

Department of Military Affairs				
Comparison of the FY 2023 Legislative Budget to the FY 2023 Base Budget				
	Legislative Budget	Executive Modification per Statutory Authority	Executive Base Budget	% Change from Legislative Action
Director's Office				
Personal Services	1,112,443		1,112,443	0.0%
Operating Expenses	157,706		157,706	0.0%
Transfers	50,655		50,655	0.0%
Director's Office Total	1,320,804		1,320,804	0.0%
Challenge Program				
Personal Services	3,440,477		3,440,477	0.0%
Operating Expenses	1,467,808	165,000	1,632,808	11.2%
Challenge Program Total	4,908,285	165,000	5,073,285	3.4%
STARBASE				
Personal Services	189,573	-	189,573	0.0%
Operating Expenses	464,288		464,288	0.0%
STARBASE Total	653,861	-	653,861	0.0%
Scholarship Program				
Operating Expenses	207,362		207,362	0.0%
Scholarship Program Total	207,362		207,362	0.0%
Army National Guard Program				
Personal Services	4,580,831		4,580,831	0.0%
Operating Expenses	15,027,253	(555,000)	14,472,253	-3.7%
Equipment & Intangible Assets	150,536		150,536	0.0%
Transfers	25,000		25,000	0.0%
Debt Service		390,000	390,000	100.0%
Army National Guard Program Total	19,783,620	(165,000)	19,618,620	-0.8%
Air National Guard Program				
Personal Services	4,096,704	-	4,096,704	0.0%
Operating Expenses	1,944,189		1,944,189	0.0%
Air National Guard Program Total	6,040,893	-	6,040,893	0.0%
Disaster & Emergency Services				
Personal Services	2,137,052	201,696	2,338,748	9.4%
Operating Expenses	901,737		901,737	0.0%
Grants	13,526,301	(200,696)	13,325,605	-1.5%
Transfers	1,522,605	(1,000)	1,521,605	-0.1%
Disaster & Emergency Services Total	18,087,695	-	18,087,695	0.0%
Veteran's Affairs Program				
Personal Services	2,066,229	28,000	2,094,229	1.4%
Operating Expenses	264,926	(52,000)	212,926	-19.6%
Grants	30,000		30,000	0.0%
Transfers	20,000		20,000	0.0%
Debt Service		24,000	24,000	100.0%

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Operating Expenses	452,333	500,000	47,667	10.54 %
Total Expenditures	\$452,333	\$500,000	\$47,667	10.54 %
General Fund	452,333	500,000	47,667	10.54 %
Total Funds	\$452,333	\$500,000	\$47,667	10.54 %
Total Ongoing	\$452,333	\$500,000	\$47,667	10.54 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Montana National Guard (NG) 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

National Guard Scholarship Program Major Budget Highlights
<ul style="list-style-type: none"> • The NG Scholarship Program's 2025 biennium requested appropriations are approximately \$48,000 or 10.5% greater than the 2023 biennium • The executive proposal includes a general fund increase in operating costs to meet the increased demand for the program

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	446,589	1,113,851	667,262	149.41 %
Operating Expenses	977,829	1,229,616	251,787	25.75 %
Total Expenditures	\$1,424,418	\$2,343,467	\$919,049	64.52 %
Federal Spec. Rev. Funds	1,424,418	2,343,467	919,049	64.52 %
Total Funds	\$1,424,418	\$2,343,467	\$919,049	64.52 %
Total Ongoing	\$1,424,418	\$2,343,467	\$919,049	64.52 %
Total OTO	\$0	\$0	\$0	0.00 %

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. This program exposes children 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.

STARBASE is a federally funded program with classrooms at Fort Harrison in Helena and the 120th Air Wing in Great Falls. STARBASE locations are limited to existing military installations, allowing students the opportunity to interact with military personnel, exploring careers and real-world science, technology, engineering, and math (STEM) applications. Each STARBASE classroom provides 25 hours of free STEM instruction to all fifth-grade classes within the Helena and Great Falls school districts, as well as afterschool programs and summer camps.

