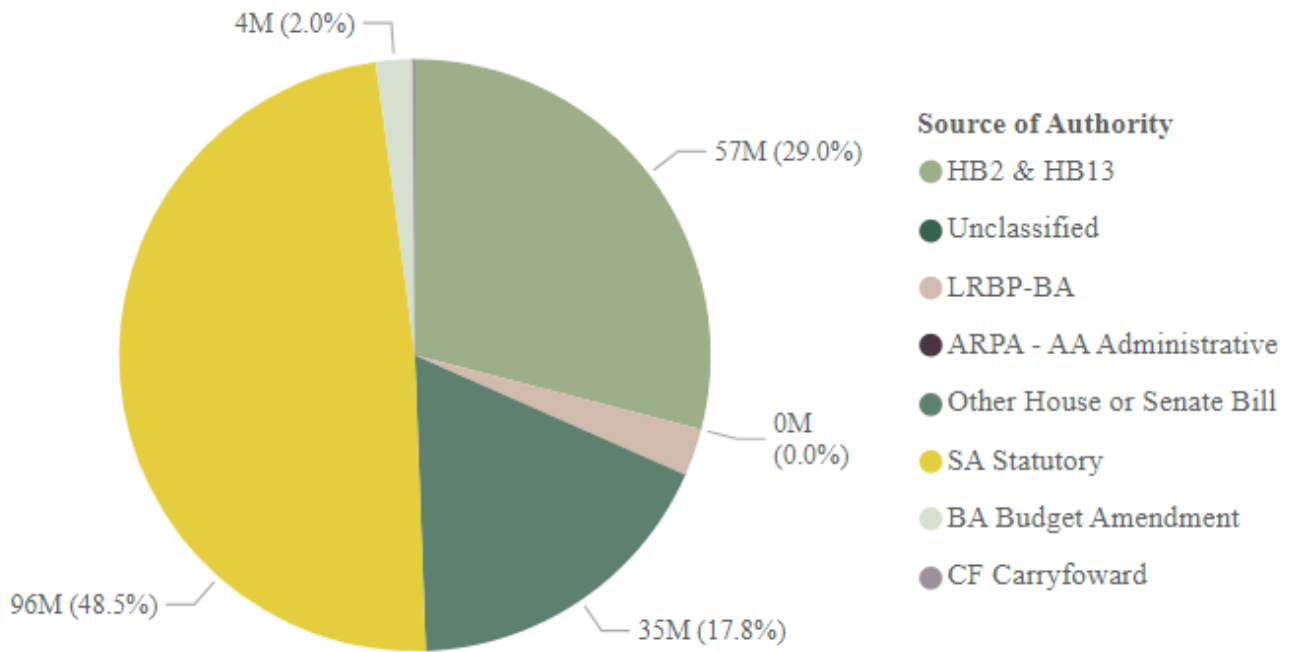


# DEPARTMENT OF MILITARY AFFAIRS

## 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 29.0% 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	57,212,108	54,140,114	94.6%
BA Budget Amendment	3,894,411	601,534	15.4%
CF Carryforward	248,259	69,054	27.8%
LRBP-BA	5,091,896	1,435,111	28.2%
Other House or Senate Bill	35,044,264	5,672,630	16.2%
SA Statutory	95,551,223	56,044,841	58.7%
Unclassified	7,278		
ARPA	0		
<b>Total</b>	<b>197,049,440</b>	<b>117,963,285</b>	<b>59.9%</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 \$3.9 million with 15.4% expended as of fiscal year-end (FYE) 2024. 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 FYE 2024, this funding has been 0.3% expended; however, the funding is available through November 30, 2026
- 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. As of FYE 2024, funding has been 39.7% expended. According to the agency, they expect to utilize an additional \$70,000 of this grant prior to the expiration on September 15, 2024

As these budget amendments are for multi-year federal awards, expenditures vary in the timing they are used. The appropriation for budget amendments decreased \$1.6 million at FYE 2024 due to the expiration of federal funds from the Department of Homeland Security.

## **Carryforward Authority**

The Department of Military Affairs has approximately \$248,000 in total carryforward appropriation authority from both FY 2022 and FY 2023, which is 27.8% expended as of FYE 2024.

