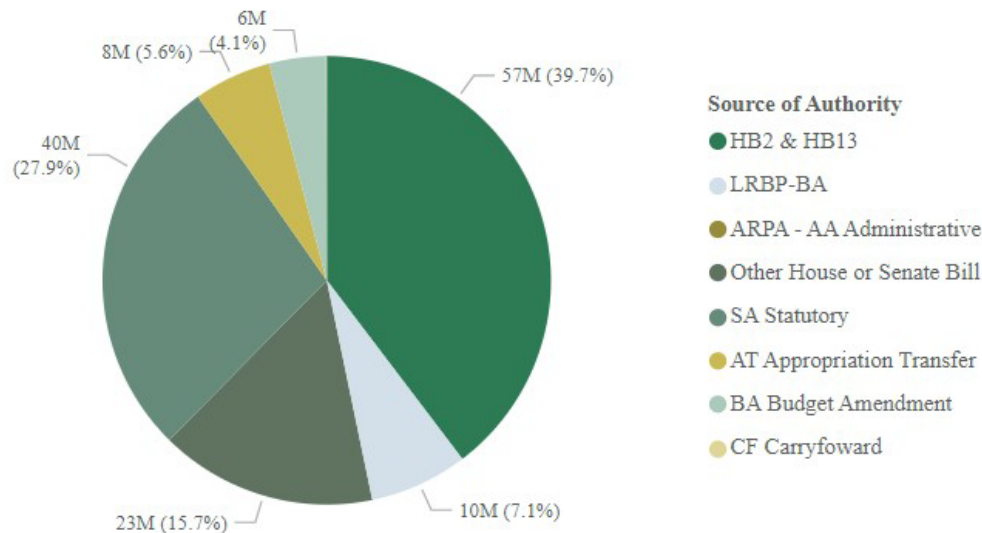


# DEPARTMENT OF MILITARY AFFAIRS

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Military Affairs (DMA) is shown in the pie chart below. HB 2 and HB 13 provide of 39.7% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

**Total Modified Budget by Source of Authority**



| Source of Authority        | Modified Budget    | Expended Budget   | % Expended   |
|----------------------------|--------------------|-------------------|--------------|
| HB2 & HB13                 | 57,218,873         | 12,335,556        | 21.6%        |
| SA Statutory               | 40,187,637         | 6,865,725         | 17.1%        |
| Other House or Senate Bill | 22,590,300         | 1,096,485         | 4.9%         |
| LRBP-BA                    | 10,200,102         | 55,333            | 0.5%         |
| AT Appropriation Transfer  | 8,087,445          | 156,769           | 1.9%         |
| BA Budget Amendment        | 5,897,049          | 69                | 0.0%         |
| CF Carryforward            | 70,389             | 3,393             | 4.8%         |
| ARPA                       | 0                  | 0                 | NaN          |
| <b>Total</b>               | <b>144,251,795</b> | <b>20,513,330</b> | <b>14.2%</b> |

## Budget Amendments

The Department of Military Affairs has authority for several budget amendments in the Disaster and Emergency Services Program. The authority from budget amendments totals approximately \$5.9 million and the majority of the authority includes the following:

- Approximately \$2.4 million of federal funding from the Department of Homeland Security to improve cybersecurity in state and local governments. As of November 30, 2023, this funding has been 0.0% expended; however, the funding is available through November 30, 2026

- Approximately \$1.6 million of federal funding from the Department of Homeland Security for the preparation, prevention, and response to terrorism activities and other terrorist threats. As of November 30, 2023, this funding has been 0.0% expended. The grant is available through August 31, 2024
- Approximately \$1.3 million of federal funding from the Department of Homeland Security for a disaster case management grant. This grant provides funding for a contracted disaster case manager to provide assistance to individuals impacted by the spring 2022 flooding disaster. At this point in FY 2024, funding has been 0.0% expended. The grant is available through June 30, 2024

### **Carryforward Authority**

The Department of Military Affairs has carryforward appropriation authority from FY 2022 of approximately \$70,000, which is less than 1.0% of the total appropriation authority in FY 2024. The carryforward authority was comprised of general fund and state special revenue funds, and includes:

