budget for the program increases 46.8 percent in the 2011 biennium from the 2009 biennium due to present law adjustments related to program costs that were not captured in the prior biennium because the program was not fully operating until early in the 2009 fiscal year. Funding was also provided by the legislature for implementation of HB 13, the pay plan bill.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Starbase						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
03000 Total Federal Special Funds	\$ 250,002	100.0%	\$ 366,800	100.0%	\$ 367,202	100.0%
03453 Air National Guard	<u>250,002</u>	<u>100.0%</u>	<u>366,800</u>	<u>100.0%</u>	<u>367,202</u>	<u>100.0%</u>
Grand Total	<u>\$ 250,002</u>	<u>100.0%</u>	<u>\$ 366,800</u>	<u>100.0%</u>	<u>\$ 367,202</u>	<u>100.0%</u>

This program is funded entirely with federal special revenue.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	250,002	250,002	500,004	68.12%
Statewide PL Adjustments	0	0	0	0.00%	120,515	119,859	240,374	32.75%
Other PL Adjustments	0	0	0	0.00%	(4)	(4)	(8)	0.00%
New Proposals	0	0	0	0.00%	(3,713)	(2,655)	(6,368)	(0.87%)
Total Budget	\$0	\$0	\$0		\$366,800	\$367,202	\$734,002	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					125,860					125,922
Vacancy Savings					(8,873)					(8,876)
Inflation/Deflation					17					21
Fixed Costs					3,511					2,792
Total Statewide Present Law Adjustments		\$0	\$0	\$120,515	\$120,515		\$0	\$0	\$119,859	\$119,859
DP 7101 - Fuel Inflation Reduction	0.00	0	0	(4)	(4)	0.00	0	0	(4)	(4)
Total Other Present Law Adjustments	0.00	\$0	\$0	(\$4)	(\$4)	0.00	\$0	\$0	(\$4)	(\$4)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$120,511	\$120,511	0.00	\$0	\$0	\$119,855	\$119,855

DP 7101 - Fuel Inflation Reduction - The legislature approved a reduction in funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is that no inflation adjustment has been applied to these two expenditure categories.

New Proposals

New Proposals	Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13	04	0.00	0	0	1,304	1,304	0.00	0	0	3,932	3,932
DP 6014 - Pay Plan Lump Sum Payment OTO	04	0.00	0	0	1,557	1,557	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Management Program Allocation	04	0.00	0	0	81	81	0.00	0	0	70	70
DP 8101 - Increasing 4% Vacancy Savings to 7%	04	0.00	0	0	(6,655)	(6,655)	0.00	0	0	(6,657)	(6,657)
Total		0.00	\$0	\$0	(\$3,713)	(\$3,713)	0.00	\$0	\$0	(\$2,655)	(\$2,655)

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this

program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Program Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	37.30	37.30	41.30	41.30	37.30	41.30	4.00	10.72%
Personal Services	2,098,036	2,261,822	2,374,531	2,393,030	4,359,858	4,767,561	407,703	9.35%
Operating Expenses	11,385,229	11,623,845	11,568,725	11,801,336	23,009,074	23,370,061	360,987	1.57%
Equipment & Intangible Assets	254,955	207,305	304,955	304,955	462,260	609,910	147,650	31.94%
Capital Outlay	0	0	0	0	0	0	0	n/a
Total Costs	\$13,738,220	\$14,092,972	\$14,248,211	\$14,499,321	\$27,831,192	\$28,747,532	\$916,340	3.29%
General Fund	1,191,692	1,151,627	1,260,603	1,379,898	2,343,319	2,640,501	297,182	12.68%
State Special	0	12,000	0	0	12,000	0	(12,000)	(100.00%)
Federal Special	12,546,528	12,929,345	12,987,608	13,119,423	25,475,873	26,107,031	631,158	2.48%
Total Funds	\$13,738,220	\$14,092,972	\$14,248,211	\$14,499,321	\$27,831,192	\$28,747,532	\$916,340	3.29%

Program Description

The Army National Guard, until federalized, is a state military organization which 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 state-wide 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 HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The total legislative budget increases by 3.3 percent in the 2011 biennium from the 2009 biennium. ◆ The legislature approved a total of 4.0 new FTE and their associated expenditures in the 2011 biennium <ul style="list-style-type: none"> • 1.0 new FTE for facility maintenance • 3.0 new 100 percent federally funded FTE for National Guard operations.