The carryforward authority for FY 2022 is approximately \$70,000 and is 98.1% expended as of FYE 2024.

The FY 2023 carryforward appropriation authority totals \$178,000 across the Directors Office, Challenge Program, and Disaster and Emergency Services. The FY 2023 carryforward authority is 0.0% expended as of FYE 2024. Any unspent FY 2023 carryforward authority will be available for expenditure in FY 2025.

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

The Department of Military Affairs' budget includes \$5.1 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
  - \$1.8 million for the design and construction of a maintenance bay addition to the combined support maintenance shop. This will provide two additional maintenance bays
  - \$238,000 for a maintenance vehicle/sand storage building
- \$147,000 for the Missoula veteran's cemetery

In FY 2024, the agency expended \$1.4 million or 28.2% of this authority, for the Fort Harrison maintenance bay addition. These projects typically take multiple years to complete. The total appropriation for this source of

authority decreased by \$7.0 million at the conclusion of the FY due to reverting remaining appropriation authority from completed projects and from projects that were not going to move forward.

## Other Bills

The Department of Military Affairs has approximately \$35.0 million of appropriation authority in other bills in FY 2024, which is 17.8% 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. The majority of this authority was approved by the 2021 Legislature and the 2023 Legislature with the balance of continuing authority from prior sessions. Approved projects through the 2023 Legislature and prior biennia include:

Other Bills Summary				
Location	Description	Appropriation	Expenditures	Percent Expended
Fort Harrison	Additions to the Readiness Building	4,700,000		0.0%
Fort Harrison and Missoula	Expansion of military cemeteries	4,000,000	-	0.0%
Fort Harrison	Upgrade of HVAC and temperature control systems at the Aviation Facility	3,580,365	9,414	0.3%
Statewide	Capital improvements to existing facilities, passed by 2023 Legislature	3,000,000	1,740	0.1%
Statewide	Capital improvements to existing facilities, passed by 2021 Legislature	2,973,850	1,016,947	34.2%
Fort Harrison	Upgrade of HVAC and temperature control systems at the FH Training Site	2,574,002	2,549	0.1%
Statewide	Capital improvements to existing facilities, passed by the 2017 Legislature	1,742,483	1,319,619	75.7%
Statewide	Capital improvements to existing facilities, passed by the 2019 Legislature	1,358,392	1,062,179	78.2%
Fort Harrison	Weapons cleaning facility	1,643,172	1,589,192	96.7%
Fort Harrison	Upgrade of HVAC and temperature control systems at the FH Maintenance Shop	1,486,733	14,550	1.0%
Fort Harrison and Miles City	Cemetery improvements	1,359,164	185,367	13.6%
Fort Harrison	Energy improvements at the FH Aviation Support Facility	1,067,500	-	0.0%
Other*	Summation line of all other projects within this Source of Authority	5,558,603	471,073	8.5%
<b>Total</b>		<b>\$ 35,044,264</b>	<b>\$ 5,672,629</b>	<b>16.2%</b>

\*Other includes the remaining 26 projects, all of which have appropriations of less than \$1.0 million

The projects with greater detail in the above chart have appropriations in excess of \$1.0 million. Within the "Other" portion of this chart are projects with appropriations of less than \$1.0 million. As of FYE 2024, DMA has expended \$5.7 million, or 16.2%, of the total \$35.0 million. Appropriations within other bills experienced a decrease of \$13.4 million for the same reasoning as explained in the Long-Range Building Program – Budget Amendments section of this report.

## 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 FYE 2024, the Department of Military Affairs budget included \$13.9 million in general fund from declared disasters. At FYE, DMA expended \$8.3 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.

### ***Local Disaster Resiliency (17-7-133, MCA)***

The Disaster and Emergency Services Division is granted statutory authority through HB 424 of the 2023 Legislature for Local Disaster Resiliency. This appropriation allows for \$4.0 million in general fund to be utilized by the division for state and local mitigation work that reduces or eliminates long-term risks associated with future disasters. Along with this, funds may also be used towards the nonfederal personnel cost share for individuals performing mitigation programs, as well as matching grant funds for the purchase of hazardous material equipment and training. As of FYE 2024, the agency had \$3.4 million in appropriations with \$3.3 million of those funds being utilized.

