

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	192.66	192.66	199.22	199.22	192.66	199.22	6.56	3.40%
Personal Services	10,767,265	10,506,254	11,556,003	11,581,499	21,273,519	23,137,502	1,863,983	8.76%
Operating Expenses	14,815,955	16,327,320	15,602,070	15,479,190	31,143,275	31,081,260	(62,015)	(0.20%)
Equipment & Intangible Assets	357,423	323,976	457,423	357,423	681,399	814,846	133,447	19.58%
Capital Outlay	0	0	0	0	0	0	0	n/a
Grants	5,265,505	13,614,431	5,367,505	5,367,505	18,879,936	10,735,010	(8,144,926)	(43.14%)
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00%
Transfers	441,549	0	441,549	441,549	441,549	883,098	441,549	100.00%
<b>Total Costs</b>	<b>\$31,649,977</b>	<b>\$40,774,261</b>	<b>\$33,426,830</b>	<b>\$33,229,446</b>	<b>\$72,424,238</b>	<b>\$66,656,276</b>	<b>(\$5,767,962)</b>	<b>(7.96%)</b>
General Fund	5,612,637	5,825,156	5,820,253	5,711,928	11,437,793	11,532,181	94,388	0.83%
State Special	1,127,398	1,393,170	1,383,886	1,291,373	2,520,568	2,675,259	154,691	6.14%
Federal Special	24,909,942	33,555,935	26,222,691	26,226,145	58,465,877	52,448,836	(6,017,041)	(10.29%)
<b>Total Funds</b>	<b>\$31,649,977</b>	<b>\$40,774,261</b>	<b>\$33,426,830</b>	<b>\$33,229,446</b>	<b>\$72,424,238</b>	<b>\$66,656,276</b>	<b>(\$5,767,962)</b>	<b>(7.96%)</b>

### Agency Description

Agency Mission: To provide for 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

<b>Department of Military Affairs</b>	
<b>Major Budget Highlights</b>	
◆	The budget decreases from the previous biennium due primarily to a change in the requested level of federal special revenue spending authority related to federal grant funds
◆	6.0 FTE fire fighter positions funded solely by federal funds are added
◆	The Youth Challenge program received 2.00 FTE and additional personal services authority to address ongoing funding issues
◆	The state-federal funding match for the Youth Challenge program changed from 40/60 to 25/75, providing savings to the general fund
◆	Operational funding authority of \$0.7 million for new Air National Guard facilities was added
◆	Only a portion of the 5% reduction plan submitted by the agency was adopted

### Summary of Legislative Action

The legislature approved a biennial budget of \$66.7 million. Federal funds make up 78.7% of the budget, with 17.3% from the general fund. The budget includes a statewide present law adjustment reduction of \$0.2 million, \$4.8 million in other present law adjustments, and \$1.1 million in new proposals.

Although reductions were approved in the Centralized Services Division and Veterans Affairs Division, these reductions of just over \$0.1 million were more than offset by increases resulting from:

- Statewide present law adjustments
- The addition of 6.00 FTE in the Air National Guard Program
- Additional FTE and funding for both operating expenses and personal services in the Youth Challenge Program
- Operational funding for new Air National Guard facilities of \$0.7 million
- Federal funding authority totaling \$1.4 million for Air National Guard firefighters

### Agency Discussion

While the agency budget appears to be reduced in the 2013 biennium, there is over \$8 million in federal grants authority budgeted but not available in FY 2011 that have not been appropriated in HB 2 in the 2013 biennium. Instead, the agency will add any authority for federal grants that do become available in the interim through the budget amendment process. If these federal grants are removed from FY 2011 there is an increase of approximately \$2.5 million for the 2013 biennium.

### Funding

The following table summarizes funding for the 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.

Total Agency Funding 2013 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Division	\$ 1,271,932	\$ -	\$ 651,344	\$ 1,923,276	2.89%
02 Challenge Program	1,816,781	-	5,550,350	7,367,131	11.05%
03 Scholarship Program	418,816	-	-	418,816	0.63%
04 Starbase	-	-	631,903	631,903	0.95%
12 Army National Guard Pgm	3,363,334	-	25,026,397	28,389,731	42.59%
13 Air National Guard Pgm	762,140	-	8,056,641	8,818,781	13.23%
21 Disaster & Emergency Services	2,126,486	720,400	12,532,201	15,379,087	23.07%
31 Veterans Affairs Program	<u>1,772,692</u>	<u>1,954,859</u>	<u>-</u>	<u>3,727,551</u>	<u>5.59%</u>
Grand Total	<u>\$ 11,532,181</u>	<u>\$ 2,675,259</u>	<u>\$ 52,448,836</u>	<u>\$ 66,656,276</u>	<u>100.00%</u>

### 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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	5,612,637	5,612,637	11,225,274	97.34%	31,649,977	31,649,977	63,299,954	94.96%
Statewide PL Adjustments	(27,705)	(36,023)	(63,728)	(0.55%)	(74,838)	(92,528)	(167,366)	(0.25%)
Other PL Adjustments	149,646	149,646	299,292	2.60%	1,233,932	1,144,477	2,378,409	3.57%
New Proposals	85,675	(14,332)	71,343	0.62%	617,759	527,520	1,145,279	1.72%
<b>Total Budget</b>	<b>\$5,820,253</b>	<b>\$5,711,928</b>	<b>\$11,532,181</b>		<b>\$33,426,830</b>	<b>\$33,229,446</b>	<b>\$66,656,276</b>	

### Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg - Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg - Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
FTE	192.66	193.82	199.22	5.40	193.82	199.22	5.40	
Personal Services	10,767,265	11,184,368	11,556,003	371,635	11,209,981	11,581,499	371,518	743,153
Operating Expenses	14,815,955	15,610,541	15,602,070	(8,471)	15,562,628	15,479,190	(83,438)	(91,909)
Equipment & Intangible Assets	357,423	357,423	457,423	100,000	357,423	357,423	0	100,000
Capital Outlay	0	0	0	0	0	0	0	0
Grants	5,265,505	5,367,505	5,367,505	0	5,367,505	5,367,505	0	0
Benefits & Claims	2,280	2,280	2,280	0	2,280	2,280	0	0
Transfers	441,549	441,549	441,549	0	441,549	441,549	0	0
<b>Total Costs</b>	<b>\$31,649,977</b>	<b>\$32,963,666</b>	<b>\$33,426,830</b>	<b>\$463,164</b>	<b>\$32,941,366</b>	<b>\$33,229,446</b>	<b>\$288,080</b>	<b>\$751,244</b>
General Fund	5,612,637	5,622,291	5,820,253	197,962	5,613,922	5,711,928	98,006	295,968
State/Other Special	1,127,398	1,383,886	1,383,886	0	1,366,373	1,291,373	(75,000)	(75,000)
Federal Special	24,909,942	25,957,489	26,222,691	265,202	25,961,071	26,226,145	265,074	530,276
<b>Total Funds</b>	<b>\$31,649,977</b>	<b>\$32,963,666</b>	<b>\$33,426,830</b>	<b>\$463,164</b>	<b>\$32,941,366</b>	<b>\$33,229,446</b>	<b>\$288,080</b>	<b>\$751,244</b>

The legislature passed all of the decision packages as proposed by the executive, with the exception of one proposal in Veterans Affairs that was reduced by half, but made a biennial appropriation. A number of decisions were also made to increase the budget, including:

- o Addition of 2.00 FTE in the Youth Challenge program, to provide for part-time employees to fill in during full time employee absences
- o Restoration of the 4% personal services reduction requested by the Governor in the Youth Challenge program, Army National Guard, Air National Guard, and Disaster and Emergency Services, which added 3.40 FTE
- o Additional personal services appropriation in the Youth Challenge program not attached to FTE
- o Addition of \$0.1 million for equipment for the Montana Military Museum

Reductions to the executive proposal were the result of adoption of reductions submitted by the agency as part of the statutorily required plan to reduce general fund and certain state special revenues by 5% in the Centralized Services Division and the Veterans Affairs Program.