Program Narrative

The legislature approved a 3.3 percent increase in the program's budget for the 2011 biennium from the 2009 biennium that includes the addition of 4.0 FTE for operations and replacement of contracted services and for implementation of HB 13, the pay plan bill. Of the additional positions, 3.0 FTE are fully federally funded.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
Army National Guard Pgm							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 1,191,692	8.7%	\$ 1,260,603	8.8%	\$ 1,379,898	9.5%	
01100 General Fund	1,191,692	8.7%	1,260,603	8.8%	1,379,898	9.5%	
03000 Total Federal Special Funds	12,546,528	91.3%	12,987,608	91.2%	13,119,423	90.5%	
03132 National Guard	12,546,528	91.3%	12,987,608	91.2%	13,119,423	90.5%	
Grand Total	\$ 13,738,220	100.0%	\$ 14,248,211	100.0%	\$ 14,499,321	100.0%	

The Army National Guard program is funded with a combination of general fund and federal funds. General fund accounts for 9.2 percent of overall expenditures for the biennium. 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 the ratio between general fund and federal funds dependent on the specific activity or use

When a facility is owned by the state and located on state land, maintenance costs are the responsibility of the state and utility costs are split evenly with the federal government. When a facility is state owned but located on federal land, the maintenance costs are funded 75 percent federal and 25 percent general fund, but utility costs are funded 100 percent general fund. When a facility is classified as a logistics facility, the funding is 100 percent federal funds for the entire facility. Federally owned facilities located on federal land and those that serve training missions are predominantly 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 maintenance and 50 percent federal and 50 percent general fund for utilities 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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	1,191,692	1,191,692	2,383,384	90.26%	13,738,220	13,738,220	27,476,440	95.58%
Statewide PL Adjustments	45,288	106,795	152,083	5.76%	252,913	301,805	554,718	1.93%
Other PL Adjustments	27,605	84,328	111,933	4.24%	299,495	487,559	787,054	2.74%
New Proposals	(3,982)	(2,917)	(6,899)	(0.26%)	(42,417)	(28,263)	(70,680)	(0.25%)
Total Budget	\$1,260,603	\$1,379,898	\$2,640,501		\$14,248,211	\$14,499,321	\$28,747,532	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					222,236					226,502
Vacancy Savings					(92,809)					(92,986)
Inflation/Deflation					115,342					126,721
Fixed Costs					8,144					41,568
Total Statewide Present Law Adjustments		\$45,288	\$0	\$207,625	\$252,913		\$106,795	\$0	\$195,010	\$301,805
DP 1201 - Operational Support for New ARNG Facilities	1.00	28,413	0	67,786	96,199	1.00	85,255	0	199,879	285,134
DP 1202 - 100% Federal Support for National Guard Operations	3.00	0	0	209,596	209,596	3.00	0	0	209,656	209,656
DP 7101 - Fuel Inflation Reduction	0.00	(808)	0	(5,492)	(6,300)	0.00	(927)	0	(6,304)	(7,231)
Total Other Present Law Adjustments	4.00	\$27,605	\$0	\$271,890	\$299,495	4.00	\$84,328	\$0	\$403,231	\$487,559
Grand Total All Present Law Adjustments	4.00	\$72,893	\$0	\$479,515	\$552,408	4.00	\$191,123	\$0	\$598,241	\$789,364

DP 1201 - Operational Support for New ARNG Facilities - The legislature approved \$96,199 in FY 2010 and \$285,134 in FY 2011 general fund and federal special revenue funding to support the operational costs of Army National Guard facilities that came on line after the base year. This funding is to provide a basic level of janitorial services, utilities, ground maintenance, code required inspections such as fire sprinkler, fire alarm, and kitchen hood inspections as well as an 80 percent federally funded FTE.