### ***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 \$67.0 million in federal funds for disasters, \$23.8 million was budgeted for the COVID-19 pandemic efforts, \$41.2 million was budgeted for flood relief, \$1.8 million for fire relief, and \$202,000 for windstorm relief. As of FYE 2024, DMA expended \$42.0 million on federally declared disasters.

### ***Hazard Mitigation Assistance (10-3-316, MCA)***

The Disaster and Emergency Services Division is granted statutory authority under HB 106 of the 2023 Legislature to accept hazard mitigation assistance grants when offered to states by the federal government. These grants are to be used for mitigation activities that protect life and property from future disaster damages and reduce overall disaster losses. Within this statutory appropriation exists multiple categories of funding from the federal government. The categories of funding utilized by the agency are Hazard Mitigation Assistance Program grants and Building Resilient Infrastructure and Communities grants. As of FYE 2024, DMA has appropriations for \$8.9 million with 7.1% of this being expended at this point in the fiscal year.

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

The Veteran's 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

Statute allows for additional cemeteries to be located in Yellowstone County and Columbia Falls. The Department of Military Affairs is currently working through the application process to obtain a federal VA grant to establish a cemetery in Columbia Falls. A federal VA cemetery is already established in Yellowstone County. Funding for the program is provided through a portion of motor vehicle registration fees, cemetery plot allowances, and donations. As of FYE, 2024, DMA expended \$615,000, or 70.3%, of the \$874,000 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 FYE, DMA has expended \$38,750 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
- Project design and construction of facilities necessary to the Montana National Guard's mission with limitations on this through the state long-range building program and specific fund balance restrictions

As of FYE 2024, DMA expended approximately 98.5% of the \$1.0 million in appropriations.

### **Unclassified**

The Department of Military Affairs has unclassified appropriation authority of \$7,278 because of lower workers' compensation premiums. Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP.

## 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 June 1, 2024, through FYE 2024. 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.

### Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
▲ Dept of Military Affairs	57,212,108	57,212,108	0
▣ 01 DIRECTORS OFFICE	1,798,502	1,798,502	0
▣ 02 CHALLENGE PROGRAM	5,553,049	5,948,049	395,000
▣ 03 SCHOLARSHIP PROGRAM	250,000	250,000	0
▣ 04 STARBASE	1,188,281	1,188,281	0
▣ 12 ARMY NATIONAL GUARD PGM	21,264,222	20,964,222	-300,000
▣ 13 AIR NATIONAL GUARD PGM	6,137,682	6,137,682	0
▣ 21 DISASTER & EMERGENCY SERVICES	18,578,738	18,503,738	-75,000
▣ 31 VETERANS AFFAIRS PROGRAM	2,441,635	2,421,635	-20,000
<b>Total</b>	<b>57,212,108</b>	<b>57,212,108</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
▲ 61000 Personal Services	20,232,492	20,625,098	392,606
▣ 62000 Operating Expenses	21,531,425	21,395,184	-136,241
▣ 63000 Equipment & Intangible Assets	173,650	348,764	175,114
▣ 66000 Grants	13,240,681	13,192,933	-47,748
▣ 67000 Benefits & Claims	2,600	2,953	353
▣ 68000 Transfers-out	1,617,260	1,233,176	-384,084
▣ 69000 Debt Service	414,000	414,000	0
<b>Total</b>	<b>57,212,108</b>	<b>57,212,108</b>	<b>0</b>

Fund Type	HB 2 Budget	Modified Budget	Net Modifications
▲ 01 General	8,688,043	8,688,043	0
▣ 02 State/Other Spec Rev	1,008,218	1,008,218	0
▣ 03 Fed/Other Spec Rev	47,515,847	47,515,847	0
<b>Total</b>	<b>57,212,108</b>	<b>57,212,108</b>	<b>0</b>

The Department of Military Affairs made numerous budget modifications between June 1, 2024 and FYE 2024. The first modification, illustrated in the top table above, was a program transfer amongst four divisions within the agency. The Challenge Program experienced an increase in their federal award for FY 2024; due to this, they did not have enough authority to spend the full award. As a result of this, the agency transferred spending authority from the Army National Guard, Veterans Affairs, and Disaster and Emergency Services programs to provide the additional spending authority.