### Language and Statutory Authority

The legislature included the following language in HB 2.

"Disaster and Emergency Services includes a reduction in general fund money of \$5,775 in FY 2012 and \$5,750 in FY 2013. The agency may allocate this reduction in funding among programs when developing 2013 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	12.20	12.20	11.76	11.76	12.20	11.76	(0.44)	(3.61%)
Personal Services	792,410	842,364	877,496	878,718	1,634,774	1,756,214	121,440	7.43%
Operating Expenses	90,224	79,281	83,873	78,629	169,505	162,502	(7,003)	(4.13%)
Equipment & Intangible Assets	0	1,291	0	0	1,291	0	(1,291)	(100.00%)
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00%
<b>Total Costs</b>	<b>\$884,914</b>	<b>\$925,216</b>	<b>\$963,649</b>	<b>\$959,627</b>	<b>\$1,810,130</b>	<b>\$1,923,276</b>	<b>\$113,146</b>	<b>6.25%</b>
General Fund	632,072	641,685	638,174	633,758	1,273,757	1,271,932	(1,825)	(0.14%)
Federal Special	252,842	283,531	325,475	325,869	536,373	651,344	114,971	21.43%
<b>Total Funds</b>	<b>\$884,914</b>	<b>\$925,216</b>	<b>\$963,649</b>	<b>\$959,627</b>	<b>\$1,810,130</b>	<b>\$1,923,276</b>	<b>\$113,146</b>	<b>6.25%</b>

### Program Description

The Centralized Services Division 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.

### Program Highlights

Centralized Services Division Major Budget Highlights	
◆	The budget increases by 6.3% from the previous biennium, primarily due to statewide present law adjustments
◆	Reductions to personal services and operating expenses result in general fund savings totaling less than \$0.1 million

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table Centralized Services Division						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 632,072	71.4%	\$ 638,174	66.2%	\$ 633,758	66.0%
01100 General Fund	632,072	71.4%	638,174	66.2%	633,758	66.0%
03000 Total Federal Special Funds	252,842	28.6%	325,475	33.8%	325,869	34.0%
03132 National Guard	157,185	17.8%	183,958	19.1%	184,885	19.3%
03134 Disaster & Emergency Services	56,404	6.4%	97,199	10.1%	96,833	10.1%
03453 Air National Guard	39,253	4.4%	44,318	4.6%	44,151	4.6%
Grand Total	<u>\$ 884,914</u>	<u>100.0%</u>	<u>\$ 963,649</u>	<u>100.0%</u>	<u>\$ 959,627</u>	<u>100.0%</u>

**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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	632,072	632,072	1,264,144	99.39%	884,914	884,914	1,769,828	92.02%
Statewide PL Adjustments	37,627	33,211	70,838	5.57%	110,260	106,238	216,498	11.26%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(31,525)	(31,525)	(63,050)	(4.96%)	(31,525)	(31,525)	(63,050)	(3.28%)
<b>Total Budget</b>	<b>\$638,174</b>	<b>\$633,758</b>	<b>\$1,271,932</b>		<b>\$963,649</b>	<b>\$959,627</b>	<b>\$1,923,276</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					145,663					146,970
Vacancy Savings					(37,523)					(37,575)
Inflation/Deflation					116					116
Fixed Costs					2,004					(3,273)
<b>Total Statewide Present Law Adjustments</b>		<b>\$37,627</b>	<b>\$0</b>	<b>\$72,633</b>	<b>\$110,260</b>		<b>\$33,211</b>	<b>\$0</b>	<b>\$73,027</b>	<b>\$106,238</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$37,627</b>	<b>\$0</b>	<b>\$72,633</b>	<b>\$110,260</b>	<b>0.00</b>	<b>\$33,211</b>	<b>\$0</b>	<b>\$73,027</b>	<b>\$106,238</b>

**New Proposals**

New Proposals	Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - 4% Personal Services Reduction Centralized Service											
	01	(0.44)	(23,054)	0	0	(23,054)	(0.44)	(23,087)	0	0	(23,087)
DP 95101 - 5% Plan - General operating expense reduction											
	01	0.00	(8,471)	0	0	(8,471)	0.00	(8,438)	0	0	(8,438)
<b>Total</b>		<b>(0.44)</b>	<b>(\$31,525)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$31,525)</b>	<b>(0.44)</b>	<b>(\$31,525)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$31,525)</b>

DP 55400 - 4% Personal Services Reduction Centralized Service - The legislature approved reductions of \$46,141 general fund in each year of the biennium and 0.44 FTE as proposed by the executive.

DP 95101 - 5% Plan - General operating expense reduction - The legislature reduced operating expense authority for the program by \$16,909 in general fund over the biennium. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	49.15	49.15	51.15	51.15	49.15	51.15	2.00	4.07%
Personal Services	2,166,300	2,135,491	2,373,206	2,373,460	4,301,791	4,746,666	444,875	10.34%
Operating Expenses	1,092,570	1,157,787	1,312,283	1,308,182	2,250,357	2,620,465	370,108	16.45%
<b>Total Costs</b>	<b>\$3,258,870</b>	<b>\$3,293,278</b>	<b>\$3,685,489</b>	<b>\$3,681,642</b>	<b>\$6,552,148</b>	<b>\$7,367,131</b>	<b>\$814,983</b>	<b>12.44%</b>
General Fund	1,264,643	1,278,056	908,870	907,911	2,542,699	1,816,781	(725,918)	(28.55%)
State Special	0	0	0	0	0	0	0	n/a
Federal Special	1,994,227	2,015,222	2,776,619	2,773,731	4,009,449	5,550,350	1,540,901	38.43%
<b>Total Funds</b>	<b>\$3,258,870</b>	<b>\$3,293,278</b>	<b>\$3,685,489</b>	<b>\$3,681,642</b>	<b>\$6,552,148</b>	<b>\$7,367,131</b>	<b>\$814,983</b>	<b>12.44%</b>

### Program Description

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

### Program Highlights

<b>Montana Youth Challenge Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Although the overall budget increases by 12.4%, a change in state/federal matching requirements from 40/60 to 25/75 decreases general fund appropriations</li> <li>◆ The addition of 2.00 FTE and additional personal services funding increases the budget by \$0.4 million</li> <li>◆ Increased enrollment expectations result in an increase of \$0.2 million</li> </ul>

### Program Narrative

The legislatively approved budget for the Montana Youth Challenge program for the 2013 biennium is \$7.4 million, which is an increase of \$0.8 million, or 12.4%, compared to the 2011 biennium. The two primary reasons for this increase are to allow for greater expenses associated with an increased enrollment, and to fund personal services to the level needed to provide 24/7 supervision for the enrolled youth. Personal services needs were addressed through the addition of FTE to provide for part-time fill-in drill instructors and provide funding adequate to meet vacancy savings needs.

## Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 1,264,643	38.8%	\$ 908,870	24.7%	\$ 907,911	24.7%
01100 General Fund	1,264,643	38.8%	908,870	24.7%	907,911	24.7%
02000 Total State Special Funds	-	-	-	-	-	-
02101 Distance Learning	-	-	-	-	-	-
03000 Total Federal Special Funds	1,994,227	61.2%	2,776,619	75.3%	2,773,731	75.3%
03132 National Guard	1,994,227	61.2%	2,776,619	75.3%	2,773,731	75.3%
Grand Total	<u>\$ 3,258,870</u>	<u>100.0%</u>	<u>\$ 3,685,489</u>	<u>100.0%</u>	<u>\$ 3,681,642</u>	<u>100.0%</u>

A change in federal rules decreases the ratio of general fund required to match federal funding for the program. The previous biennium required a 40/60 general fund to federal fund ratio and the new rules call for a 25/75 or 1 to 3 ratio of general fund to federal funding. The result is that although the total budget increases from the previous biennium, general fund as a percentage of total funding decreases.

## 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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,264,643	1,264,643	2,529,286	139.22%	3,258,870	3,258,870	6,517,740	88.47%
Statewide PL Adjustments	(466,300)	(467,229)	(933,529)	(51.38%)	(65,490)	(69,217)	(134,707)	(1.83%)
Other PL Adjustments	57,500	57,500	115,000	6.33%	280,000	280,000	560,000	7.60%
New Proposals	53,027	52,997	106,024	5.84%	212,109	211,989	424,098	5.76%
<b>Total Budget</b>	<b>\$908,870</b>	<b>\$907,911</b>	<b>\$1,816,781</b>		<b>\$3,685,489</b>	<b>\$3,681,642</b>	<b>\$7,367,131</b>	

## Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					43,174					43,566
Vacancy Savings					(88,377)					(88,395)
Inflation/Deflation					1,698					2,111
Fixed Costs					(21,985)					(26,499)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$466,300)</b>	<b>\$0</b>	<b>\$400,810</b>	<b>(\$65,490)</b>		<b>(\$467,229)</b>	<b>\$0</b>	<b>\$398,012</b>	<b>(\$69,217)</b>
DP 201 - Funding for ChalleNGe 24/7 overtime	0.00	10,000	0	30,000	40,000	0.00	10,000	0	30,000	40,000
DP 202 - Funding for increase in food service contract.	0.00	17,500	0	52,500	70,000	0.00	17,500	0	52,500	70,000
DP 203 - Federal spending authority for Challenge training	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 204 - Funding for increased enrollment and education	0.00	30,000	0	90,000	120,000	0.00	30,000	0	90,000	120,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$57,500</b>	<b>\$0</b>	<b>\$222,500</b>	<b>\$280,000</b>	<b>0.00</b>	<b>\$57,500</b>	<b>\$0</b>	<b>\$222,500</b>	<b>\$280,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$408,800)</b>	<b>\$0</b>	<b>\$623,310</b>	<b>\$214,510</b>	<b>0.00</b>	<b>(\$409,729)</b>	<b>\$0</b>	<b>\$620,512</b>	<b>\$210,783</b>

DP 201 - Funding for ChalleNGe 24/7 overtime - The legislature approved an increase of \$40,000 in each year of the biennium to support overtime and holiday salaries. These costs are zero based and not included in the program's base budget. The program is required to have staff coverage 24 hours a day, 7 days a week.

DP 202 - Funding for increase in food service contract - The legislature approved funding to cover increased food service costs for students due to a \$70,000 increase in the annual maximum amount payable for food service to the University of Montana - Western. Based on expected average enrollment of 230 students, and a cost per student of \$2,228, the maximum will be reached. Therefore, the food costs will be \$425,600 versus the previous maximum of \$355,600 included in the base.

DP 203 - Federal spending authority for Challenge training - The legislature approved federal spending authority for ChalleNGe employees to participate in essential training classes required by the federal National Guard Bureau.

DP 204 - Funding for increased enrollment and education - The legislature approved funds each year of the biennium to provide for costs incurred due to increased student enrollment, restoration of services to students, and increasing educational opportunities and classroom resources.

**New Proposals**

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 211 - Add FTE for part-time drill instructors											
02	2.00	16,777	0	50,332	67,109	2.00	16,747	0	50,242	66,989	
DP 212 - Unallocated Pers Services offset to Vac Savings											
02	0.00	36,250	0	108,750	145,000	0.00	36,250	0	108,750	145,000	
DP 55400 - 4% Personal Services Reduction Challenge											
02	(1.50)	(21,217)	0	(63,651)	(84,868)	(1.50)	(21,218)	0	(63,650)	(84,868)	
DP 56402 - Restore 5% - Personal Services 1.50 FTE											
02	1.50	21,217	0	63,651	84,868	1.50	21,218	0	63,650	84,868	
DP 95102 - 5% Plan - General Operating Expense Reduction											
02	0.00	(42,015)	0	(126,045)	(168,060)	0.00	(42,014)	0	(126,034)	(168,048)	
DP 96102 - Restore 5% - General Operating Expenses											
02	0.00	42,015	0	126,045	168,060	0.00	42,014	0	126,034	168,048	
<b>Total</b>	<b>2.00</b>	<b>\$53,027</b>	<b>\$0</b>	<b>\$159,082</b>	<b>\$212,109</b>	<b>2.00</b>	<b>\$52,997</b>	<b>\$0</b>	<b>\$158,992</b>	<b>\$211,989</b>	

DP 211 - Add FTE for part-time drill instructors - The legislature approved the addition of 2.0 FTE for part-time drill instructors who fill in for full time instructors who are on approved leave. Due to the nature of the job and program, supervision is required on a 24/7 basis.

DP 212 - Unallocated Pers Services offset to Vac Savings - The legislature approved funding as unallocated personal services authority to offset the 4% vacancy savings applied to most state positions. Due to the 24/7 staffing requirements of this program, the program has historically been unable to meet vacancy savings.

DP 55400 - 4% Personal Services Reduction Challenge - The legislature initially approved a personal services reduction of 1.50 FTE as proposed by the executive. This amount reflects the 4% personal services reduction on all positions that are not 24/7 positions funded with general fund. The legislature then restored this reduction in DP 56402.