Program Highlights

STARBASE Major Budget Highlights
<ul style="list-style-type: none"> • The STARBASE Program’s 2025 biennium requested appropriations are approximately \$919,000 or 64.5% greater than the 2023 biennium • The executive proposal includes: <ul style="list-style-type: none"> ◦ Statewide present law adjustment increases in personal services, fixed costs, and inflation ◦ A federal special revenue increase for 4.00 FTE to establish a STARBASE Program in Malta, Montana

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures \$xxxw\$y\$Q1\$7579\$tw\$Q1\$757: \$u\$K\$y\$xx\$Pw-\$x\$tw\$u\$K\$y\$Pw-\$z3

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	45.00	45.00	46.00	46.00
Personal Services	3,330,215	3,665,579	4,096,704	3,901,171	3,926,614
Operating Expenses	1,902,276	1,943,514	1,944,189	2,124,035	2,137,317
Total Expenditures	\$5,232,491	\$5,609,093	\$6,040,893	\$6,025,206	\$6,063,931
General Fund	368,563	371,815	390,190	410,083	414,310
Federal Spec. Rev. Funds	4,863,928	5,237,278	5,650,703	5,615,123	5,649,621
Total Funds	\$5,232,491	\$5,609,093	\$6,040,893	\$6,025,206	\$6,063,931
Total Ongoing	\$5,232,491	\$5,609,093	\$6,040,893	\$6,025,206	\$6,063,931
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Air National Guard Program expended 93.3% of its \$5.6 million HB 2 modified budget in FY 2022. Personal services were 90.9% expended and operating expenses were 97.9% expended. Lower expenditures for personal services are due to employee turnover and vacancies during the fiscal year.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Appropriations for FY 2023 are approximately \$431,000 higher than FY 2022 appropriations for the Air National Guard Program. Higher appropriation authority is almost entirely due to increased personal service authority. At the end of FY 2022, the agency made program transfers to correctly account for expenditure costs. This led the agency to transfer personal service authority to other divisions, reducing their overall personal services budget in FY 2022.

Executive Request

The executive is requesting a decrease of approximately \$16,000 in FY 2024 and an increase of \$23,000 in FY 2025 from the FY 2023 base appropriations. The executive requests a decrease in statewide present law adjustments for personal services and fixed costs. This is partially offset in FY 2024 and entirely offset in FY 2025 by statewide present law adjustments for inflation, present law adjustments for firefighter overtime pay and remediation services paid to the Department of Environmental Quality, and for new proposals. New proposals include funding for facilities and maintenance costs at the Malmstrom Air Force Base and for 1.00 FTE to perform CADD duties.

LFD COMMENT	House Bill 3 In HB 3, supplemental appropriations of \$22,175 are being proposed from the general fund for the Air National Guard Program to support increased utility costs for the remainder of FY 2023.
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Program Personal Services Narrative

The Air National Guard Program has 45.00 HB 2 FTE. As of August 1, 2022, the division had 4.00 FTE vacant and during FY 2022 had eight employees leave state employment and two retire.

Personal services were \$4.1 million or 67.8% of the total FY 2023 appropriations. The executive proposes a present law adjustment decrease of approximately \$739,000 in FY 2024 and \$723,000 in FY 2025. This decrease is primarily due to the inclusion of funding for firefighter overtime costs being included in the FY 2023 base budget. These costs are not captured in the snapshot for the 2025 biennium; therefore, the overall personal service budget is reduced by this amount and funding for firefighter overtime costs have to be reestablished through another change package. Other personal service adjustments are due to employee turnover and positions being rehired at lower salaries.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 13-Air National Guard Pgm Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	824,393	0	0	0	824,393	6.82 %
State Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
03132 National Guard	99,000	0	0	0	99,000	0.88 %
03453 Air National Guard	11,165,744	0	0	0	11,165,744	99.12 %
Federal Special Total	\$11,264,744	\$0	\$0	\$0	\$11,264,744	93.18 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,089,137	\$0	\$0	\$0	\$12,089,137	

HB 2 Authority

General Fund

General fund accounts for 6.8% of the Air National Guard Program's total appropriation authority. General fund supports the federal/state match requirements for federal grants and is used primarily for building and ground maintenance activities, administrative expenses, and some personal service costs.