DP 1202 - 100% Federal Support for National Guard Operations - The legislature approved \$209,596 in FY 2010 and \$209,656 in FY 2011 federal special revenue funding to hire 3.00 FTE and operations funding to support the Army National Guard (ARNG) mission. 1.0 FTE provides supervision for the Geographic Information Systems employees while the other 2.00 FTE replace contracted services for weapons vault and supply room alarm systems.

DP 7101 - Fuel Inflation Reduction - The legislature approved a reduction in funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is that no inflation adjustment has been applied to these two expenditure categories.

New Proposals

Program	-----Fiscal 2010-----					-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 6013 - 2011 Biennium Pay Plan - HB 13	12	0.00	1,163	0	12,181	13,344	0.00	3,534	0	36,721	40,255
DP 6014 - Pay Plan Lump Sum Payment OTO	12	0.00	1,276	0	11,161	12,437	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Management Program Allocation	12	0.00	142	0	1,268	1,410	0.00	124	0	1,100	1,224
DP 8101 - Increasing 4% Vacancy Savings to 7%	12	0.00	(6,563)	0	(63,045)	(69,608)	0.00	(6,575)	0	(63,167)	(69,742)
Total	0.00	(\$3,982)	\$0	(\$38,435)	(\$42,417)	0.00	(\$2,917)	\$0	(\$25,346)	(\$28,263)	

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Program Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Other Legislation

HB 645 – This bill appropriates \$2,279,568 to the program from funds received under the federal American Recovery and Reinvestment Act (ARRA) of 2009.

The Department of Military Affairs is provided \$1,279,568 federal special revenue for National Guard Bureau approved projects to improve, repair and modernize facilities. These funds are specifically directed to be spent for this purpose by the federal act and therefore been designated “siloeed” funds by the legislature. The projects to be completed are:

- Billings Armory Water Recycler
- Fort Harrison Building 412 Mechanical
- Culbertson Armory Female Latrines
- Malta Armory Female Latrines
- Statewide Armories Vault Modifications
- Fort Harrison Helicopter Dip Site

In addition, the legislature provided general fund appropriation of \$250,000 for a military museum and \$750,000 for Improvised Explosive Device (IED) training. IED training funds include the purchase of a modular multi-station simulation of situations where military personal may be likely to encounter IED attacks. The intent of the program is to train troops to recognize and defend against these potentially dangerous situations prior to deployment to a conflict area.

All funds appropriated under the ARRA are one-time-only and, therefore, do not add to the base funding of the program. If additional funding is required on an on-going basis to support or continue programs initiated with funds provided by HB 645, those funds will need to be appropriated in HB 2 in future biennia.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	34.00	34.00	34.00	34.00	34.00	34.00	0.00	0.00%
Personal Services	1,992,722	2,146,792	2,146,198	2,175,239	4,139,514	4,321,437	181,923	4.39%
Operating Expenses	1,756,659	2,995,593	1,805,169	1,802,968	4,752,252	3,608,137	(1,144,115)	(24.08%)
Total Costs	\$3,749,381	\$5,142,385	\$3,951,367	\$3,978,207	\$8,891,766	\$7,929,574	(\$962,192)	(10.82%)
General Fund	351,740	388,315	373,455	374,205	740,055	747,660	7,605	1.03%
Federal Special	3,397,641	4,754,070	3,577,912	3,604,002	8,151,711	7,181,914	(969,797)	(11.90%)
Total Funds	\$3,749,381	\$5,142,385	\$3,951,367	\$3,978,207	\$8,891,766	\$7,929,574	(\$962,192)	(10.82%)

Program Description

The Air National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, 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 and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Highlights

Air National Guard HB 2 Budget Highlights	
◆	Requested funding decreases by 10.82 percent for the 2011 biennium from the 2009 biennium due to operational savings related to the change in the type of aircraft used
◆	The legislature added \$671,098 for fire fighter overtime in the 2011 biennium