DP 56402 - Restore 5% - Personal Services 1.50 FTE - The legislature reversed a 5% reduction by restoring general fund authority of \$42,435 for the 2013 biennium, and reinstated 1.50 FTE.

DP 95102 - 5% Plan - General Operating Expense Reduction - The legislature applied a general operating expense funding reduction to the program. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The legislature then restored this funding in DP 96102.

DP 96102 - Restore 5% - General Operating Expenses - The legislature reversed a 5% reduction by restoring general operating expense authority of \$84,029 general fund authority, and \$252,079 federal fund authority.

**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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
Operating Expenses	209,408	245,000	209,408	209,408	454,408	418,816	(35,592)	(7.83%)
<b>Total Costs</b>	<b>\$209,408</b>	<b>\$245,000</b>	<b>\$209,408</b>	<b>\$209,408</b>	<b>\$454,408</b>	<b>\$418,816</b>	<b>(\$35,592)</b>	<b>(7.83%)</b>
General Fund	209,408	245,000	209,408	209,408	454,408	418,816	(35,592)	(7.83%)
<b>Total Funds</b>	<b>\$209,408</b>	<b>\$245,000</b>	<b>\$209,408</b>	<b>\$209,408</b>	<b>\$454,408</b>	<b>\$418,816</b>	<b>(\$35,592)</b>	<b>(7.83%)</b>

**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 Major Budget Highlights	
◆	While appropriations for the 2013 biennium are maintained at the FY 2010 expenditure level, the budget shows a decrease of 7.8% from the previous biennium because the FY 2011 appropriation is higher than FY 2010 expenditures

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table Scholarship Program						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 209,408	100.0%	\$ 209,408	100.0%	\$ 209,408	100.0%
01100 General Fund	<u>209,408</u>	<u>100.0%</u>	<u>209,408</u>	<u>100.0%</u>	<u>209,408</u>	<u>100.0%</u>
Grand Total	<u>\$ 209,408</u>	<u>100.0%</u>	<u>\$ 209,408</u>	<u>100.0%</u>	<u>\$ 209,408</u>	<u>100.0%</u>

This program is funded entirely from 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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	209,408	209,408	418,816	100.00%	209,408	209,408	418,816	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%
<b>Total Budget</b>	<b>\$209,408</b>	<b>\$209,408</b>	<b>\$418,816</b>		<b>\$209,408</b>	<b>\$209,408</b>	<b>\$418,816</b>	

**New Proposals**

Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 95103 - 5% Plan - General Fund Reduction										
03	0.00	(10,470)	0	0	(10,470)	0.00	(10,470)	0	0	(10,470)
DP 96103 - Restore 5% - Scholarship Program										
03	0.00	10,470	0	0	10,470	0.00	10,470	0	0	10,470
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

DP 95103 - 5% Plan - General Fund Reduction - The legislature initially applied a general fund reduction to the program. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The legislature restored this funding in DP 96103.

DP 96103 - Restore 5% - Scholarship Program - The legislature reversed a 5% reduction by restoring \$20,940 in general fund for the biennium.

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00%
Personal Services	118,498	210,284	135,957	136,429	328,782	272,386	(56,396)	(17.15%)
Operating Expenses	180,312	156,918	180,043	179,474	337,230	359,517	22,287	6.61%
<b>Total Costs</b>	<b>\$298,810</b>	<b>\$367,202</b>	<b>\$316,000</b>	<b>\$315,903</b>	<b>\$666,012</b>	<b>\$631,903</b>	<b>(\$34,109)</b>	<b>(5.12%)</b>
Federal Special	298,810	367,202	316,000	315,903	666,012	631,903	(34,109)	(5.12%)
<b>Total Funds</b>	<b>\$298,810</b>	<b>\$367,202</b>	<b>\$316,000</b>	<b>\$315,903</b>	<b>\$666,012</b>	<b>\$631,903</b>	<b>(\$34,109)</b>	<b>(5.12%)</b>

### 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, experiments in aviation and space-related fields as it deals with a technological environment, and by utilizing the positive role models found on military bases and installations. The program also addresses drug use prevention, health, self esteem, and life skills with a math and science based program.

### Program Highlights

<b>STARBASE</b>	
<b>Major Budget Highlights</b>	
◆	The budget decreases by 5.1% from the previous biennium due to decreased personal services expenditures from the transfer of 2.0 FTE positions to other divisions during the base year, partially offset by statewide present law adjustments
◆	This program is entirely funded by federal funds

### Program Narrative

The legislatively approved budget for the STARBASE program in the 2013 biennium is \$0.6 million, which is a 5.1% decrease compared to the 2011 biennium. In the previous biennium, the program was staffed by 4.0 FTE. During the base year the agency requested and the executive approved the transfer of 2.00 FTE to other divisions: one to Centralized Services and one to the Army National Guard. When the personal services snapshot that captures actual FTE information for preparing the upcoming biennium budget was made, the transferred FTE were counted in the divisions where they were transferred to and funded within the budgets of those divisions.

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table							
Starbase							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
03000	Total Federal Special Funds	\$ 298,810	100.0%	\$ 316,000	100.0%	\$ 315,903	100.0%
	03453 Air National Guard	<u>298,810</u>	<u>100.0%</u>	<u>316,000</u>	<u>100.0%</u>	<u>315,903</u>	<u>100.0%</u>
	Grand Total	<u>\$ 298,810</u>	<u>100.0%</u>	<u>\$ 316,000</u>	<u>100.0%</u>	<u>\$ 315,903</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 Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	298,810	298,810	597,620	94.57%
Statewide PL Adjustments	0	0	0	0.00%	17,190	17,093	34,283	5.43%
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%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$316,000</b>	<b>\$315,903</b>	<b>\$631,903</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget adopted 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 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					23,124					23,615
Vacancy Savings					(5,665)					(5,684)
Inflation/Deflation					12					18
Fixed Costs					(281)					(856)
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$0</b>	<b>\$17,190</b>	<b>\$17,190</b>		<b>\$0</b>	<b>\$0</b>	<b>\$17,093</b>	<b>\$17,093</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,190</b>	<b>\$17,190</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,093</b>	<b>\$17,093</b>

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	42.31	42.31	42.31	42.31	42.31	42.31	0.00	0.00%
Personal Services	2,550,228	2,393,030	2,605,667	2,610,140	4,943,258	5,215,807	272,549	5.51%
Operating Expenses	10,719,283	11,774,991	11,187,526	11,171,552	22,494,274	22,359,078	(135,196)	(0.60%)
Equipment & Intangible Assets	357,423	304,955	457,423	357,423	662,378	814,846	152,468	23.02%
Capital Outlay	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$13,626,934</b>	<b>\$14,472,976</b>	<b>\$14,250,616</b>	<b>\$14,139,115</b>	<b>\$28,099,910</b>	<b>\$28,389,731</b>	<b>\$289,821</b>	<b>1.03%</b>
General Fund	1,224,762	1,353,553	1,732,347	1,630,987	2,578,315	3,363,334	785,019	30.45%
State Special	0	0	0	0	0	0	0	n/a
Federal Special	12,402,172	13,119,423	12,518,269	12,508,128	25,521,595	25,026,397	(495,198)	(1.94%)
<b>Total Funds</b>	<b>\$13,626,934</b>	<b>\$14,472,976</b>	<b>\$14,250,616</b>	<b>\$14,139,115</b>	<b>\$28,099,910</b>	<b>\$28,389,731</b>	<b>\$289,821</b>	<b>1.03%</b>