Federal Special Revenue

The majority of the Air National Guard Program's funding comes from federal funds.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	390,190	390,190	780,380	94.66 %	6,040,893	6,040,893	12,081,786	99.94 %
SWPL Adjustments	(18,004)	(13,848)	(31,852)	(3.86)%	(663,434)	(633,473)	(1,296,907)	(10.73)%
PL Adjustments	0	0	0	0.00 %	496,158	504,639	1,000,797	8.28 %
New Proposals	37,897	37,968	75,865	9.20 %	151,589	151,872	303,461	2.51 %
Total Budget	\$410,083	\$414,310	\$824,393		\$6,025,206	\$6,063,931	\$12,089,137	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(36,964)	0	(702,316)	(739,280)	0.00	(36,130)	0	(686,471)	(722,601)
DP 2 - Fixed Costs	0.00	(2,092)	0	(6,273)	(8,365)	0.00	(4,074)	0	(12,222)	(16,296)
DP 3 - Inflation Deflation	0.00	21,052	0	63,159	84,211	0.00	26,356	0	79,068	105,424
DP 1301 - ANG Re-Establish Firefighter FLSA Overtime	0.00	0	0	458,158	458,158	0.00	0	0	466,639	466,639
DP 1302 - ANG Funding for DEQ Oversight of Remediation	0.00	0	0	38,000	38,000	0.00	0	0	38,000	38,000
Grand Total All Present Law Adjustments	0.00	(\$18,004)	\$0	(\$149,272)	(\$167,276)	0.00	(\$13,848)	\$0	(\$114,986)	(\$128,834)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 1301 - ANG Re-Establish Firefighter FLSA Overtime -

The executive is requesting additional federal spending authority for firefighter salaries and benefits that exceed those of a traditional FTE, due to the 24/7 nature of the fire protection services at the Montana Air National Guard. Hours over 2,080 per FTE are not captured in the personal services snapshot used for initial budget preparation.

DP 1302 - ANG Funding for DEQ Oversight of Remediation -

The executive requests increased federal spending authority to pay the Department of Environmental Quality for Polyfluoroalkyl substances (PFAS) contained in fire foam, remedial investigation and subsequent removal, and remediation activities. This is a cost recovery paid by the National Guard Bureau for expedited regulatory oversight services related to environmental cleanup activities resulting from contaminant releases from past Air National Guard activities at the Montana Air National Guard Base and Great Falls International Airport.

New Proposals

The “New Proposals” table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1303 - ANG Facilities and Maintenance Costs	0.00	16,500	0	49,500	66,000	0.00	16,500	0	49,500	66,000
DP 1304 - ANG CADD Operator FTE	1.00	21,397	0	64,192	85,589	1.00	21,468	0	64,404	85,872
Total	1.00	\$37,897	\$0	\$113,692	\$151,589	1.00	\$37,968	\$0	\$113,904	\$151,872

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1303 - ANG Facilities and Maintenance Costs -

The executive requests increased spending authority as a 75/25 federal/state general fund split to allow the Montana Air National Guard (ANG) to take over the management, cost, supplies, and utilities of three buildings on Malmstrom Air Force Base. The ANG currently occupies this space and is in the process of finalizing the transfer of full operational control and maintenance of these properties from the Air Force and Department of Defense.

DP 1304 - ANG CADD Operator FTE -

The executive requests 1.00 FTE to create, update, and maintain record drawings of DMA maintained facilities to ensure correctness and completeness. The federal government is requiring weekly updates from the Builder Assessment Management tool for each DMA building in order to continue to receive federal facility and division maintenance funding. This service has been historically contracted out. This change package requests this position become permanent. This position would work closely with the City of Great Falls and Cascade County to provide GIS data, fire hydrant, domestic water, and sanitary sewer data for operation and emergency response.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,857,772	5,759,284	901,512	18.56 %
Operating Expenses	2,303,717	1,712,079	(591,638)	(25.68)%
Grants	26,315,072	26,411,362	96,290	0.37 %
Transfers	2,728,634	3,043,210	314,576	11.53 %
Total Expenditures	\$36,205,195	\$36,925,935	\$720,740	1.99 %
General Fund	2,986,337	3,768,173	781,836	26.18 %
State/Other Special Rev. Funds	512,210	273,512	(238,698)	(46.60)%
Federal Spec. Rev. Funds	32,706,648	32,884,250	177,602	0.54 %
Total Funds	\$36,205,195	\$36,925,935	\$720,740	1.99 %
Total Ongoing	\$36,205,195	\$36,925,935	\$720,740	1.99 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