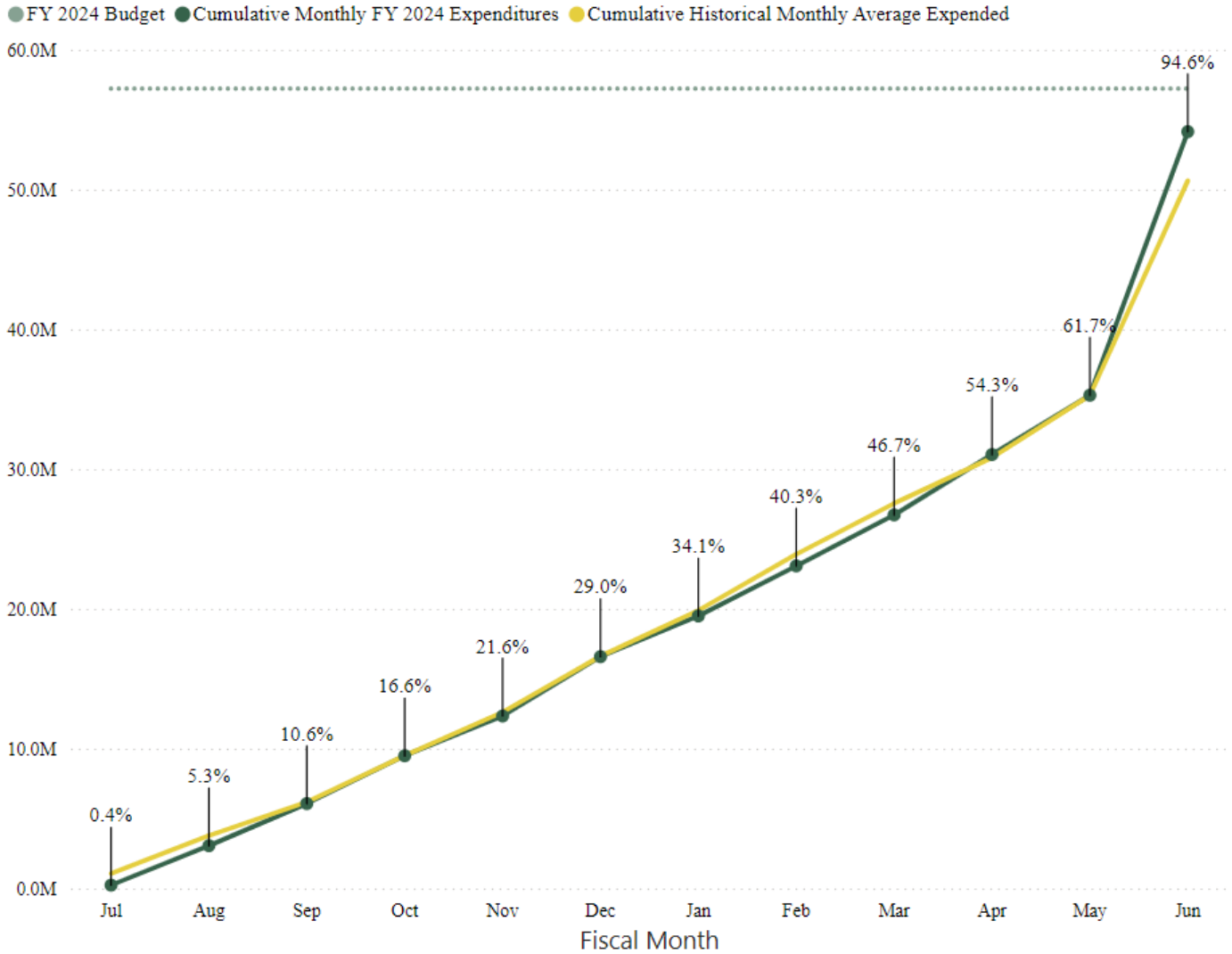
The agency also had three different operating plan changes during this time period. The first of which transferred \$250,000 in operating expenses to transfers within the Scholarship Program. This was done to send these funds to the Montana University System to be utilized for the scholarships. Another operating plan change made by the agency was with the Disaster and Emergency Services Division to move funds from operating expenses to equipment and intangible assets. This was done to meet the accrual needs for the purchase of drones. The final operating plan change involved the Directors Office, Challenge Program, Starbase, Army National Guard, Air National Guard, Disaster and Emergency Services, and Veteran Affairs divisions. This budget

modification incorporated numerous transfers within each division to balance authority within the agency prior to FYE. The majority of this funding was moved from transfer-out to personal services and equipment and intangible assets. The largest movement of funds within this operating plan change occurred in the Disaster and Emergency Services, Challenge Program, and the Starbase divisions.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through FYE 2024.

### Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
⊕ 01 DIRECTORS OFFICE	1,798,502	1,583,182	88.0%
⊕ 02 CHALLENGE PROGRAM	5,948,049	5,841,815	98.2%
⊕ 03 SCHOLARSHIP PROGRAM	250,000	250,000	100.0%
⊕ 04 STARBASE	1,188,281	1,109,910	93.4%
⊕ 12 ARMY NATIONAL GUARD PGM	20,964,222	19,936,527	95.1%
⊕ 13 AIR NATIONAL GUARD PGM	6,137,682	5,526,607	90.0%
⊕ 21 DISASTER & EMERGENCY SERVICES	18,503,738	17,486,476	94.5%
⊕ 31 VETERANS AFFAIRS PROGRAM	2,421,635	2,405,597	99.3%
<b>Total</b>	<b>57,212,108</b>	<b>54,140,114</b>	<b>94.6%</b>

Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	20,625,098	19,923,535	96.6%
⊕ Operating Expenses	21,395,184	19,791,026	92.5%
⊕ Equipment & Intangible Assets	348,764	296,563	85.0%
⊕ Grants	13,192,933	12,746,019	96.6%
⊕ Benefits & Claims	2,953	1,500	50.8%
⊕ Transfers-out	1,233,176	1,039,253	84.3%
⊕ Debt Service	414,000	342,219	82.7%
<b>Total</b>	<b>57,212,108</b>	<b>54,140,114</b>	<b>94.6%</b>

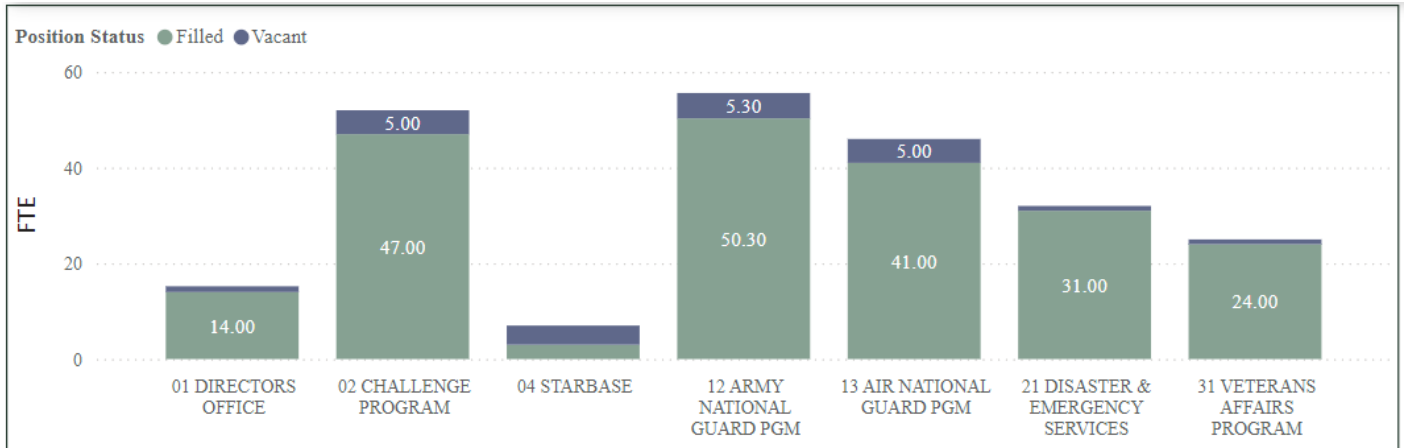
Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	8,688,043	8,192,081	94.3%
⊕ 02 State/Other Spec Rev	1,008,218	984,583	97.7%
⊕ 03 Fed/Other Spec Rev	47,515,847	44,963,450	94.6%
<b>Total</b>	<b>57,212,108</b>	<b>54,140,114</b>	<b>94.6%</b>

The Department of Military Affairs expended 94.6% of their HB 2 modified budget as of FYE 2024. This level of expenditure closely resembles the five-year Olympic average as of FYE. Within the agency, the divisions with the majority of HB 2 expenditures are the Army National Guard and Disaster and Emergency Services Divisions. When looking at the expenditure account type, 73.4% of the expenditures for the agency fall within personal services and operating expenses.