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table Air National Guard Pgm						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 351,740	9.4%	\$ 373,455	9.5%	\$ 374,205	9.4%
01100 General Fund	351,740	9.4%	373,455	9.5%	374,205	9.4%
03000 Total Federal Special Funds	3,397,641	90.6%	3,577,912	90.5%	3,604,002	90.6%
03453 Air National Guard	3,397,641	90.6%	3,577,912	90.5%	3,604,002	90.6%
Grand Total	\$ 3,749,381	100.0%	\$ 3,951,367	100.0%	\$ 3,978,207	100.0%

The Air National Guard program is funded primarily from federal funds. In the 2009 biennium, federal funds supported 90.6 percent of the expenditures and general fund provided 9.4 percent. In the 2011 biennium, federal funds and general fund ratios remain unchanged.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	351,740	351,740	703,480	94.09%	3,749,381	3,749,381	7,498,762	94.57%
Statewide PL Adjustments	23,658	24,117	47,775	6.39%	(97,901)	(89,389)	(187,290)	(2.36%)
Other PL Adjustments	(14)	(16)	(30)	0.00%	329,158	341,734	670,892	8.46%
New Proposals	(1,929)	(1,636)	(3,565)	(0.48%)	(29,271)	(23,519)	(52,790)	(0.67%)
Total Budget	\$373,455	\$374,205	\$747,660		\$3,951,367	\$3,978,207	\$7,929,574	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010-----				-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(68,199)					(57,235)
Vacancy Savings					(76,978)					(77,419)
Inflation/Deflation					37,051					41,004
Fixed Costs					10,225					4,261
Total Statewide Present Law Adjustments		\$23,658	\$0	(\$121,559)	(\$97,901)		\$24,117	\$0	(\$113,506)	(\$89,389)
DP 1301 - Federal Spending Authority for ANG Firefighter OT	0.00	0	0	329,254	329,254	0.00	0	0	341,844	341,844
DP 7101 - Fuel Inflation Reduction	0.00	(14)	0	(82)	(96)	0.00	(16)	0	(94)	(110)
Total Other Present Law Adjustments	0.00	(\$14)	\$0	\$329,172	\$329,158	0.00	(\$16)	\$0	\$341,750	\$341,734
Grand Total All Present Law Adjustments	0.00	\$23,644	\$0	\$207,613	\$231,257	0.00	\$24,101	\$0	\$228,244	\$252,345

DP 1301 - Federal Spending Authority for ANG Firefighter OT - The legislature approved an appropriation of \$329,254 in FY 2010 and \$341,844 in FY 2011 federal special revenue funding to restore overtime and benefit costs incurred by the Air National Guard firefighters in Great Falls to FY 2008 base levels.

DP 7101 - Fuel Inflation Reduction - The legislature approved a reduction in funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is that no inflation adjustment has been applied to these two expenditure categories.

New Proposals

Program	-----Fiscal 2010-----					-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 6013 - 2011 Biennium Pay Plan - HB 13	13	0.00	750	0	10,324	11,074	0.00	2,260	0	31,132	33,392
DP 6014 - Pay Plan Lump Sum Payment OTO	13	0.00	1,190	0	14,869	16,059	0.00	0	0	0	0
DP 6101 - Fixed Cost Workers Comp Management Pgm Allocation	13	0.00	70	0	1,260	1,330	0.00	61	0	1,093	1,154
DP 8101 - Increasing 4% Vacancy Savings to 7%	13	0.00	(3,939)	0	(53,795)	(57,734)	0.00	(3,957)	0	(54,108)	(58,065)
Total	0.00	(\$1,929)	\$0	(\$27,342)	(\$29,271)	0.00	(\$1,636)	\$0	(\$21,883)	(\$23,519)	