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

Program Highlights

Disaster and Emergency Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The Disaster and Emergency Services Division’s 2025 biennium requested appropriations are approximately \$521,000 or 1.4% greater than the 2023 biennium • The executive proposal includes: <ul style="list-style-type: none"> ◦ Increased general fund and federal authority for disaster preparedness activities ◦ A restricted general fund appropriation for personal service costs in the Duty Officer Program ◦ A funding transfer to establish 5.00 FTE for increased workload in the DES ◦ A transfer of 2.00 FTE and associated funding from the Department of Administration ◦ A state special revenue reduction to align with anticipated funding for the 2025 biennium

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	25.00	25.00	32.00	32.00
Personal Services	2,455,052	2,519,024	2,338,748	2,871,377	2,887,907
Operating Expenses	1,275,844	1,401,980	901,737	861,801	850,278
Grants	11,028,318	12,989,467	13,325,605	13,205,681	13,205,681
Transfers	656,775	1,207,029	1,521,605	1,521,605	1,521,605
Total Expenditures	\$15,415,989	\$18,117,500	\$18,087,695	\$18,460,464	\$18,465,471
General Fund	1,459,776	1,488,787	1,497,550	1,884,790	1,883,383
State/Other Special Rev. Funds	71,524	255,530	256,680	136,756	136,756
Federal Spec. Rev. Funds	13,884,689	16,373,183	16,333,465	16,438,918	16,445,332
Total Funds	\$15,415,989	\$18,117,500	\$18,087,695	\$18,460,464	\$18,465,471
Total Ongoing	\$15,415,989	\$18,117,500	\$18,087,695	\$18,460,464	\$18,465,471
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Disaster and Emergency Services Division expended approximately 85.1% of their \$18.1 million HB 2 modified budget in FY 2022. Personal services were 97.5% expended, operating expenses were 91.0% expended, grants were 84.9% expended and transfers were 54.4% expended. Lower expenditures in grant and transfer authority are attributed to federal grants taking multiple years to complete and therefore expenditures occur over the course of multiple fiscal years.

FY 2022 Appropriations Compared to FY 2023 Appropriations

The FY 2022 appropriation authority for the Disaster and Emergency Services Division is approximately \$30,000 greater than the FY 2023 appropriation authority. Greater appropriation authority in FY 2022 is primarily due to fiscal year-end adjustments to meet expenditure needs for accruals.

Executive Request

The executive is requesting an increase of approximately \$273,000 in FY 2024 and \$278,000 in FY 2025 above the FY 2023 base appropriations. This increase includes statewide present law adjustments for fixed costs and inflation, present law adjustments for increased disaster preparedness activities and increased personal service costs for the Duty Officer Program. New proposals include increased general fund and federal authority for new fixed cost related to the Chief Data Office in the Department of Administration as well as funding for 2.00 FTE transferred from the Department of Administration for State Continuity Planning. The executive also requests transferring funds from operating expenses to personal services to establish 5.00 permanent FTE that are currently modified.

The executive requests a decrease through statewide present law adjustments for personal services which is explained in further detail in the personal services section of this narrative. Additionally, the executive requests reductions in state special revenue in the 2025 biennium due to anticipated revenue projections.

Program Personal Services Narrative

The Disaster and Emergency Services Division has 25.00 permanent HB 2 FTE. As of August 1, 2022, the division had 4.00 FTE vacant and during FY 2022 had two employees leave state employment and three retire.

Personal services were \$2.3 million or 12.9% of the total FY 2023 appropriations. The executive proposes a present law adjustment decrease of approximately \$81,000 in FY 2024 and \$66,000 in FY 2025. The FY 2023 personal services base budget was increased due to an operating plan transfer of personal service authority. This authority was not used in its entirety to fund pay increases of permanent FTE; therefore, it was not captured in the personal services snapshot.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 21-Disaster & Emergency Services						
Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	3,768,173	0	0	0	3,768,173	10.20 %
02170 SAR DES Off Road Vehicle	264,308	0	0	0	264,308	96.63 %
02335 DES Training Conference	9,204	0	0	0	9,204	3.37 %
State Special Total	\$273,512	\$0	\$0	\$0	\$273,512	0.74 %
03134 DES Emergency Mgmt Perf 97.042	10,356,716	0	0	0	10,356,716	31.49 %
03143 DES Homeland Security 97.067	15,212,304	0	0	0	15,212,304	46.26 %
03166 DES Hazard Mitigation 97.039	2,601,426	0	0	0	2,601,426	7.91 %
03191 DES Pre-Disaster Mit 97.047	3,377,082	0	0	0	3,377,082	10.27 %
03208 DES Hazardous Materials 20.703	360,136	0	0	0	360,136	1.10 %
03239 DES Flood Mitigation 97.029	862,326	0	0	0	862,326	2.62 %
03429 Disaster & Emergency Services	2,204	0	0	0	2,204	0.01 %
03267 Nonprofit Security 97.008	99,914	0	0	0	99,914	0.30 %
03717 Nat Earthquake Haz Red Prg	12,142	0	0	0	12,142	0.04 %
Federal Special Total	\$32,884,250	\$0	\$0	\$0	\$32,884,250	89.05 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$36,925,935	\$0	\$0	\$0	\$36,925,935	