- Approximately \$18,000, or 24.9%, is general fund authority in the Directors Office. The general fund carryforward authority was allocated to personal services and is 0.0% expended
- Approximately \$53,000, or 75.1%, is state special revenue authority in the Veterans Affairs Program. This authority was allocated to operating expenses and is 6.4% expended. Expenditures were primarily on temporary services for an administrative assistant in the Great Falls Veteran Service Office

### **Long Range Building Program – Budget Amendments**

The Department of Military Affairs' budget included \$10.2 million in federal funds and capital project funds for military construction projects. These projects were not included in the long-range building projects appropriated by the legislature. The funds were amended into previous biennia budgets and continued into the current year and include:

- Fort Harrison Projects:
  - \$2.9 million for a maintenance bay addition to the combined support maintenance shop
  - \$238,000 for a maintenance vehicle/sand storage building
  - \$162,000 for a hazardous waste accumulation area
  - \$131,000 for dining facilities
  - \$23,000 for the construction of an enlisted barracks facility
- \$5.7 million for the Aviation Readiness Center in Helena
- \$571,000 for unheated storage facilities
- \$330,000 for the Miles City Readiness Center
- \$147,000 for the Missoula veteran's cemetery

At this point in the fiscal year, the agency has expended \$55,000 or 0.5% of this authority. These projects typically take multiple years to complete.

### **Other Bills**

The Department of Military Affairs has approximately \$22.6 million of appropriation authority in other bills in FY 2024, which is 15.7% of the total appropriation authority. Several previous legislatures have appropriated

funds directly to DMA in HB 5, or other long-range building bills, for construction projects on various military bases and armories across Montana. As the construction of projects take several years, the unspent authority awarded in one biennium is continued into future biennia until the projects are completed. In FY 2024, approximately \$22.6 million is included in the Department of Military Affairs' budget for agency capital development projects. The majority of this authority was approved by the 2021 Legislature and the balance from continuing authority from prior sessions. The projects approved by the 2021 Legislature include:

- \$6.0 million for the design and construction of barracks and supporting infrastructure at Fort Harrison
- \$3.0 million for capital improvements to statewide facilities
- \$2.2 million for the construction of barracks for National Guard soldiers at the Limestone Hills training area near Townsend
- \$2.2 million for the renovation of existing space in the Regional Training Institute building and the construction of new classroom space
- \$812,000 for the renovation of paved/surfaced secure compound space for military vehicles and equipment to load and unload trains at Fort Harrison
- \$812,000 for the installation of an eight-foot-tall chain-link fence, security gates, and gravel base to create multiple secured compound sections at Fort Harrison
- \$435,000 to construct military equipment parking with rigid concrete pavement at the Helena field maintenance shop
- \$244,000 for the replacement of the roof on building 530 at Fort Harrison
- \$137,000 to remove existing waste oil burners from the aircraft storage hanger and install aboveground storage tanks for jet fuel and used oil at the Army Aviation Support Facility
- \$122,000 for the construction of a concrete loading ramp at the Limestone Hills training area
- \$107,000 to replace rigid concrete paving and install stormwater drainage structures, fencing, and curbing at the Missoula field maintenance shop
- \$99,000 for permanent vault-style latrines at the training area at Fort Harrison
- \$43,000 to construct a fence around the perimeter of the Billings field maintenance shop

At this point in the fiscal year, DMA has expended \$1.1 million or 4.9% of its long-range building funds.

## **Statutory Appropriations**

### ***Governor's Emergency Fund (10-3-312, MCA)***

Statute provides the Governor with \$20.0 million general fund (increased from \$16.0 million in the 2023 Legislative Session) over the biennium to address unanticipated costs associated with disasters and emergencies. Natural disasters include costs associated with flooding, windstorms, winter storms, and tornados. As of November 30, 2023, the Department of Military Affairs budget included \$3.9 million in general fund from disasters declared in previous biennia. At this point in the fiscal year, DMA expended \$1.2 million for projects related to flood and fire events. Lower expenditures are due to these funds typically being for multi-year mitigation or reimbursement projects.

### ***Federal Emergency Management Agency (FEMA) Funding (10-3-311, MCA)***

The Department of Military Affairs is granted statutory authority to spend federal funds received for federally declared disasters including pandemic relief. Of the \$34.4 million in federal funds for disasters, \$10.3 million

was budgeted for the COVID-19 pandemic efforts and \$19.0 million was budgeted for flood relief. As of November 23, 2023, DMA expended \$4.4 million on federally declared disasters.

