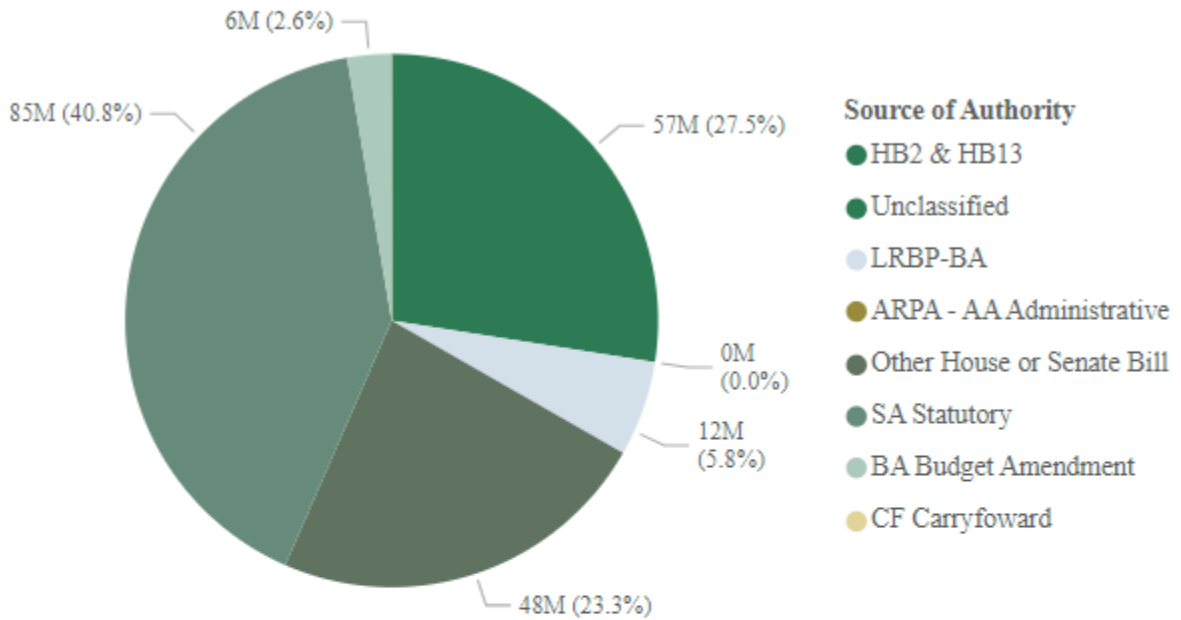


DEPARTMENT OF MILITARY AFFAIRS

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 27.5% 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	35,285,488	61.7%
BA Budget Amendment	5,512,112	414,369	7.5%
CF Carryforward	70,389	48,536	69.0%
LRBP-BA	12,000,102	1,093,485	9.1%
Other House or Senate Bill	48,439,796	4,617,936	9.5%
SA Statutory	84,862,220	38,262,745	45.1%
Unclassified	7,278		
ARPA	0		
Total	208,104,006	79,722,559	38.3%

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 \$5.5 million with 7.5% of this being expended as of May 31, 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 May 31, 2024, this funding has been 0.2% 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 May 31, 2024, 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 25.7% expended. The grant has been extended to be available until September 15, 2024

As these budget amendments are for multi-year federal awards, expenditures vary in the timing they are used. Specifically for the cybersecurity funding, the agency expects expenditures to be made within the next fiscal year as the Disaster and Emergency Services Program is currently soliciting projects. The agency also anticipates requesting additional budget amendment appropriation authority as awards are received for this specific program.

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. In FY 2024, the carryforward authority has been 69.0% expended. This carryforward authority is comprised of general fund and state special revenue funds, and includes:

- Approximately \$18,000, or 24.9%, is general fund authority in the Director's Office. The general fund carryforward authority is 0.0% expended
- Approximately \$53,000, or 75.1%, is state special revenue authority in the Veteran's Affairs Division. This authority was allocated to operating expenses and is 91.8% expended

Long Range Building Program – Budget Amendments

The Department of Military Affairs' budget includes \$12.0 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
- \$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 \$1.1 million or 9.1% of this authority, for the Fort Harrison maintenance bay addition. These projects typically take multiple years to complete.