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Pgm Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	23.00	23.00	23.00	23.00	23.00	23.00	0.00	0.00%
Personal Services	1,177,516	1,388,326	1,335,425	1,346,061	2,565,842	2,681,486	115,644	4.51%
Operating Expenses	317,232	377,724	683,785	642,853	694,956	1,326,638	631,682	90.90%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Grants	1,287,008	1,412,260	13,614,431	13,614,431	2,699,268	27,228,862	24,529,594	908.75%
Total Costs	\$2,781,756	\$3,178,310	\$15,633,641	\$15,603,345	\$5,960,066	\$31,236,986	\$25,276,920	424.10%
General Fund	1,046,158	1,099,667	1,081,412	1,081,313	2,145,825	2,162,725	16,900	0.79%
State Special	90,471	334,408	332,478	302,477	424,879	634,955	210,076	49.44%
Federal Special	1,645,127	1,744,235	14,219,751	14,219,555	3,389,362	28,439,306	25,049,944	739.08%
Total Funds	\$2,781,756	\$3,178,310	\$15,633,641	\$15,603,345	\$5,960,066	\$31,236,986	\$25,276,920	424.10%

Program Description

The Disaster and Emergency Services Division 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 a incident, emergency, or disaster.

Program Highlights

Disaster and Emergency Services HB 2 Budget Highlights	
◆	The legislatively approved budget increases by 424.1 percent primarily due to the addition of spending authority for \$24.8 million of federal grants that was provided through budget amendments in prior biennia
◆	The legislature also added funding for: <ul style="list-style-type: none"> ● Governor's disaster preparedness summit ● Increased local search and rescue funding ● Overtime and pay plan implementation

Program Narrative

The legislatively approved budget for the program increases 424.1 percent in the 2011 biennium from the 2009 biennium. This increase includes the addition of nearly \$25.0 million in federal grants that have been added through budget change decisions in prior biennia rather than directly budgeted in HB 2 as done this biennium. Other increases included additional state special revenue for the Governor's disaster preparedness summit and increased local search and rescue funding. Overtime funding was restored by the legislature and funding was provided for implementation of HB 13, the pay plan bill.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
Disaster & Emergency Services							
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
Program Funding		FY 2008	FY 2008	FY 2010	FY 2010	FY 2011	FY 2011
01000	Total General Fund	\$ 1,046,158	37.6%	\$ 1,081,412	6.9%	\$ 1,081,313	6.9%
	01100 General Fund	1,046,158	37.6%	1,081,412	6.9%	1,081,313	6.9%
02000	Total State Special Funds	90,471	3.3%	332,478	2.1%	302,477	1.9%
	02156 Sar Des Dfwf Fees	23,851	0.9%	99,994	0.6%	99,994	0.6%
	02170 Sar Des Off Road Vehicles	61,179	2.2%	124,985	0.8%	124,984	0.8%
	02180 Emergency Preparedness Summit	-	-	60,000	0.4%	30,000	0.2%
	02335 Des Training Conference	5,441	0.2%	47,499	0.3%	47,499	0.3%
03000	Total Federal Special Funds	1,645,127	59.1%	14,219,751	91.0%	14,219,555	91.1%
	03134 Disaster & Emergency Services	1,645,127	59.1%	14,219,751	91.0%	14,219,555	91.1%
Grand	Total	\$ 2,781,756	100.0%	\$ 15,633,641	100.0%	\$ 15,603,345	100.0%

The Disaster and Emergency Services Division is supported with general fund, state special revenue, and federal special revenue. The disaster coordination functions that provide support to communities and contribute to the overall mission of the division are usually funded on a 50/50 basis with general fund and federal special revenue. Disaster coordination functions focusing on specifically identified hazards or functions are usually funded 100 percent with federal funds. A portion of state special revenue is fee revenue from division-sponsored workshops and conferences and is used to support these functions. Other state special revenue includes fees from snowmobile and off road vehicle decals, a percentage of vehicle licensing fees, and a surcharge on hunting and fishing conservation licenses to support local search and rescue organizations.