### Program Description

The Army National Guard, until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming, and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing 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

Montana Army National Guard Major Budget Highlights	
◆	The budget increases by 1.0% from the previous biennium, primarily due to provision of support for new Army National Guard facilities and statewide present law adjustments

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table Army National Guard Pgm						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 1,224,762	9.0%	\$ 1,732,347	12.2%	\$ 1,630,987	11.5%
01100 General Fund	1,224,762	9.0%	1,732,347	12.2%	1,630,987	11.5%
02000 Total State Special Funds	-	-	-	-	-	-
02343 Armory Rental Funds	-	-	-	-	-	-
03000 Total Federal Special Funds	12,402,172	91.0%	12,518,269	87.8%	12,508,128	88.5%
03132 National Guard	<u>12,402,172</u>	<u>91.0%</u>	<u>12,518,269</u>	<u>87.8%</u>	<u>12,508,128</u>	<u>88.5%</u>
Grand Total	<u>\$ 13,626,934</u>	<u>100.0%</u>	<u>\$ 14,250,616</u>	<u>100.0%</u>	<u>\$ 14,139,115</u>	<u>100.0%</u>

The Army National Guard program is funded with a combination of general fund and federal funds. During the base year, general fund accounted for 9% of total funding, but is almost 12% of the total for the upcoming biennium. This change is due to statewide present law adjustments and additional general fund support of the Missoula Armory. 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 federal funds at 75% and general fund at 25% as is the case with service contract buildings

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% federal and 25% state general fund, but utility costs are funded 100% general fund. When a facility is classified as a logistics facility, the funding is 100% federal funds for the entire facility. Federally owned facilities located on federal land and those that serve training missions are predominantly funded with 100% federal funds, except when the building is used as an armory. Armories constructed with federal funds and located on federal land are funded 100% general fund for maintenance and 50/50 federal/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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,224,762	1,224,762	2,449,524	72.83%	13,626,934	13,626,934	27,253,868	96.00%
Statewide PL Adjustments	334,927	333,567	668,494	19.88%	176,666	165,165	341,831	1.20%
Other PL Adjustments	72,658	72,658	145,316	4.32%	347,016	347,016	694,032	2.44%
New Proposals	100,000	0	100,000	2.97%	100,000	0	100,000	0.35%
<b>Total Budget</b>	<b>\$1,732,347</b>	<b>\$1,630,987</b>	<b>\$3,363,334</b>		<b>\$14,250,616</b>	<b>\$14,139,115</b>	<b>\$28,389,731</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					164,010					168,665
Vacancy Savings					(108,571)					(108,753)
Inflation/Deflation					27,933					49,885
Fixed Costs					93,294					55,368
<b>Total Statewide Present Law Adjustments</b>		<b>\$334,927</b>	<b>\$0</b>	<b>(\$158,261)</b>	<b>\$176,666</b>		<b>\$333,567</b>	<b>\$0</b>	<b>(\$168,402)</b>	<b>\$165,165</b>
DP 1201 - Operational Support for New ARNG Facilities	0.00	68,658	0	274,358	343,016	0.00	68,658	0	274,358	343,016
DP 1202 - Operation & Maintenance of DES Generator	0.00	4,000	0	0	4,000	0.00	4,000	0	0	4,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$72,658</b>	<b>\$0</b>	<b>\$274,358</b>	<b>\$347,016</b>	<b>0.00</b>	<b>\$72,658</b>	<b>\$0</b>	<b>\$274,358</b>	<b>\$347,016</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$407,585</b>	<b>\$0</b>	<b>\$116,097</b>	<b>\$523,682</b>	<b>0.00</b>	<b>\$406,225</b>	<b>\$0</b>	<b>\$105,956</b>	<b>\$512,181</b>

DP 1201 - Operational Support for New ARNG Facilities - The legislature approved additional funding to support the operational costs of Army National Guard facilities which will come on line after the base year and for those that were not fully funded in the base year.

DP 1202 - Operation & Maintenance of DES Generator - The legislature approved operations and maintenance funding for the original Disaster and Emergency Services (DES) emergency backup generator.

### New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1203 - Military Museum - Equipment (RST/BIEN/OTO)	12	0.00	100,000	0	0	100,000	0.00	0	0	0	0
DP 55400 - 4% Personal Services Reduction Army Program	12	(0.50)	(4,740)	0	0	(4,740)	(0.50)	(4,744)	0	0	(4,744)
DP 56412 - Restore 5% - Personal Services .50 FTE	12	0.50	4,740	0	0	4,740	0.50	4,744	0	0	4,744
DP 95112 - 5% Plan - General Operating Expense Reduction	12	0.00	(56,266)	0	0	(56,266)	0.00	(56,262)	0	0	(56,262)
DP 96112 - Restore 5% - ARNG Operating Expenses	12	0.00	56,266	0	0	56,266	0.00	56,262	0	0	56,262
<b>Total</b>	<b>0.00</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

DP 1203 - Military Museum - Equipment (RST/BIEN/OTO) - The legislature approved \$100,000 general fund as a one-time-only, restricted, and biennial appropriation to provide equipment including museum cases for the Montana Military Museum.

DP 55400 - 4% Personal Services Reduction Army Program - The legislature initially approved a 4% reduction in general fund personal services budgets. This decision package reduced the Army National Guard general fund to implement the budget reduction and included the elimination of 0.50 FTE. The legislature restored this reduction in DP 56412.

DP 56412 - Restore 5% - Personal Services .50 FTE - The legislature reversed a 5% reduction by restoring 0.50 FTE and general fund authority for the biennium. The federal funds impact was not identified by the department.

DP 95112 - 5% Plan - General Operating Expense Reduction - The legislature initially applied a general operating expense funding reduction to the program. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The legislature restored this funding in DP 96112.

DP 96112 - Restore 5% - ARNG Operating Expenses - The legislature reversed a 5% reduction by restoring general fund operating expense authority.