Other Bills

The Department of Military Affairs has approximately \$48.4 million of appropriation authority in other bills in FY 2024, which is 23.3% 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	Design and construction of barracks and supporting infrastructure	\$ 6,000,000	\$ -	0.0%
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	-	0.0%
Statewide	Capital improvements to existing facilities, passed by 2023 Legislature	3,000,000	-	0.0%
Statewide	Capital improvements to existing facilities, passed by 2021 Legislature	2,973,850	726,764	24.4%
Fort Harrison	Upgrade of HVAC and temperature control systems at the FH Training Site	2,574,002	-	0.0%
Statewide	Capital improvements to existing facilities, passed by the 2017 Legislature	1,742,483	1,319,619	75.7%
Limestone Hills Training Area	Construction of barracks for the National Guard at the training area near Townsend	2,164,500	-	0.0%
Fort Harrison	Remodel and renovation of existing Regional Training Institute building	2,164,500	-	0.0%
Statewide	Capital improvements to existing facilities, passed by the 2019 Legislature	1,358,392	400,221	29.5%
Fort Harrison	Weapons cleaning facility	1,643,172	1,425,421	86.7%
Fort Harrison	Upgrade of HVAC and temperature control systems at the FH Maintenance Shop	1,486,733	-	0.0%
Fort Harrison and Miles City	Cemetery improvements	1,359,164	170,032	12.5%
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	8,625,136	575,880	6.7%
Total		\$ 48,439,796	\$ 4,617,936	9.5%

*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. These projects include Building 530 Roof Replacement at Fort Harrison, Malta Readiness Center Building Improvements, and other

various projects. At this point in the fiscal year, DMA has expended \$4.6 million, or 9.5%, of the total \$48.4 million.

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 May 31, 2024, the Department of Military Affairs budget included \$14.1 million in general fund from disasters declared in previous biennia. At this point in the fiscal year, DMA expended \$7.6 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 \$64.1 million in federal funds for disasters, \$21.4 million was budgeted for the COVID-19 pandemic efforts, \$41.2 million was budgeted for flood relief, \$1.4 million for fire relief, and \$112,000 for windstorm relief. As of May 31, 2024, DMA expended \$29.1 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. As of May 31, 2024, DMA has appropriations for \$4.4 million with 0.4% 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 May 31, 2024, DMA expended \$554,000, or 63.4%, 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 this point in the fiscal year, 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

As of May 31, 2024, DMA expended approximately \$880,000 for the final installment payment relating to the purchase of the Limestone Hills Training area located in Broadwater County.

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 March 1, 2024, through May 31, 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	1,779,502	1,798,502	19,000
☐ 02 CHALLENGE PROGRAM	5,582,549	5,553,049	-29,500
☐ 03 SCHOLARSHIP PROGRAM	250,000	250,000	
☐ 04 STARBASE	1,185,281	1,188,281	3,000
☐ 12 ARMY NATIONAL GUARD PGM	21,284,722	21,264,222	-20,500
☐ 13 AIR NATIONAL GUARD PGM	6,143,182	6,137,682	-5,500
☐ 21 DISASTER & EMERGENCY SERVICES	18,535,738	18,578,738	43,000
☐ 31 VETERANS AFFAIRS PROGRAM	2,451,135	2,441,635	-9,500
Total	57,212,108	57,212,108	0

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 61000 Personal Services	20,168,949	20,232,492	63,543
☐ 62000 Operating Expenses	21,597,568	21,531,425	-66,143
☐ 63000 Equipment & Intangible Assets	173,650	173,650	
☐ 66000 Grants	13,240,681	13,240,681	
☐ 67000 Benefits & Claims		2,600	2,600
☐ 68000 Transfers-out	1,617,260	1,617,260	
☐ 69000 Debt Service	414,000	414,000	
Total	57,212,108	57,212,108	0