***Veterans Cemetery (10-2-601, MCA)***

The Veterans Affairs Division has a statutory appropriation for the operation of the Montana Veterans Cemetery Program. The Veterans Cemetery Program operates:

- Montana State Veterans Cemetery – Fort Harrison, Helena
- Eastern Montana State Veterans Cemetery – Miles City
- Western Montana State Veterans Cemetery – Missoula
- Columbia Falls State Veterans Cemetery – Columbia Falls

Funding for the program is provided through a portion of motor vehicle registration fees, cemetery plot allowances, and donations. As of November 30, 2023, DMA expended \$296,000, or 33.8%, of the \$874,000 in state special revenue funds appropriated for the cemeteries.

***Montana Military Family Relief Fund (MMFRF; 10-1-1303, MCA)***

The Montana military family relief fund receives statutory appropriations to provide monetary grants to families of Montana National Guard and Reserve Component members who on or after April 28, 2007, are on active duty for federal service in a contingency operation. MMFRF grants are intended to help Montana families defray the costs of food, housing, utilities, medical services, and other expenses that become difficult to afford when the wage earner has temporarily left civilian employment to be placed on active military duty. Funding for the program is provided through legislative transfers, monetary contributions, gifts, and grants donated to the fund. At this point in the fiscal year, DMA has expended \$38,000 out of the \$40,000 state special revenue appropriation.

***Montana National Guard Land Purchase (10-1-108, MCA)***

Montana statute establishes a Montana National Guard land purchase state special revenue fund in which all money from the sale of an armory must be deposited. There are two purposes of the fund outlined in statute:

- Any interest and income accruing on the account must be deposited in the general fund
- Money in the account may be used only for preparations to purchase or the purchase of land necessary for the Montana National Guard's mission and is expendable solely upon the authorization of the governor

As of November 30, 2023, DMA expended \$880,000 to purchase land within Limestone Hills Training area.

## HB 2 Budget Modifications

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from July 1, 2023 through November 30, 2023. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

| Agency Name                        | HB 2 Budget       | Modified Budget   | Net Modifications |
|------------------------------------|-------------------|-------------------|-------------------|
| ▢ Dept of Military Affairs         | 57,218,873        | 57,218,873        | 0                 |
| ▢ 01 DIRECTORS OFFICE              | 2,067,966         | 1,779,655         | -288,311          |
| ▢ 02 CHALLENGE PROGRAM             | 5,583,668         | 5,583,668         | 0                 |
| ▢ 03 SCHOLARSHIP PROGRAM           | 250,000           | 250,000           | 0                 |
| ▢ 04 STARBASE                      | 1,176,704         | 1,185,316         | 8,612             |
| ▢ 12 ARMY NATIONAL GUARD PGM       | 21,052,626        | 21,286,134        | 233,508           |
| ▢ 13 AIR NATIONAL GUARD PGM        | 6,123,669         | 6,146,662         | 22,993            |
| ▢ 21 DISASTER & EMERGENCY SERVICES | 18,518,651        | 18,536,106        | 17,455            |
| ▢ 31 VETERANS AFFAIRS PROGRAM      | 2,445,589         | 2,451,332         | 5,743             |
| <b>Total</b>                       | <b>57,218,873</b> | <b>57,218,873</b> | <b>0</b>          |

| Expenditure Type                      | HB 2 Budget       | Modified Budget   | Net Modifications |
|---------------------------------------|-------------------|-------------------|-------------------|
| ▢ 61000 Personal Services             | 20,041,531        | 20,175,714        | 134,183           |
| ▢ 62000 Operating Expenses            | 21,754,865        | 21,597,568        | -157,297          |
| ▢ 63000 Equipment & Intangible Assets | 150,536           | 173,650           | 23,114            |
| ▢ 66000 Grants                        | 13,240,681        | 13,240,681        | 0                 |
| ▢ 68000 Transfers-out                 | 1,617,260         | 1,617,260         | 0                 |
| ▢ 69000 Debt Service                  | 414,000           | 414,000           | 0                 |
| <b>Total</b>                          | <b>57,218,873</b> | <b>57,218,873</b> | <b>0</b>          |

| Fund Type                 | HB 2 Budget       | Modified Budget   | Net Modifications |
|---------------------------|-------------------|-------------------|-------------------|
| ▢ 01 General              | 8,688,884         | 8,688,884         | 0                 |
| ▢ 02 State/Other Spec Rev | 1,008,218         | 1,008,218         | 0                 |
| ▢ 03 Fed/Other Spec Rev   | 47,521,771        | 47,521,771        | 0                 |
| <b>Total</b>              | <b>57,218,873</b> | <b>57,218,873</b> | <b>0</b>          |