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	34.00	34.00	40.00	40.00	34.00	40.00	6.00	17.65%
Personal Services	2,125,758	2,175,239	2,649,815	2,668,452	4,300,997	5,318,267	1,017,270	23.65%
Operating Expenses	1,740,739	1,795,533	1,746,795	1,753,719	3,536,272	3,500,514	(35,758)	(1.01%)
<b>Total Costs</b>	<b>\$3,866,497</b>	<b>\$3,970,772</b>	<b>\$4,396,610</b>	<b>\$4,422,171</b>	<b>\$7,837,269</b>	<b>\$8,818,781</b>	<b>\$981,512</b>	<b>12.52%</b>
General Fund	362,348	366,770	379,978	382,162	729,118	762,140	33,022	4.53%
Federal Special	3,504,149	3,604,002	4,016,632	4,040,009	7,108,151	8,056,641	948,490	13.34%
<b>Total Funds</b>	<b>\$3,866,497</b>	<b>\$3,970,772</b>	<b>\$4,396,610</b>	<b>\$4,422,171</b>	<b>\$7,837,269</b>	<b>\$8,818,781</b>	<b>\$981,512</b>	<b>12.52%</b>

### 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

<b>Air National Guard Major Budget Highlights</b>	
◆	The budget increases by 12.5% from the prior biennium due to: <ul style="list-style-type: none"> <li>• Re-establishment of federal funds spending authority for fire fighter overtime</li> <li>• The addition of 6.00 FTE fire fighter positions in accordance with federal requirements</li> </ul>

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table Air National Guard Pgm						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 362,348	9.4%	\$ 379,978	8.6%	\$ 382,162	8.6%
01100 General Fund	362,348	9.4%	379,978	8.6%	382,162	8.6%
03000 Total Federal Special Funds	3,504,149	90.6%	4,016,632	91.4%	4,040,009	91.4%
03453 Air National Guard	<u>3,504,149</u>	<u>90.6%</u>	<u>4,016,632</u>	<u>91.4%</u>	<u>4,040,009</u>	<u>91.4%</u>
Grand Total	<u>\$ 3,866,497</u>	<u>100.0%</u>	<u>\$ 4,396,610</u>	<u>100.0%</u>	<u>\$ 4,422,171</u>	<u>100.0%</u>

The Montana Air National Guard is funded predominately by federal funds. General fund supports some building and grounds maintenance activities, a portion of administrative expenses, and a small amount of personal services 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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	362,348	362,348	724,696	95.09%	3,866,497	3,866,497	7,732,994	87.69%
Statewide PL Adjustments	17,630	19,814	37,444	4.91%	(176,829)	(166,671)	(343,500)	(3.90%)
Other PL Adjustments	0	0	0	0.00%	333,940	339,485	673,425	7.64%
New Proposals	0	0	0	0.00%	373,002	382,860	755,862	8.57%
<b>Total Budget</b>	<b>\$379,978</b>	<b>\$382,162</b>	<b>\$762,140</b>		<b>\$4,396,610</b>	<b>\$4,422,171</b>	<b>\$8,818,781</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(98,807)					(95,436)
Vacancy Savings					(81,078)					(81,215)
Inflation/Deflation					10,089					22,358
Fixed Costs					(7,033)					(12,378)
<b>Total Statewide Present Law Adjustments</b>		<b>\$17,630</b>	<b>\$0</b>	<b>(\$194,459)</b>	<b>(\$176,829)</b>		<b>\$19,814</b>	<b>\$0</b>	<b>(\$186,485)</b>	<b>(\$166,671)</b>
DP 1301 - Federal Authority for 24/7 Firefighter Salaries	0.00	0	0	333,940	333,940	0.00	0	0	339,485	339,485
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$333,940</b>	<b>\$333,940</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$339,485</b>	<b>\$339,485</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$17,630</b>	<b>\$0</b>	<b>\$139,481</b>	<b>\$157,111</b>	<b>0.00</b>	<b>\$19,814</b>	<b>\$0</b>	<b>\$153,000</b>	<b>\$172,814</b>

DP 1301 – Federal Authority for 24/7 Firefighter Salaries – The legislature appropriated 100% federal spending authority for the overtime, regular hours over 40 per week, and related benefit costs incurred by the Air National Guard firefighters in Great Falls.

### New Proposals

New Proposals	Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1302 - Federal Authority for New Fire FTEs	13	6.00	0	0	373,002	373,002	6.00	0	0	382,860	382,860
DP 55400 - 4% Personal Services Reduction Air Program	13	(0.40)	(5,575)	0	(14,820)	(20,395)	(0.40)	(5,579)	0	(14,776)	(20,355)
DP 56413 - Restore 5% - Personal Services .40 FTE	13	0.40	5,575	0	14,820	20,395	0.40	5,579	0	14,776	20,355
DP 95113 - 5% Plan - General Operating Expense Reduction	13	0.00	(12,542)	0	(33,340)	(45,882)	0.00	(12,538)	0	(33,207)	(45,745)
DP 96113 - Restore 5% - AirNG Operating Expenses	13	0.00	12,542	0	33,340	45,882	0.00	12,538	0	33,207	45,745
<b>Total</b>		<b>6.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$373,002</b>	<b>\$373,002</b>	<b>6.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$382,860</b>	<b>\$382,860</b>

DP 1302 - Federal Authority for New Fire FTEs - The legislature approved 100% federal spending authority to permanently increase Air National Guard firefighter staffing by 6.00 FTE.

DP 55400 - 4% Personal Services Reduction Air Program - The legislature initially approved an ongoing personal services reduction of 0.40 FTE. This was part of the Governor's 4% personal services ongoing reduction as included in the executive budget proposal. The legislature restored this reduction in DP 56413.

DP 56413 - Restore 5% - Personal Services .40 FTE - The legislature reversed a 5% reduction by restoring 0.40 FTE as well as the general fund and federal fund authority.

DP 95113 - 5% Plan - General Operating Expense Reduction - The legislature applied a general operating expense funding reduction to the program. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The legislature restored this funding in DP 96113.

DP 96113 - Restore 5% - AirNG Operating Expenses - The legislature reversed a 5% reduction by restoring general fund and federal fund authority.

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	23.00	23.00	23.00	23.00	23.00	23.00	0.00	0.00%
Personal Services	1,600,472	1,346,061	1,435,595	1,435,865	2,946,533	2,871,460	(75,073)	(2.55%)
Operating Expenses	412,625	568,417	457,753	431,766	981,042	889,519	(91,523)	(9.33%)
Grants	5,265,505	13,614,431	5,367,505	5,367,505	18,879,936	10,735,010	(8,144,926)	(43.14%)
Transfers	441,549	0	441,549	441,549	441,549	883,098	441,549	100.00%
<b>Total Costs</b>	<b>\$7,720,151</b>	<b>\$15,528,909</b>	<b>\$7,702,402</b>	<b>\$7,676,685</b>	<b>\$23,249,060</b>	<b>\$15,379,087</b>	<b>(\$7,869,973)</b>	<b>(33.85%)</b>
General Fund	1,051,209	1,059,877	1,062,506	1,063,980	2,111,086	2,126,486	15,400	0.73%
State Special	211,200	302,477	370,200	350,200	513,677	720,400	206,723	40.24%
Federal Special	6,457,742	14,166,555	6,269,696	6,262,505	20,624,297	12,532,201	(8,092,096)	(39.24%)
<b>Total Funds</b>	<b>\$7,720,151</b>	<b>\$15,528,909</b>	<b>\$7,702,402</b>	<b>\$7,676,685</b>	<b>\$23,249,060</b>	<b>\$15,379,087</b>	<b>(\$7,869,973)</b>	<b>(33.85%)</b>

### 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 an incident, emergency, or disaster.

### Program Highlights

<b>Disaster and Emergency Services Division</b>	
<b>Major Budget Highlights</b>	
◆	The budget decreases by 33.9% from the previous biennium due primarily to a reduction in federal funds spending authority
◆	State special funds authority is provided for the Emergency Management Assistance Compact

### Program Narrative

The 2013 biennium budget for Disaster and Emergency Services (DES) is \$15.4 million, which is a decrease of \$7.9 million, or 33.9%, compared to the 2011 biennium.