HB 2 Authority

Funding for the Disaster and Emergency Services Division is broken down into three functional areas:

- Administration and coordination
- Search and rescue
- Grant programs

General Fund

General fund accounts for 9.7% of the Disaster and Emergency Division's total appropriation authority. Funding from the general fund is for administrative and coordination functions, which are primarily funded with 50.0% general fund.

State Special Revenue

State special revenue accounts for 0.7% of total appropriation authority. Search and rescue activities are funded through state special revenue funds derived from surcharges on conservation licenses and off-road vehicle licenses.

Federal Special Revenue

Federal special revenue accounts for the majority of total appropriation authority. Federal funds are used to fund 50.0% of administrative and coordination functions and generally 100.0% of disaster coordination functions.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,497,550	1,497,550	2,995,100	79.48 %	18,087,695	18,087,695	36,175,390	97.97 %
SWPL Adjustments	104,573	102,877	207,450	5.51 %	72,359	76,788	149,147	0.40 %
PL Adjustments	95,000	95,000	190,000	5.04 %	145,000	145,000	290,000	0.79 %
New Proposals	187,667	187,956	375,623	9.97 %	155,410	155,988	311,398	0.84 %
Total Budget	\$1,884,790	\$1,883,383	\$3,768,173		\$18,460,464	\$18,465,471	\$36,925,935	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	(80,886)	(80,886)	0.00	0	0	(66,215)	(66,215)
DP 2 - Fixed Costs	0.00	48,672	0	48,672	97,344	0.00	40,126	0	40,126	80,252
DP 3 - Inflation Deflation	0.00	55,901	0	0	55,901	0.00	62,751	0	0	62,751
DP 2104 - DES Disaster Preparedness Operating Adjustment (RST)	0.00	50,000	0	50,000	100,000	0.00	50,000	0	50,000	100,000
DP 2105 - DES 24/7 Duty Officer Program (RST)	0.00	45,000	0	0	45,000	0.00	45,000	0	0	45,000
Grand Total All Present Law Adjustments	0.00	\$199,573	\$0	\$17,786	\$217,359	0.00	\$197,877	\$0	\$23,911	\$221,788

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 2104 - DES Disaster Preparedness Operating Adjustment (RST) -

The executive requests a restricted general fund and federal special revenue appropriation for disaster preparedness activities. In 2022, the Montana Disaster Emergency Services (DES) gathered input from local emergency managers in communities across the state to determine program gaps. This increase will allow the DES and field staff to conduct additional in-person outreach and technical assistance, to coordinate and deliver training, and to help develop local emergency management programs.

DP 2105 - DES 24/7 Duty Officer Program (RST) -

The executive requests restricted general fund authority in the 2025 biennium for personal service costs in the Duty Officer Program. The Montana Disaster Emergency Services (DES) provides 24/7 duty officer coverage to assist with emerging incidents. Support for emerging incidents occur prior to a governor's declaration and often does not require issuing an emergency declaration. As a result, the disaster appropriation is not available to offset the cost of the Duty Officer Program.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	300	0	300	600	0.00	300	0	300	600
DP 2101 - DES Modified to Permanent FTE	5.00	0	0	0	0	5.00	0	0	0	0
DP 2102 - DES Continuity of Government Program Transfer	2.00	87,367	0	87,367	174,734	2.00	87,656	0	87,656	175,312
DP 2103 - DES Administrative Adjustments	0.00	0	(119,924)	0	(119,924)	0.00	0	(119,924)	0	(119,924)
DP 2106 - DES Warehouse & Logistics Operations	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
Total	7.00	\$187,667	(\$119,924)	\$87,667	\$155,410	7.00	\$187,956	(\$119,924)	\$87,956	\$155,988