The Department of Military Affairs made several modifications to the HB 2 budget through November 30, 2023. Significant modifications include:

- HB 2 included increases in general fund and federal special revenue to offset inflationary impacts. This increase was allocated to the Directors Office with HB 2 language that allowed the agency to allocate this funding among programs when developing the 2025 biennium budget. The budget in the Directors Office was reduced by \$52,000 general fund and \$236,000 federal special revenue and corresponding increases to the budget were made in several other DMA programs
- The Department of Military Affairs transferred \$134,000 federal special revenue from operating expenses to personal services in the Army National Guard Program. This transfer was made to establish 1.00 modified FTE for a project manager in the Design and Project Management Bureau. This position

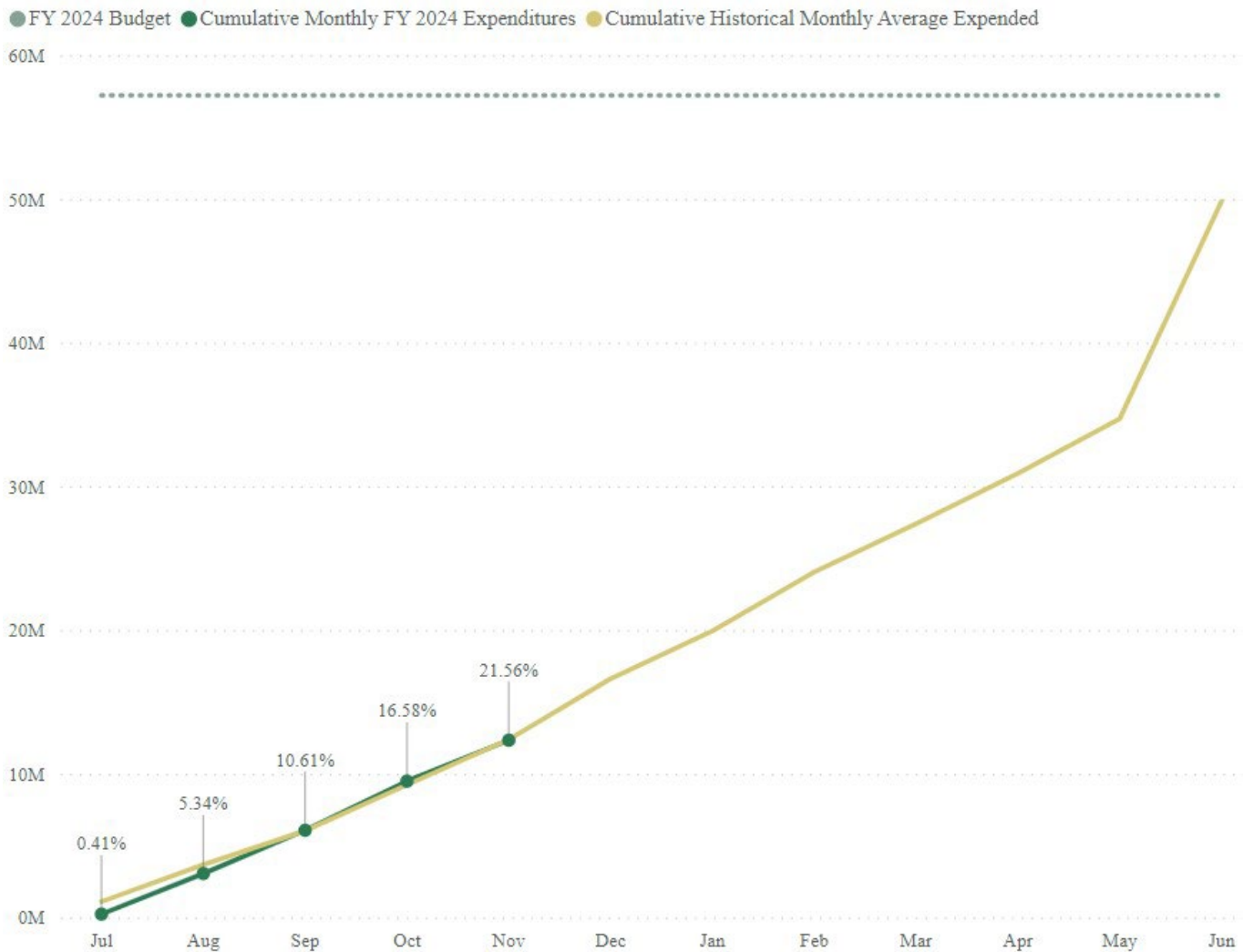
will, among other duties, direct and manage operational activities for a variety of architectural and engineering projects at Fort Harrison and at statewide Montana Army National Guard facilities