In the previous biennium, DES had estimated all of the federal grants that could be received by the state and requested the appropriation authority for that amount, roughly \$14 million each year of the biennium, in HB 2. Due to a number of factors, including timing of the federal fiscal year, type and availability of grant funding, and original appropriation type, only a fraction of the actual grant expenditures from federal funding sources is accounted for in the base year for budgeting purposes. The budget for DES includes grant expenditure amounts consistent with the base year. The result is an artificially large decrease in the budget.

An increase of \$0.3 million is provided for spending authority from a state special account that allows DES to share equipment with neighboring states in emergency situations.

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Disaster & Emergency Services						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 1,051,209	13.6%	\$ 1,062,506	13.8%	\$ 1,063,980	13.9%
01100 General Fund	1,051,209	13.6%	1,062,506	13.8%	1,063,980	13.9%
02000 Total State Special Funds	211,200	2.7%	370,200	4.8%	350,200	4.6%
02156 Sar Des Dfwp Fees	58,867	0.8%	84,867	1.1%	84,867	1.1%
02170 Sar Des Off Road Vehicles	123,971	1.6%	189,971	2.5%	189,971	2.5%
02180 Emergency Preparedness Summit	17,357	0.2%	40,357	0.5%	20,357	0.3%
02335 Des Training Conference	11,005	0.1%	55,005	0.7%	55,005	0.7%
03000 Total Federal Special Funds	6,457,742	83.6%	6,269,696	81.4%	6,262,505	81.6%
03022 Federal Disaster Assistance	-	-	-	-	-	-
03134 Disaster & Emergency Services	<u>6,457,742</u>	<u>83.6%</u>	<u>6,269,696</u>	<u>81.4%</u>	<u>6,262,505</u>	<u>81.6%</u>
Grand Total	<u>\$ 7,720,151</u>	<u>100.0%</u>	<u>\$ 7,702,402</u>	<u>100.0%</u>	<u>\$ 7,676,685</u>	<u>100.0%</u>

Funding for the Disaster and Emergency Services Division is broken down roughly into three functional areas: administration and coordination, search and rescue, and grant programs.

Administrative and coordination functions are funded primarily through a 50/50 partnership between state general fund and federal revenues. Disaster coordination functions are usually funded 100% with federal funds.

Search and rescue activities are funded through state special revenue funds derived from surcharges on conservation licenses and off-road vehicle licenses.

Grant activities are dominated by federal funding. The amount of this funding budgeted in HB 2 varies greatly depending on the federal source and available amounts known at the time of the budget submission. This is reflected in the reduction in federal funding for the upcoming biennium from the current biennium.

The Governor is also provided a number of statutory appropriations in the event of a declared emergency or disaster. The most notable of these is the authority to authorize up to \$16 million for disaster relief. These expenditures are authorized through executive orders.

**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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,051,209	1,051,209	2,102,418	98.87%	7,720,151	7,720,151	15,440,302	100.40%
Statewide PL Adjustments	(2,416)	(967)	(3,383)	(0.16%)	(209,950)	(215,692)	(425,642)	(2.77%)
Other PL Adjustments	19,488	19,488	38,976	1.83%	197,976	177,976	375,952	2.44%
New Proposals	(5,775)	(5,750)	(11,525)	(0.54%)	(5,775)	(5,750)	(11,525)	(0.07%)
<b>Total Budget</b>	<b>\$1,062,506</b>	<b>\$1,063,980</b>	<b>\$2,126,486</b>		<b>\$7,702,402</b>	<b>\$7,676,685</b>	<b>\$15,379,087</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(160,476)					(160,223)
Vacancy Savings					(57,602)					(57,610)
Inflation/Deflation					(476)					(416)
Fixed Costs					8,604					2,557
<b>Total Statewide Present Law Adjustments</b>		<b>(\$2,416)</b>	<b>\$0</b>	<b>(\$207,534)</b>	<b>(\$209,950)</b>		<b>(\$967)</b>	<b>\$0</b>	<b>(\$214,725)</b>	<b>(\$215,692)</b>
DP 2101 - DES Duty Officer Overtime	0.00	19,488	0	19,488	38,976	0.00	19,488	0	19,488	38,976
DP 2102 - State Special Revenue Spending Authority	0.00	0	159,000	0	159,000	0.00	0	139,000	0	139,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$19,488</b>	<b>\$159,000</b>	<b>\$19,488</b>	<b>\$197,976</b>	<b>0.00</b>	<b>\$19,488</b>	<b>\$139,000</b>	<b>\$19,488</b>	<b>\$177,976</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$17,072</b>	<b>\$159,000</b>	<b>(\$188,046)</b>	<b>(\$11,974)</b>	<b>0.00</b>	<b>\$18,521</b>	<b>\$139,000</b>	<b>(\$195,237)</b>	<b>(\$37,716)</b>

DP 2101 - DES Duty Officer Overtime - The legislature approved funding for the overtime salary and benefits costs incurred by the DES duty officers to provide 24 hour, 7 days a week disaster and emergency response. Overtime costs are zero based and are not captured in the personnel services snapshot used for the initial budget preparation.

DP 2102 - State Special Revenue Spending Authority - The legislature approved state special revenue spending authority for the Emergency Management Assistance Compact (EMAC), codified under 10-3-1001 MCA.

### New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - 4% Personal Services Reduction DES	21	(1.00)	(27,649)	0	(27,649)	(55,298)	(1.00)	(27,656)	0	(27,656)	(55,312)
DP 56421 - Restore 5% - Personal Services 1.00 FTE	21	1.00	27,649	0	27,649	55,298	1.00	27,656	0	27,656	55,312
DP 95121 - 5% Plan - General Operating Expense Reduction	21	0.00	(24,911)	(10,560)	(24,911)	(60,382)	0.00	(24,904)	(10,560)	(24,904)	(60,368)
DP 96121 - Restore 5% - DES Operating Expenses	21	0.00	24,911	10,560	24,911	60,382	0.00	24,904	10,560	24,904	60,368
DP 97100 - Reduction in Worker's Compensation Costs	21	0.00	(5,775)	0	0	(5,775)	0.00	(5,750)	0	0	(5,750)
<b>Total</b>	<b>0.00</b>	<b>(\$5,775)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,775)</b>	<b>0.00</b>	<b>(\$5,750)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,750)</b>	

DP 55400 - 4% Personal Services Reduction DES - The legislature initially approved a 4% reduction in personal services eliminating 1.00 FTE. The position is funded 50% with federal funds. The legislature restored this funding in DP 56421.