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 99 - New Fixed Costs -

The executive requests appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. Additionally, the executive requests appropriations of \$2,100 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 2101 - DES Modified to Permanent FTE -

The executive requests that 5.00 FTE be converted from modified to permanent FTE. This request will transfer operating expenditure authority to personal services, leading to a net zero impact on the 2025 total biennium budget. In recent years the DES has experienced increased workload which has necessitated the use of modified FTE to complete the work. As a result of increased frequency, severity, and complexity of disasters, the number of projects managed by the division has grown from an average of 20 projects per emergency manager to over 100 per manager. Four of the permanent staff would provide disaster management and one staff person will be used to support disaster logistics and warehouse operations.

DP 2102 - DES Continuity of Government Program Transfer -

The executive requests 2.00 FTE be transferred from the Department of Administration. The Department of Administration, State Continuity and Emergency Management Office (DOA/SCEMO) and the Department of Military Affairs, Disaster and Emergency Services Division (DMA/DES) have a Memorandum of Understanding for the State Continuity Planning. DMA/DES assumed the responsibility to re-scale the scope of continuity planning to meet standards set forth by the Federal Emergency Management Agency (FEMA) and coordinate continuity planning functions with state agencies. This request splits funding 50/50 federal funding/state general fund. A change package in the Department of Administration includes a reduction of 2.00 FTE.

DP 2103 - DES Administrative Adjustments -

The executive requests adjustments to appropriations for grants to reflect the amount of state special revenue funding projected to be available in the 2025 biennium. This funding was from the Department of Fish, Wildlife, and Parks for segregate search and rescue surcharges. On June 30, 2023, any unspent revenue must be transferred to the general license account established in 87-1-601(1), MCA. At that time, the funding will no longer be provided to Department of Military Affairs.

DP 2106 - DES Warehouse & Logistics Operations -

The executive requests \$100,000 each fiscal year of the 2025 biennium in general fund to continue the operations and management of an 8,000 square foot warehouse for disaster preparation and management to match federal grant funds.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,069,294	4,350,184	280,890	6.90 %
Operating Expenses	477,544	1,964,668	1,487,124	311.41 %
Equipment & Intangible Assets	0	760,000	760,000	0.00 %
Grants	70,000	70,000	0	0.00 %
Benefits & Claims	1,000	0	(1,000)	(100.00)%
Transfers	40,000	40,000	0	0.00 %
Debt Service	26,000	48,000	22,000	84.62 %
Total Expenditures	\$4,683,838	\$7,232,852	\$2,549,014	54.42 %
General Fund	2,977,080	0	(2,977,080)	(100.00)%
State/Other Special Rev. Funds	1,706,758	7,232,852	5,526,094	323.78 %
Total Funds	\$4,683,838	\$7,232,852	\$2,549,014	54.42 %
Total Ongoing	\$4,683,838	\$7,232,852	\$2,549,014	54.42 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Veteran's 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 Veteran's 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

Veteran's Affairs Division Major Budget Highlights
<ul style="list-style-type: none"> • The Veteran's Affairs Division's 2025 biennium requested appropriations are approximately \$2.5 million or 54.4% higher than the 2023 biennium • The executive proposal includes: <ul style="list-style-type: none"> ◦ Increased state special revenue authority for operating and personal service costs in the State Veteran's Cemetery Program and the Veteran Service Office's ◦ A funding shift of all general fund to state special revenue ◦ State special revenue authority in FY 2025 for the veteran's cemetery in Columbia Falls

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	25.00	25.00	25.00	25.00
Personal Services	1,938,774	1,975,065	2,094,229	2,052,910	2,297,274
Operating Expenses	251,399	264,618	212,926	967,426	997,242
Equipment & Intangible Assets	0	0	0	500,000	260,000
Grants	30,000	35,000	35,000	35,000	35,000
Benefits & Claims	750	1,000	0	0	0
Transfers	0	20,000	20,000	20,000	20,000
Debt Service	1,836	2,000	24,000	24,000	24,000
Total Expenditures	\$2,222,759	\$2,297,683	\$2,386,155	\$3,599,336	\$3,633,516
General Fund	1,429,421	1,450,512	1,526,568	0	0
State/Other Special Rev. Funds	793,338	847,171	859,587	3,599,336	3,633,516
Total Funds	\$2,222,759	\$2,297,683	\$2,386,155	\$3,599,336	\$3,633,516
Total Ongoing	\$2,222,759	\$2,297,683	\$2,386,155	\$3,599,336	\$3,633,516
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Veteran’s Affairs Division expended 96.7% of their HB 2 modified FY 2022 budget. Personal services were 98.2% expended, operating expenses were 95.0% expended, and transfers were 0.0% expended. Transfer appropriation authority is for the Purple Heart Scholarship Program, which gives scholarships to students who have received a purple heart. In FY 2022, the division did not have any applicants.