Homeland Security Funding

The department has received federal homeland security funding since FY 2002. Most of these funds have been added to the department’s budget via the budget amendment (BA) process, rather than the HB 2 legislative process, due to the uncertainty of the amount and the timing of these federal grants. In the 2011 biennium, the authority to expend these funds is contained in HB 2.

Increase in Local Cost Allowances

The passage of HB 273 increased the maximum allowance for payments by the program to local counties to defray the cost of local search and rescue units from \$3,000 to \$6,000 for each rescue mission. In addition, the annual amount available for matching local funds for equipment purchases by local search and rescue units has increased from \$2,000 to \$6,000. These payments are made from state special revenue and the increase was anticipated and funded in HB 2.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	1,046,158	1,046,158	2,092,316	96.74%	2,781,756	2,781,756	5,563,512	17.81%
Statewide PL Adjustments	(99,468)	(102,638)	(202,106)	(9.34%)	179,621	173,250	352,871	1.13%
Other PL Adjustments	147,094	147,151	294,245	13.61%	261,344	231,312	492,656	1.58%
New Proposals	(12,372)	(9,358)	(21,730)	(1.00%)	12,410,920	12,417,027	24,827,947	79.48%
Total Budget	\$1,081,412	\$1,081,313	\$2,162,725		\$15,633,641	\$15,603,345	\$31,236,986	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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 2010				Fiscal 2011					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					205,697					210,358
Vacancy Savings					(55,328)					(55,513)
Inflation/Deflation					1,287					1,466
Fixed Costs					27,965					16,939
Total Statewide Present Law Adjustments										
		(\$99,468)	(\$15)	\$279,104	\$179,621		(\$102,638)	(\$16)	\$275,904	\$173,250
DP 2101 - State Special Revenue Spending Authority										
0.00	0	242,029	0	242,029	0.00	0	212,029	0	212,029	212,029
DP 2103 - DES Duty Officer Overtime										
0.00	9,769	0	9,768	19,537	0.00	9,769	0	9,768	19,537	19,537
DP 2104 - Correct Adjusted Base Funding										
0.00	137,396	0	(137,396)	0	0.00	137,463	0	(137,463)	0	0
DP 7101 - Fuel Inflation Reduction										
0.00	(71)	(7)	(144)	(222)	0.00	(81)	(7)	(166)	(254)	(254)
Total Other Present Law Adjustments										
	0.00	\$147,094	\$242,022	(\$127,772)	\$261,344	0.00	\$147,151	\$212,022	(\$127,861)	\$231,312
Grand Total All Present Law Adjustments										
	0.00	\$47,626	\$242,007	\$151,332	\$440,965	0.00	\$44,513	\$212,006	\$148,043	\$404,562

DP 2101 - State Special Revenue Spending Authority - The legislature approved an appropriation of \$242,029 in FY 2010 and \$212,029 in FY 2011 to provide reimbursements through the Emergency Management Assistance Compact and account for expenditures at the annual Governor's Emergency Preparedness Summit. A portion of this additional authority is used to reimburse county sheriffs and local search and rescue units for expenses related to search and rescue missions, training, and equipment.

DP 2103 - DES Duty Officer Overtime - The legislature approved \$19,537 general fund and federal special revenue funding each year of the biennium to restore overtime to FY 2008 base levels for DES Duty Officers to provide 24 hour, 7 day a week disaster and emergency response.

DP 2104 - Correct Adjusted Base Funding - The legislature approved the substitution of \$137,396 in FY 2010 and 137,463 in FY 2011 of federal special revenue with general fund to correct the adjusted base funding for the DES program. The adjusted base for this program was incorrectly funded and was not noticed until after the executive budget was submitted on November 15th.

DP 7101 - Fuel Inflation Reduction - The legislature approved a reduction in funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is that no inflation adjustment has been applied to these two expenditure categories.