- The Department of Military Affairs transferred approximately \$23,000 from operating expenses to equipment and intangible assets. This transfer was made for the purchase of equipment for student vocational training in the Youth Challenge Program

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2023.

### Monthly Expenditures Compared to Historical Average





| Fund Type                 | Modified Budget   | Expended Budget   | % Expended   |
|---------------------------|-------------------|-------------------|--------------|
| ⊕ 01 General              | 8,688,884         | 2,467,893         | 28.4%        |
| ⊕ 02 State/Other Spec Rev | 1,008,218         | 257,661           | 25.6%        |
| ⊕ 03 Fed/Other Spec Rev   | 47,521,771        | 9,610,003         | 20.2%        |
| <b>Total</b>              | <b>57,218,873</b> | <b>12,335,556</b> | <b>21.6%</b> |

| Expenditure Type                | Modified Budget   | Expended Budget   | % Expended   |
|---------------------------------|-------------------|-------------------|--------------|
| ⊕ Personal Services             | 20,175,714        | 7,017,487         | 34.8%        |
| ⊕ Operating Expenses            | 21,597,568        | 4,307,060         | 19.9%        |
| ⊕ Equipment & Intangible Assets | 173,650           | 26,820            | 15.4%        |
| ⊕ Grants                        | 13,240,681        | 799,116           | 6.0%         |
| ⊕ Transfers-out                 | 1,617,260         | 1,345             | 0.1%         |
| ⊕ Debt Service                  | 414,000           | 183,726           | 44.4%        |
| <b>Total</b>                    | <b>57,218,873</b> | <b>12,335,556</b> | <b>21.6%</b> |

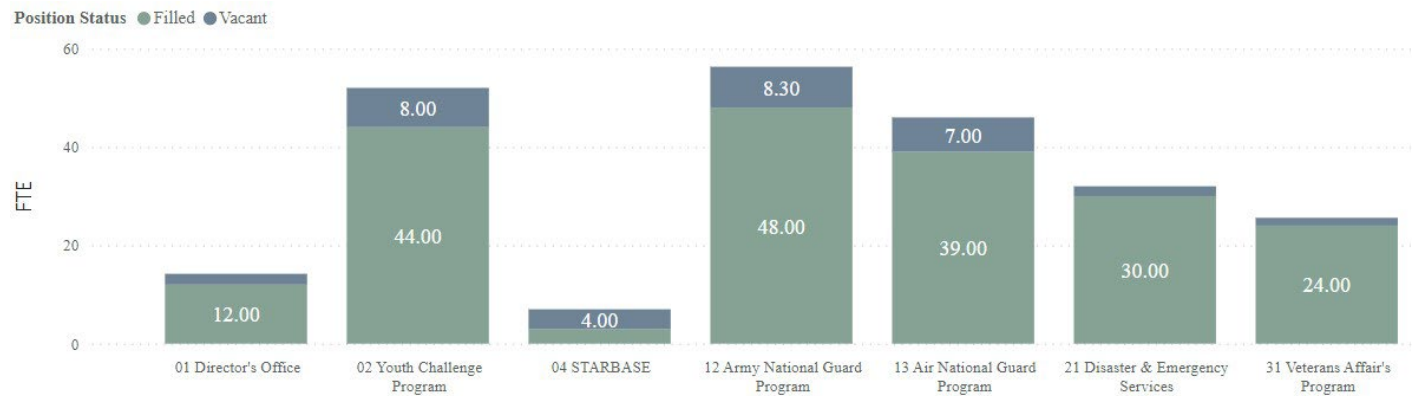
| Program Name                       | Modified Budget   | Expended Budget   | % Expended   |
|------------------------------------|-------------------|-------------------|--------------|
| ⊕ 01 DIRECTORS OFFICE              | 1,779,655         | 483,588           | 27.2%        |
| ⊕ 02 CHALLENGE PROGRAM             | 5,583,668         | 2,017,575         | 36.1%        |
| ⊕ 03 SCHOLARSHIP PROGRAM           | 250,000           | 0                 | 0.0%         |
| ⊕ 04 STARBASE                      | 1,185,316         | 359,786           | 30.4%        |
| ⊕ 12 ARMY NATIONAL GUARD PGM       | 21,286,134        | 4,685,797         | 22.0%        |
| ⊕ 13 AIR NATIONAL GUARD PGM        | 6,146,662         | 2,161,999         | 35.2%        |
| ⊕ 21 DISASTER & EMERGENCY SERVICES | 18,536,106        | 1,670,636         | 9.0%         |
| ⊕ 31 VETERANS AFFAIRS PROGRAM      | 2,451,332         | 956,175           | 39.0%        |
| <b>Total</b>                       | <b>57,218,873</b> | <b>12,335,556</b> | <b>21.6%</b> |