FY 2022 Appropriations Compared to FY 2023 Appropriations

FY 2023 appropriation authority for the Veteran’s Affairs Division is approximately \$88,000 greater than the FY 2022 appropriation authority. This increase is primarily in personal services, which received a greater HB 2 and HB 13 authority to meet present law projections in FY 2023. Additionally, the Veteran’s Affairs Division made fiscal year-end adjustments to appropriately account for expenditures.

Executive Request

The executive is requesting an increase of approximately \$1.2 million in FY 2024 and \$1.2 million in FY 2025 above the FY 2023 base appropriations. This increase is primarily due to new proposals for increased state special revenue authority contingent on passage of related legislation. Related legislation would provide additional funding to the Veteran’s Affairs Division for the Veteran’s Cemetery Program, Veteran’s Services Program, the new Columbia Falls veteran’s cemetery. This legislation would also transfer all general fund authority to state special revenue. The executive also requests statewide present law adjustments for personal services, fixed cost, and inflation.

LFD COMMENT	The 2021 Legislature passed HB 701 which authorized distribution of \$200,000 cannabis revenue into the veterans and surviving spouse state special revenue account each fiscal year. Language in HB 701 establishes distribution into this account to be ongoing and provided appropriations to spend the fund in FY 2022 and FY 2023. However, the bill did not include language that these appropriations were to be included in the agency’s ongoing base beyond the 2023 biennium. The Governor’s Office has said to have addressed this issue in an upcoming bill draft.
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Program Personal Services Narrative

The Veteran’s Affairs Division has 25.00 HB 2 FTE. As of August 1, 2022, the division had 0.62 FTE vacant and during FY 2022 had two employees leave state employment and one transfer to a new agency.

Personal services were \$2.1 million or 87.8% of the total FY 2023 appropriations. The executive proposes a present law adjustment decrease of approximately \$41,000 in FY 2024 and a present law adjustment increase of \$85,000 in FY 2025. Due to employee turnover, the agency rehired positions at a lower wage rate. However, the agencies present law adjustment accounts for greater salary, benefits, and longevity increases in FY 2025.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 31-Veterans Affairs Operations Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	0	0	0	0	0	0.00 %	
02214 Veterans Affairs Cemeteries	0	0	0	1,642,594	1,642,594	18.51 %	
02222 Patriotic License Plate Fees	200,848	0	0	0	200,848	2.26 %	
02548 Veterans Affairs SB401	1,468,326	0	0	0	1,468,326	16.54 %	
02002 Purple Heart & Higher Schlshp	50,000	0	0	0	50,000	0.56 %	
02457 Veterans Affairs HB701 SSR	5,513,678	0	0	0	5,513,678	62.12 %	
State Special Total	\$7,232,852	\$0	\$0	\$1,642,594	\$8,875,446	100.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$7,232,852	\$0	\$0	\$1,642,594	\$8,875,446		

HB 2 Authority

State Special Revenue

State special revenue accounts for 100.0% of total appropriation authority in the Veteran's Affairs Division. The state special revenue accounts are as follows:

- Veteran's services account, enacted by the 2003 Legislature, allocated proceeds from the sale of veterans' specialty license plates and a portion of all motor vehicle registration revenues that are deposited into the general fund each year. The 2013 Legislature increased the percentage of motor vehicle fees deposited into this fund from 0.64% to 0.81%
- Patriotic license plate fees account receives revenue from a \$15 surcharge on original licensing and renewal of patriotic license plates issued in Montana
- Purple heart and higher medal scholarship account was revised by the 2019 Legislature. The legislature transferred \$50,000 of general fund into the account and required that the state special revenue appropriation be included in the base budget for future biennia
- Veteran’s affairs HB 701 account authority is dependent on passage of DP’s 3103, 3104, 3108, 3109 as well as LC0244 which provides additional funding to the Veteran’s Affairs Division for the Veteran’s Cemeteries and the Veteran’s Services Program. This also transfers all general fund authority to state special revenue which was used for the Veteran’s Service Program and for administrative costs in the division, including personal services, operating costs, and outreach costs