New Proposals

Program	-----Fiscal 2010-----					-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 2102 - Additional Federal Spending Authority	21	0.00	0	0	12,435,390	12,435,390	0.00	0	0	12,435,455	12,435,455
DP 6013 - 2011 Biennium Pay Plan - HB 13	21	0.00	3,680	0	3,749	7,429	0.00	11,132	0	11,316	22,448
DP 6014 - Pay Plan Lump Sum Payment OTO	21	0.00	4,318	0	4,403	8,721	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%	21	0.00	(20,753)	0	(20,754)	(41,507)	0.00	(20,822)	0	(20,823)	(41,645)
DP 61010 - Fixed Cost Workers Comp Management Pgm Allocation	21	0.00	383	0	504	887	0.00	332	0	437	769
Total	0.00	(\$12,372)	\$0	\$12,423,292	\$12,410,920	0.00	(\$9,358)	\$0	\$12,426,385	\$12,417,027	

DP 2102 - Additional Federal Spending Authority - The legislature approved an appropriation of \$24,870,845 federal special revenue in the 2011 biennium with \$511,939 for operating expenses and \$24,358,906 for Homeland Security grants.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

DP 61010 - Fixed Cost Workers Comp Management Pgm Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	25.00	25.00	30.00	30.00	25.00	30.00	5.00	20.00%
Personal Services	1,235,457	1,231,705	1,395,840	1,403,785	2,467,162	2,799,625	332,463	13.48%
Operating Expenses	366,275	523,221	570,692	567,087	889,496	1,137,779	248,283	27.91%
Equipment & Intangible Assets	17,730	100,000	17,730	17,730	117,730	35,460	(82,270)	(69.88%)
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$1,619,462	\$1,854,926	\$1,984,262	\$1,988,602	\$3,474,388	\$3,972,864	\$498,476	14.35%
General Fund	705,718	728,439	895,388	897,909	1,434,157	1,793,297	359,140	25.04%
State Special	913,744	1,126,487	1,088,874	1,090,693	2,040,231	2,179,567	139,336	6.83%
Federal Special	0	0	0	0	0	0	0	n/a
Total Funds	\$1,619,462	\$1,854,926	\$1,984,262	\$1,988,602	\$3,474,388	\$3,972,864	\$498,476	14.35%

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, Fort Harrison, in Helena and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Highlights

Veterans Affairs HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature approved an additional 5.0 FTE and associated expenditures <ul style="list-style-type: none"> • 2.0 FTE for expanded operations and maintenance at Missoula veterans' cemetery • 3.0 FTE for veterans' service officers ◆ The legislature approved funding for HB 13, the pay plan bill

Program Narrative

The legislatively approved budget for the program increases by 14.35 percent in the 2011 biennium from the 2009 biennium with the addition of 5.0 FTE for veterans' cemetery operations and veterans' service office staffing. The legislature also added funding for the implementation of HB 13, the pay plan bill.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table							
Veterans Affairs Program							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 705,718	43.6%	\$ 895,388	45.1%	\$ 897,909	45.2%	
01100 General Fund	705,718	43.6%	895,388	45.1%	897,909	45.2%	
02000 Total State Special Funds	913,744	56.4%	1,088,874	54.9%	1,090,693	54.8%	
02214 Veterans Affairs Cemeteries	217,575	13.4%	308,271	15.5%	308,380	15.5%	
02523 Missoula Cemetery Plot Allowance	-	-	25,000	1.3%	25,000	1.3%	
02524 Missoula Cemetery Donations	-	-	50,000	2.5%	50,000	2.5%	
02548 Veterans Affairs Sb401	682,284	42.1%	626,784	31.6%	628,507	31.6%	
02550 Ft Harr Va Cemetery Donations	4,465	0.3%	14,444	0.7%	14,440	0.7%	
02551 Ft Harr Va Cemetery Plot Allow	9,420	0.6%	39,375	2.0%	39,366	2.0%	
02552 Estrn Mt Va Cemetery Plot All	-	-	15,000	0.8%	15,000	0.8%	
02553 Estrn Mt Va Cemetery Donations	-	-	10,000	0.5%	10,000	0.5%	
Grand Total	\$ 1,619,462	100.0%	\$ 1,984,262	100.0%	\$ 1,988,602	100.0%	