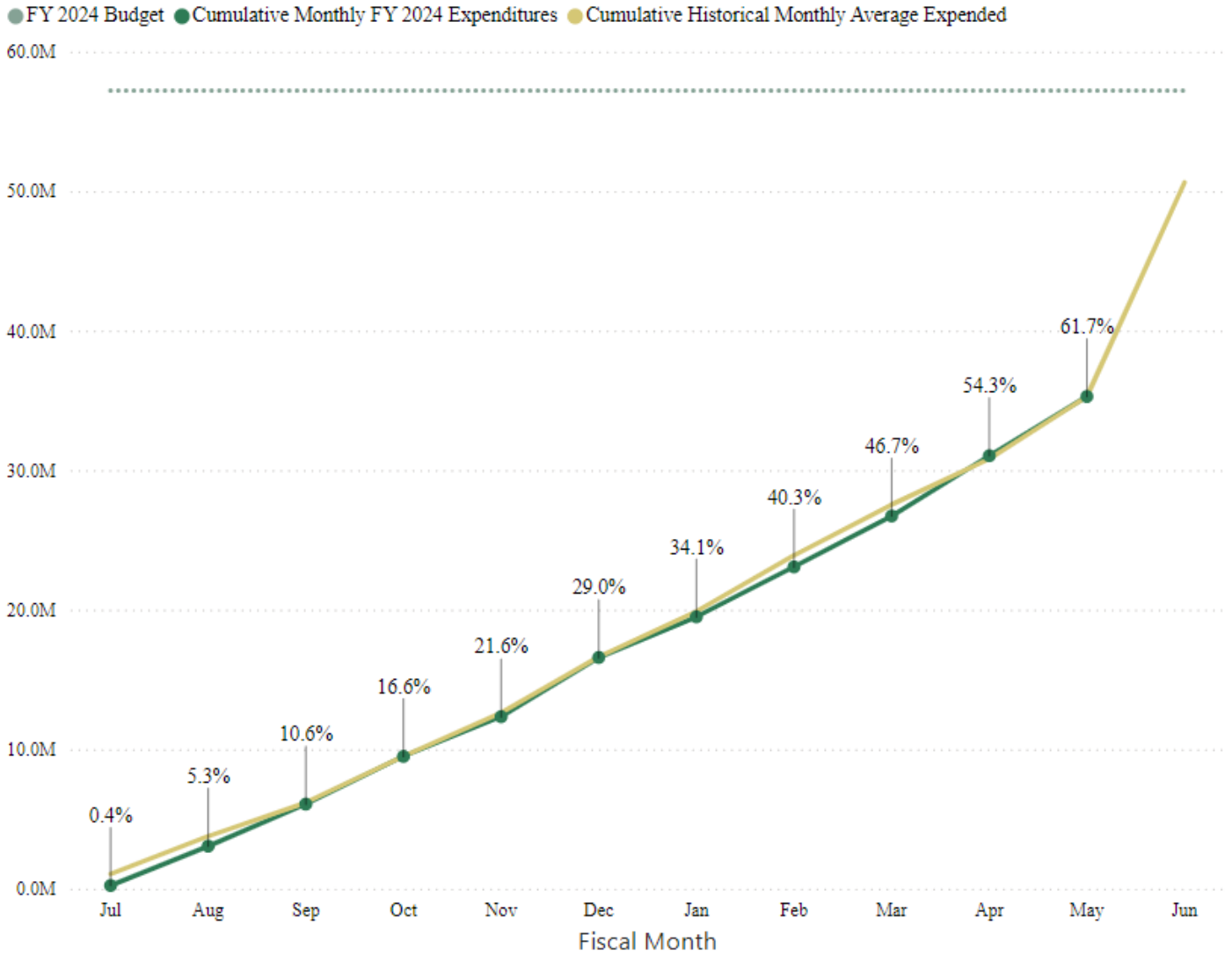
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 01 General	8,688,043	8,688,043	0
☐ 02 State/Other Spec Rev	1,008,218	1,008,218	
☐ 03 Fed/Other Spec Rev	47,515,847	47,515,847	0
Total	57,212,108	57,212,108	0