Statutory Authority

The Veteran's Affairs Division has a statutory appropriation for the operation of the Montana Veteran's Cemetery Program. The state special revenue account is funded through a portion of motor vehicle registration fees, cemetery plot allowances, and donations.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,526,568	1,526,568	3,053,136	0.00 %	2,386,155	2,386,155	4,772,310	65.98 %
SWPL Adjustments	(6,604)	122,513	115,909	0.00 %	1,081	122,513	123,594	1.71 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(1,519,964)	(1,649,081)	(3,169,045)	0.00 %	1,212,100	1,124,848	2,336,948	32.31 %
Total Budget	\$0	\$0	\$0		\$3,599,336	\$3,633,516	\$7,232,852	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(41,319)	0	0	(41,319)	0.00	84,997	0	0	84,997
DP 2 - Fixed Costs	0.00	19,642	7,685	0	27,327	0.00	19,450	0	0	19,450
DP 3 - Inflation Deflation	0.00	15,073	0	0	15,073	0.00	18,066	0	0	18,066
Grand Total All Present Law Adjustments	0.00	(\$6,604)	\$7,685	\$0	\$1,081	0.00	\$122,513	\$0	\$0	\$122,513

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

The “New Proposals” table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3103 - VA Cemetery Program Funding and Staff	0.00	0	717,200	0	717,200	0.00	0	480,800	0	480,800
DP 3104 - VA Veteran Program Operating and Staff	0.00	0	494,900	0	494,900	0.00	0	496,000	0	496,000
DP 3108 - VA Cannabis Fund Switch	0.00	(1,519,964)	1,519,964	0	0	0.00	(1,649,081)	1,649,081	0	0
DP 3109 - VA Columbia Falls Cemetery Operations (RST)	0.00	0	0	0	0	0.00	0	148,048	0	148,048
Total	0.00	(\$1,519,964)	\$2,732,064	\$0	\$1,212,100	0.00	(\$1,649,081)	\$2,773,929	\$0	\$1,124,848

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3103 - VA Cemetery Program Funding and Staff -

The executive requests funding for operating expenses, staff, and equipment needs for the Montana State Veterans Cemeteries, located at Fort Harrison in Helena, Miles City, and Missoula. The interment workload has increased at each of the sites, and the equipment used to manage the workload needs to be replaced. This request is contingent upon funding provided in related legislation.

LFD COMMENT	Generally, subcommittee guidance discourages the approval of funding in HB 2 until contingent bills are passed. If the subcommittee wishes to approve this funding, the committee might consider language in HB 2 that this funding is contingent on approval of related legislation.
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DP 3104 - VA Veteran Program Operating and Staff -

The executive requests funding for staff and operating costs to support the increasing workload in the Veteran Service Offices which help Montana veterans access benefits such as health care, education, training, and employment services. This request is contingent upon funding provided in related legislation.

LFD COMMENT	Generally, subcommittee guidance discourages the approval of funding in HB 2 until contingent bills are passed. If the subcommittee wishes to approve this funding, the committee might consider language in HB 2 that this funding is contingent on approval of related legislation.
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DP 3108 - VA Cannabis Fund Switch -

The executive requests a fund switch from general fund to state special cannabis tax revenue for base program funding. This request is contingent on passage and approval of related legislation.

LFD	Generally, subcommittee guidance discourages the approval of funding in HB 2 until contingent bills are
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COMMENT passed. If the subcommittee wishes to approve this funding, the committee might consider language in HB 2 that this funding is contingent on approval of related legislation.

DP 3109 - VA Columbia Falls Cemetery Operations (RST) -

The executive requests state special revenue authority in FY 2025 to provide staff and operations for the new proposed Montana Veteran's Cemetery in Columbia Falls. This request is contingent upon funding provided in legislation LC0244.

LFD COMMENT Generally, subcommittee guidance discourages the approval of funding in HB 2 until contingent bills are passed. If the subcommittee wishes to approve this funding, the committee might consider language in HB 2 that this funding is contingent on approval of LC0244.