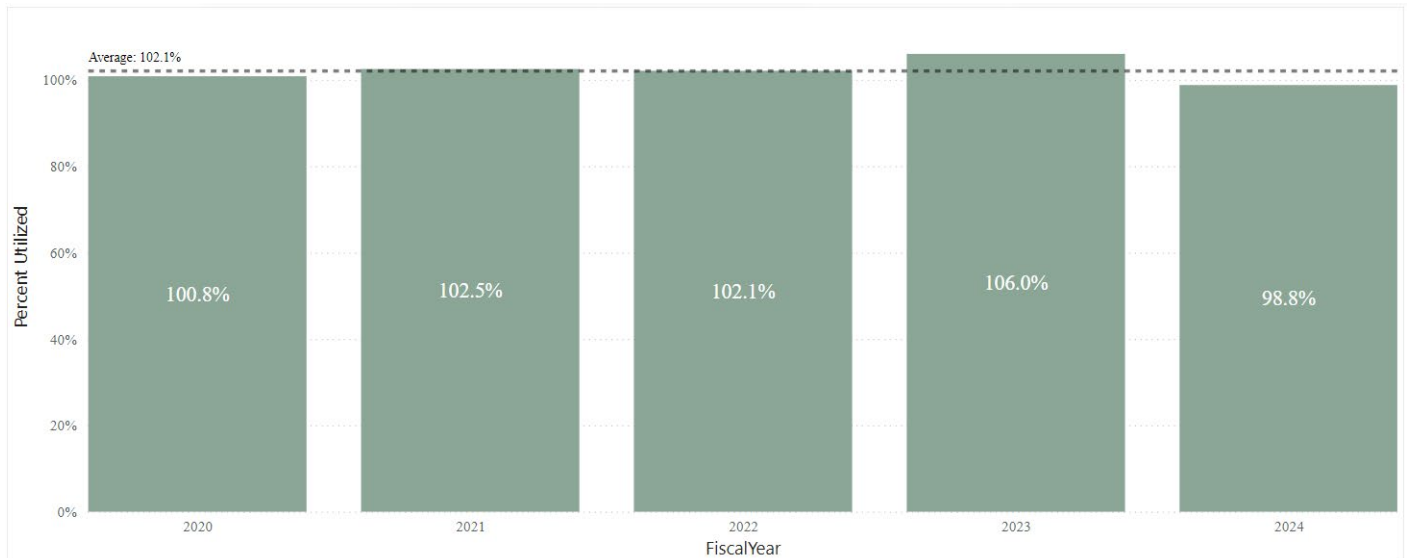


## Personal Services

Personal services make up 36.1% of the FY 2024 HB 2 budget in the Department of Military Affairs with approximately \$19.9 million or 96.6% expended through FYE 2024. DMA has 232.51 HB 2 FTE, excluding aggregate positions, and 90.3% of these positions were filled as of FYE 2024. The following chart shows the filled and vacant FTE within the agency as of July 1, 2024.



The chart below shows the hourly utilization percentage for the Department of Military Affairs for each fiscal year. Overall, the department utilized 98.8% of the hours budgeted for FY 2024. This is slightly below the five-year average of 102.1%. Over 100.0% utilization in DMA is not uncommon as many of the agency's 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 22.21 FTE that are vacant, 9.21 FTE have been vacant since the start of the fiscal year or longer. The Business Executive position (0.21 FTE), which has been vacant for 72.59 months, is for the Assistant Adjutant General position. According to the agency, this role is currently filled and being funded through a Homeland Security Grant. This grant will be in place until the end of August 2025; following this, the agency will begin utilizing the HB 2 position and funding. Regarding the Starbase Program, the 4.00 FTE vacant are due to the Malta location not being federally approved due to lack of student population in the area. These positions are being pivoted to potentially be utilized within the Billings program if federal approval is given. According to the agency, the remaining 5.00 FTE that have been vacant for over 12 months, spread between Army and Air National Guard, have been filled since the formulation of this dataset.