The Department of Military Affairs expended 21.6% of its HB 2 appropriation authority through November 30, 2023. This aligns with the historical percent expended of 21.6%. There are lower percentages expended in the following areas:

- Operating expenses of \$21.6 million are 19.9% expended at this point in the fiscal year. The majority of the operating expense budget is in the Army National Guard Program, in which the \$15.5 million operating budget was 17.1% expended. Lower expenditures in this program are not atypical and primarily due to federal funding not generally being allotted in the first quarter of the federal fiscal year. Additionally, the federal budget continuing resolution are limiting expenditures to essential activities, which are impacting the current expenditure rate
- Grants of \$13.2 million are 6.0% expended as of November 30, 2023. Nearly all of the budget for grants is in the Disaster and Emergency Services Program. These grants are typically for disaster or mitigation projects that may take several years to complete

## Personal Services

Personal services make up 35.3% of the FY 2024 HB 2 budget in the Department of Military Affairs with approximately \$7.0 million or 34.8% expended through November 30, 2023. DMA has 233.10 HB 2 FTE, excluding aggregate positions, and 85.8% of these positions were filled as of November 1, 2023. The following chart shows the filled and vacant FTE within the agency as of November 1, 2023.



The chart below shows the hourly utilization percentage for the Department of Military Affairs between July 1 and November 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 97.3% of the hours budgeted for FY 2024. This is slightly below the five-year average of 102.2%. Over 100.0% utilization in DMA is not uncommon as many of the agencies job duties require overtime hours, particularly during national or state declared disasters.





The chart below shows the vacant FTE in each division, the number of months each position has been vacant, and the midpoint hourly pay rate. Of the 33.10 FTE that are vacant, 25.30 FTE have been vacant from the start of the fiscal year or less (since July 2023). As of November 1, 2023, the department was in the process of recruiting for 16 openings.