The Department of Military Affairs has made numerous budget modifications to their FY 2024 budget since March 1, 2024. In the top chart of the above grouping, the budget modifications made are all encompassed within one program transfer. This transfer was made to move funds into the Director's Office and the Disaster & Emergency Services programs in order to record State Information Technology Service Desk billing and payments more accurately. The budget modifications illustrated in the middle table are the result of two operating plan transfers. The first of which being a transfer of funds from operating expenses into personal services to establish two new modified FTE positions. These were Environmental Scientist 3 and Planner 2 positions. The final operating plan transfer made was to reallocate funds from operating expenses into benefits & claims to account for possible Risk Management and Tort Defense deductibles that may arise.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2024.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
☐ 01 DIRECTORS OFFICE	1,798,502	1,404,596	78.1%
☐ 02 CHALLENGE PROGRAM	5,553,049	5,126,005	92.3%
☐ 03 SCHOLARSHIP PROGRAM	250,000		
☐ 04 STARBASE	1,188,281	843,077	70.9%
☐ 12 ARMY NATIONAL GUARD PGM	21,264,222	13,217,416	62.2%
☐ 13 AIR NATIONAL GUARD PGM	6,137,682	4,811,552	78.4%
☐ 21 DISASTER & EMERGENCY SERVICES	18,578,738	7,681,323	41.3%
☐ 31 VETERANS AFFAIRS PROGRAM	2,441,635	2,201,519	90.2%
Total	57,212,108	35,285,488	61.7%

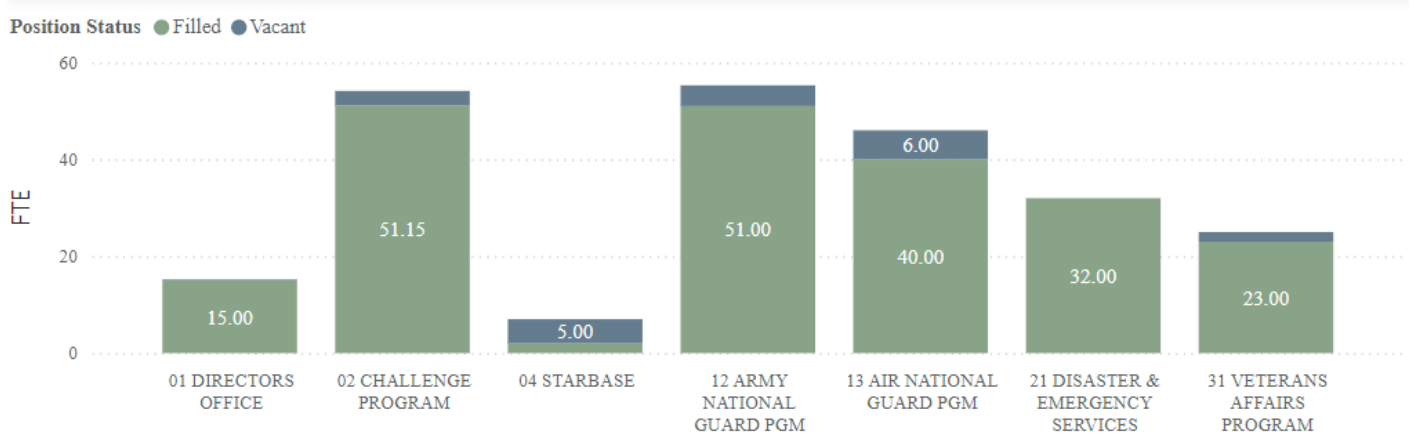
Expenditure Type	Modified Budget	Expended Budget	% Expended
☐ Personal Services	20,232,492	17,742,773	87.7%
☐ Operating Expenses	21,531,425	12,847,860	59.7%
☐ Equipment & Intangible Assets	173,650	142,966	82.3%
☐ Grants	13,240,681	3,755,940	28.4%
☐ Benefits & Claims	2,600	250	9.6%
☐ Transfers-out	1,617,260	568,367	35.1%
☐ Debt Service	414,000	227,332	54.9%
Total	57,212,108	35,285,488	61.7%