## Vacant Positions Report

	FTE	Median Months Vacant	Market Midpoint (Hourly)
<b>☐ 67010 MILITARY AFFAIRS</b>	<b>22.21</b>	<b>6.43</b>	<b>29.24</b>
<b>☐ 01 DIRECTORS OFFICE</b>	<b>1.21</b>	<b>36.72</b>	<b>52.73</b>
Accountant 2	1.00	0.85	29.57
Business Executive	0.21	72.59	75.89
<b>☐ 02 CHALLENGE PROGRAM</b>	<b>5.00</b>	<b>1.25</b>	<b>23.13</b>
Academic Counselor	1.00	0.52	25.55
Cadre Instructor 1	4.00	1.34	23.13
<b>☐ 04 STARBASE</b>	<b>4.00</b>	<b>12.00</b>	<b>26.87</b>
Administrative Assistant 3	1.00	12.00	21.48
Program Specialist 2	1.00	12.00	36.35
Teacher 1	2.00	12.00	26.87
<b>☐ 12 ARMY NATIONAL GUARD PGM</b>	<b>5.00</b>	<b>3.74</b>	<b>38.15</b>
Distributed Learning Pgm Mgr	1.00	1.74	30.17
Environmental Scientist 3	1.00	3.74	38.15
IT Systems Support 2	1.00	1.74	31.02
Professional Engineer 1	1.00	13.77	40.97
Project Management Specialist3	1.00	6.43	47.69
<b>☐ 13 AIR NATIONAL GUARD PGM</b>	<b>5.00</b>	<b>12.00</b>	<b>27.84</b>
Designer 1	1.00	12.00	29.24
Firefighter	1.00	20.26	29.33
Firefighter 2	2.00	15.44	24.86
Firefighter Supervisor	1.00	7.41	27.84
<b>☐ 21 DISASTER &amp; EMERGENCY SERVICES</b>	<b>1.00</b>	<b>1.67</b>	<b>40.48</b>
Emergency Specialist 3	1.00	1.67	40.48
<b>☐ 31 VETERANS AFFAIRS PROGRAM</b>	<b>1.00</b>	<b>0.92</b>	<b>33.65</b>
Veterans Services Specialist	1.00	0.92	33.65
<b>Total</b>	<b>22.21</b>	<b>6.43</b>	<b>29.24</b>

## APPENDIX A

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

- How much did you pay to contractors in FY 2024? 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 in FY 2024? 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?

In response to the above questions, the agency provided the below chart regarding the requested information.

FY 2024	Contracted Services	Over Time	Reason
<b>Air National Guard</b>		35,291	Over-time is related to 24/7 Firefighter positons.
<b>Army National Guard</b>	6,840	27,105	Contracted Services is for temp services to backfill a position. Over-time is related to normal workload execution for range trainings; a once every 10 year communication systems upgrade; and vacant project management and engineering vacancies, as well as on-call service provided by post engineers.
<b>Youth Challenge</b>	-	103,476	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.
<b>Disaster &amp; Emergency Services</b>	7,102,163	71,912	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 due to number of personnel, not due to vacant positions. Over-time: the majority of overtime was for the Duty Officer, Disaster Recovery, Mitigation, and Financial personnel. DES also had over 2,200 hours of Comp Time Earned over the year to support the operations and requirements of DES. Overtime/comp time was due to increased workload for Emergency Managers with new disasters/emergencies, recovery operations, and grants.
<b>Veteran Affairs</b>	3,519	3,494	Over-time: the Cemetery Program had trainings, low staffing, and preparation for an inspection that required overtime pay for the Facilities Specialist. Also, MVAD had 634 hours of Comp Time Earned in FY 2024 due to increasing workload in the Veteran Services Program and the Veteran Cemetery Program.
<b>Totals</b>	<b>7,112,522</b>	<b>241,278</b>	