The Veterans' Affairs Program is funded with both general fund and state special revenue. State special revenue is derived from a portion of the vehicle licensing fees and from the sale of branded license plates. Cemetery operations are fully funded by state special revenue received primarily from the sale of veterans' license plates with a smaller portion being received from donations and cemetery plot allowances.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	705,718	705,718	1,411,436	78.71%	1,619,462	1,619,462	3,238,924	81.53%
Statewide PL Adjustments	67,740	67,864	135,604	7.56%	29,639	29,051	58,690	1.48%
Other PL Adjustments	(2)	(3)	(5)	0.00%	219,886	219,903	439,789	11.07%
New Proposals	121,932	124,330	246,262	13.73%	115,275	120,186	235,461	5.93%
Total Budget	\$895,388	\$897,909	\$1,793,297		\$1,984,262	\$1,988,602	\$3,972,864	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					56,684					59,611
Vacancy Savings					(51,686)					(51,802)
Inflation/Deflation					11,753					13,427
Fixed Costs					12,888					7,815
Total Statewide Present Law Adjustments		\$67,740	(\$38,101)	\$0	\$29,639		\$67,864	(\$38,813)	\$0	\$29,051
DP 3101 - VA Cemetery Operations Support	2.00	0	220,405	0	220,405	2.00	0	220,499	0	220,499
DP 7101 - Fuel Inflation Reduction	0.00	(2)	(517)	0	(519)	0.00	(3)	(593)	0	(596)
Total Other Present Law Adjustments	2.00	(\$2)	\$219,888	\$0	\$219,886	2.00	(\$3)	\$219,906	\$0	\$219,903
Grand Total All Present Law Adjustments	2.00	\$67,738	\$181,787	\$0	\$249,525	2.00	\$67,861	\$181,093	\$0	\$248,954

DP 3101 - VA Cemetery Operations Support - The legislature approved \$220,405 for FY 2010 and \$220,499 for FY 2011 of state special revenue spending authority and 2.0 FTE to support the operations and maintenance of the Montana state veterans cemeteries located at Fort Harrison in Helena, Eastern Montana State Veterans Cemetery in Miles City, and the new Western Montana State Veterans Cemetery in Missoula.

DP 7101 - Fuel Inflation Reduction - The legislature approved a reduction in funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is that no inflation adjustment has been applied to these two expenditure categories.

New Proposals

New Proposals	-----Fiscal 2010-----					-----Fiscal 2011-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3102 - Expand and Enhance Statewide Veterans Services											
31	3.00	128,936	0	0	128,936	3.00	129,025	0	0	129,025	
DP 6013 - 2011 Biennium Pay Plan - HB 13											
31	0.00	4,346	5,289	0	9,635	0.00	13,160	15,980	0	29,140	
DP 6014 - Pay Plan Lump Sum Payment OTO											
31	0.00	6,353	8,109	0	14,462	0.00	0	0	0	0	
DP 6101 - Fixed Cost Workers Comp Management Program Allocation											
31	0.00	887	121	0	1,008	0.00	769	105	0	874	
DP 8101 - Increasing 4% Vacancy Savings to 7%											
31	0.00	(18,590)	(20,176)	0	(38,766)	0.00	(18,624)	(20,229)	0	(38,853)	
Total	3.00	\$121,932	(\$6,657)	\$0	\$115,275	3.00	\$124,330	(\$4,144)	\$0	\$120,186	

DP 3102 - Expand and Enhance Statewide Veterans Services - The legislature approved the addition of 3.00 FTE and operating expenses to provide service to the state's veterans, particularly in the areas of posttraumatic stress disorder and traumatic brain injury, and the increase in the average number and complexity of veterans disability claims. The positions are Veterans Service Officers, and are stationed in Missoula, Billings, and Helena.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Management Program Allocation - Funding was approved as a fixed cost for agencies to pay fees, based on the average number of payroll warrants issued per pay period, to support the worker's compensation management program in the Department of Administration.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.