DP 56421 - Restore 5% - Personal Services 1.00 FTE - The legislature reversed a 5% reduction by restoring 1.00 FTE and general fund and federal fund authority.

DP 95121 - 5% Plan - General Operating Expense Reduction - The legislature applied a general operating expense funding reduction to the program. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The legislature restored this funding in DP 96121.

DP 96121 - Restore 5% - DES Operating Expenses - The legislature reversed a 5% reduction by restoring general fund, state special revenue, and federal fund authority for the biennium.

DP 97100 - Reduction in Worker's Compensation Costs - The legislature reduced general fund support for worker's compensation costs based upon the anticipated impact of HB 334. The agency may allocate this reduction in funding among programs.

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	30.00	30.00	29.00	29.00	30.00	29.00	(1.00)	(3.33%)
Personal Services	1,413,599	1,403,785	1,478,267	1,478,435	2,817,384	2,956,702	139,318	4.94%
Operating Expenses	370,794	549,393	424,389	346,460	920,187	770,849	(149,338)	(16.23%)
Equipment & Intangible Assets	0	17,730	0	0	17,730	0	(17,730)	(100.00%)
<b>Total Costs</b>	<b>\$1,784,393</b>	<b>\$1,970,908</b>	<b>\$1,902,656</b>	<b>\$1,824,895</b>	<b>\$3,755,301</b>	<b>\$3,727,551</b>	<b>(\$27,750)</b>	<b>(0.74%)</b>
General Fund	868,195	880,215	888,970	883,722	1,748,410	1,772,692	24,282	1.39%
State Special	916,198	1,090,693	1,013,686	941,173	2,006,891	1,954,859	(52,032)	(2.59%)
<b>Total Funds</b>	<b>\$1,784,393</b>	<b>\$1,970,908</b>	<b>\$1,902,656</b>	<b>\$1,824,895</b>	<b>\$3,755,301</b>	<b>\$3,727,551</b>	<b>(\$27,750)</b>	<b>(0.74%)</b>

### 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

<b>Veterans' Affairs Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The budget decreases 0.7% from the prior biennium, primarily due to the elimination of 1.00 FTE in the Wolf Point office, which had already been closed</li> </ul>

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 868,195	48.7%	\$ 888,970	46.7%	\$ 883,722	48.4%
01100 General Fund	868,195	48.7%	888,970	46.7%	883,722	48.4%
02000 Total State Special Funds	916,198	51.3%	1,013,686	53.3%	941,173	51.6%
02214 Veterans Affairs Cemeteries	236,023	13.2%	232,854	12.2%	233,224	12.8%
02222 Patriotic License Plate Fees	-	-	75,000	3.9%	-	-
02523 Missoula Cemetery Plot Allowance	21,028	1.2%	25,000	1.3%	25,000	1.4%
02524 Missoula Cemetery Donations	1,535	0.1%	12,175	0.6%	11,091	0.6%
02548 Veterans Affairs Sb401	597,060	33.5%	599,192	31.5%	602,393	33.0%
02550 Ft Harr Va Cemetery Donations	14,256	0.8%	14,465	0.8%	14,465	0.8%
02551 Ft Harr Va Cemetery Plot Allow	31,141	1.7%	30,000	1.6%	30,000	1.6%
02552 Estm Mt Va Cemetery Plot All	15,000	0.8%	15,000	0.8%	15,000	0.8%
02553 Estm Mt Va Cemetery Donations	155	0.0%	10,000	0.5%	10,000	0.5%
Grand Total	<u>\$ 1,784,393</u>	<u>100.0%</u>	<u>\$ 1,902,656</u>	<u>100.0%</u>	<u>\$ 1,824,895</u>	<u>100.0%</u>

The Veterans’ Affairs program is funded with both general fund and state special revenue. The primary state special revenue account receives proceeds from the sale of veterans’ specialty license plates. Two accounts receive a portion of all of the motor vehicle registration revenue that is deposited in the general fund each year. The Veteran's Cemeteries fund includes revenue derived from cemetery donations and 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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	868,195	868,195	1,736,390	97.95%	1,784,393	1,784,393	3,568,786	95.74%
Statewide PL Adjustments	50,827	45,581	96,408	5.44%	73,315	70,556	143,871	3.86%
Other PL Adjustments	0	0	0	0.00%	75,000	0	75,000	2.01%
New Proposals	(30,052)	(30,054)	(60,106)	(3.39%)	(30,052)	(30,054)	(60,106)	(1.61%)
<b>Total Budget</b>	<b>\$888,970</b>	<b>\$883,722</b>	<b>\$1,772,692</b>		<b>\$1,902,656</b>	<b>\$1,824,895</b>	<b>\$3,727,551</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					157,567					157,745
Vacancy Savings					(62,847)					(62,855)
Inflation/Deflation					(12,580)					(11,783)
Fixed Costs					(8,825)					(12,551)
<b>Total Statewide Present Law Adjustments</b>		<b>\$50,827</b>	<b>\$22,488</b>	<b>\$0</b>	<b>\$73,315</b>		<b>\$45,581</b>	<b>\$24,975</b>	<b>\$0</b>	<b>\$70,556</b>
DP 3101 - Spending authority for Patriotic Plates (BIEN)	0.00	0	75,000	0	75,000	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$75,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$50,827</b>	<b>\$97,488</b>	<b>\$0</b>	<b>\$148,315</b>	<b>0.00</b>	<b>\$45,581</b>	<b>\$24,975</b>	<b>\$0</b>	<b>\$70,556</b>

DP 3101 - Spending authority for Patriotic Plates (BIEN) - The legislature approved spending authority from the patriotic license plate special revenue account.

### New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - 4% Personal Services Reduction Veterans Affairs	31	(1.00)	(30,052)	0	0	(30,052)	(1.00)	(30,054)	0	0	(30,054)
DP 95131 - 5% Plan - General Operating Expense Reduction	31	0.00	(13,304)	(45,783)	0	(59,087)	0.00	(13,304)	(45,783)	0	(59,087)
DP 96131 - Restore 5% - General Operating Expenses	31	0.00	13,304	45,783	0	59,087	0.00	13,304	45,783	0	59,087
<b>Total</b>	<b>(1.00)</b>	<b>(\$30,052)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$30,052)</b>	<b>(1.00)</b>	<b>(\$30,054)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$30,054)</b>	

DP 55400 - 4% Personal Services Reduction Veterans Affairs - The legislature approved a general fund reduction that included the elimination of 1.00 FTE, as proposed by the executive.

DP 95131 - 5% Plan - General Operating Expense Reduction - The legislature applied a general operating expense funding reduction to the program. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The legislature restored this reduction in DP 96131.

DP 96131 - Restore 5% - General Operating Expenses - The legislature reversed a 5% reduction by restoring state special and general fund authority for operations.