|   | FTE          | Median Months Vacant | Market Midpoint (Hourly) |
|---|--------------|----------------------|--------------------------|
| <b>67010 MILITARY AFFAIRS</b>               | <b>33.10</b> | <b>4.03</b>          | <b>24.86</b>             |
| <b>01 Director's Office</b>                 | <b>2.21</b>  | <b>0.36</b>          | <b>28.41</b>             |
| Budget Analyst                              | 1.00         | 0.36                 | 28.41                    |
| Business Executive                          | 0.21         | 64.62                | 75.89                    |
| Financial Specialist                        | 1.00         | 0.30                 | 23.11                    |
| <b>02 Youth Challenge Program</b>           | <b>8.00</b>  | <b>2.49</b>          | <b>23.13</b>             |
| Cadre Instructor 1                          | 7.00         | 3.57                 | 23.13                    |
| Deputy Commandant                           | 1.00         | 1.21                 | 36.25                    |
| <b>04 STARBASE</b>                          | <b>4.00</b>  | <b>4.03</b>          | <b>26.87</b>             |
| Administrative Assistant 3                  | 1.00         | 4.03                 | 21.48                    |
| Program Specialist 2                        | 1.00         | 4.03                 | 36.35                    |
| Teacher 1                                   | 2.00         | 4.03                 | 26.87                    |
| <b>12 Army National Guard Program</b>       | <b>8.30</b>  | <b>5.80</b>          | <b>32.96</b>             |
| AntiTerrorism Program Specialt              | 1.00         | 7.25                 | 36.35                    |
| CFMO Budget Analyst                         | 1.00         | 0.85                 | 33.52                    |
| DDC Technician                              | 1.00         | 5.34                 |                          |
| IT Systems Administrator 2                  | 1.00         | 39.80                | 46.88                    |
| Painter                                     | 1.00         | 6.79                 |                          |
| Professional Engineer 1                     | 1.00         | 5.80                 | 40.97                    |
| Project Management Specialist1              | 1.00         | 7.18                 | 32.96                    |
| Purchaser 2                                 | 1.00         | 0.75                 | 28.54                    |
| Short Term Worker                           | 0.30         | 1.05                 |                          |
| <b>13 Air National Guard Program</b>        | <b>7.00</b>  | <b>2.59</b>          | <b>24.86</b>             |
| Designer 1                                  | 1.00         | 4.03                 | 29.24                    |
| Environmental Scientist 3                   | 1.00         | 1.74                 | 38.15                    |
| Firefighter                                 | 1.00         | 12.30                | 29.33                    |
| Firefighter 2                               | 4.00         | 2.39                 | 24.86                    |
| <b>21 Disaster &amp; Emergency Services</b> | <b>2.00</b>  | <b>2.62</b>          | <b>30.98</b>             |
| Administrative Assistant 3                  | 1.00         | 4.03                 | 21.48                    |
| Emergency Specialist 3                      | 1.00         | 1.21                 | 40.48                    |
| <b>31 Veterans Affairs Program</b>          | <b>1.59</b>  | <b>25.95</b>         | <b>42.55</b>             |
| Cemetery Manager                            | 0.59         | 49.93                | 22.29                    |
| MVAD BC                                     | 1.00         | 1.97                 | 62.81                    |
| <b>Total</b>                                | <b>33.10</b> | <b>4.03</b>          | <b>24.86</b>             |

## APPENDIX A

The Department of Military Affairs was asked to provide information on the following questions:

- How much did you pay to contractors between July 1, 2023 and October 31, 2023? How much of the amount paid to contractors do you estimate is due to vacant positions? If contractors were paid because of vacant positions, what are the types of vacant positions that resulted in the need for contractors?
- How much did you pay in overtime July 1, 2023 and October 31, 2023? How much of the overtime paid do you estimate is due to vacant positions? If overtime was paid because of vacant positions, what are the types of vacant positions that resulted in the need for overtime?

The table below was provided by DMA to answer these questions.

|                               | Contracted Services | Over Time | Reason  |
|-------------------------------|---------------------|-----------|---|
| Air National Guard            | -                   | 15,984.50 | Over-time is related to 24/7 Firefighter positons.  |
| Army National Guard           | 4,531.36            | 8,109.52  | Contracted Services: is for temp services to backfill a position.<br>Over-time: is not due to vacant positions, it is related to normal workload execution, an employee needs to be available during range trainings, and a once every 10 year communication systems upgrade.   |
| Youth Challenge               | -                   | 31,194.39 | Over-time: is due to Cadre positions. Cadre are the staff required to supervise students at all times. 95% would be due to vacancies, the other 5% is due to Cadre working holidays.  |
| Disaster & Emergency Services | 575,500.00          | 18,015.51 | Contracted Services: DES hired contractors to monitor and manage disaster recovery and mitigation projects. Contractors were used to augment personnel due to increased workload that would have required temporary employees or overtime, not due to vacant positions.<br>Over-time: Majority of the overtime was for the Duty Officer and Disaster Response. DES also had 464 hours of Comp Time Earned to support the operations and requirements of DES.<br>Overtime/comp time was due to increaed workload for Emergency Managers with new disasters and grants with some being due to vacant positions. |
| Veteran Affairs               | 3,256.70            | 237.43    | Contracted services were for temp services expenses due to the lack of a position in Great Falls.<br>Over-time is not due to a vacant position, it is related to events and outreach done by the Miles City Veteran Service Officer.  |
| Totals                        | 583,288.06          | 73,541.35 |   |