Fund Type	Modified Budget	Expended Budget	% Expended
☐ 01 General	8,688,043	6,452,574	74.3%
☐ 02 State/Other Spec Rev	1,008,218	867,003	86.0%
☐ 03 Fed/Other Spec Rev	47,515,847	27,965,910	58.9%
Total	57,212,108	35,285,488	61.7%

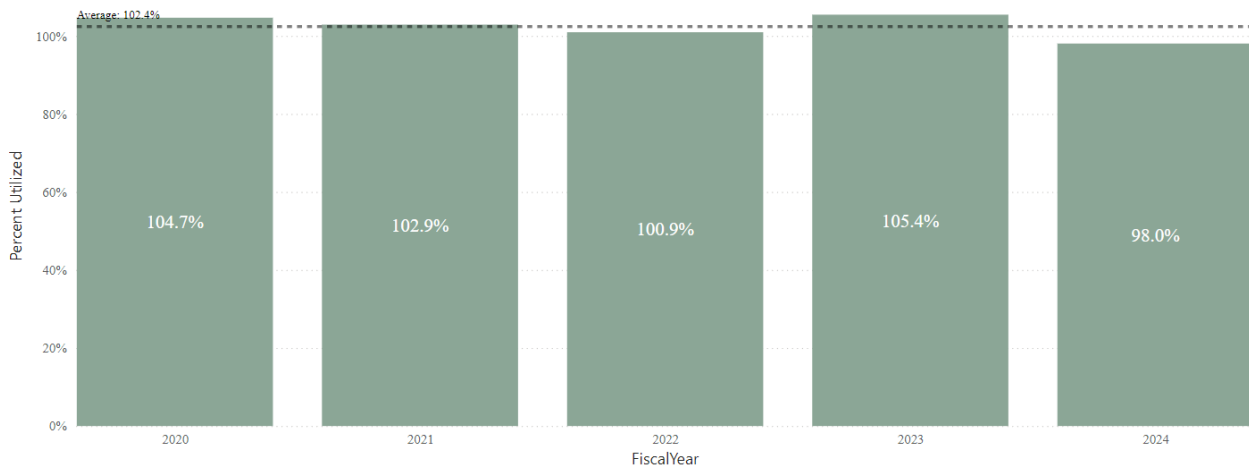
The Department of Military Affairs expended 61.7% of its HB 2 appropriation authority through May 31, 2024. This level of expenditures mirrors that of the Olympic average, as shown in the graph on the previous page. Expenditures within the Department of Military Affairs often greatly increase at the end of each fiscal year, specifically within the grants expenditure account. Grants within the Disaster & Emergency Services Program historically exhibit increased expenses at the end of the fiscal year.

Personal Services

Personal services make up 35.4% of the FY 2024 HB 2 budget in the Department of Military Affairs with approximately \$17.7 million or 87.7% expended through May 31, 2024. DMA has 232.51 HB 2 FTE, excluding aggregate positions, and 91.2% of these positions were filled as of May 1, 2024. The following chart shows the filled and vacant FTE within the agency at this point in the fiscal year.



The chart below shows the hourly utilization percentage for the Department of Military Affairs between July 1 and May 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 98.0% of the hours budgeted for FY 2024. This is slightly below the five-year average of 102.4%. 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 20.51 FTE that are vacant, 4.21 FTE have been vacant for over 12 months and 15.30 FTE have been vacant from the start of the fiscal year or less (since July 2023). The Business Executive position, which has been vacant for 70.59 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.

Vacant Positions Report

	FTE	Median Months Vacant	Market Midpoint (Hourly)
67010 MILITARY AFFAIRS	20.51	7.59	29.45
01 DIRECTORS OFFICE	0.21	70.59	75.89
Business Executive	0.21	70.59	75.89
02 CHALLENGE PROGRAM	3.00	0.30	23.13
Accountant 2	1.00	0.30	29.57
Cadre Instructor 1	2.00	1.36	23.13
04 STARBASE	5.00	10.00	26.87
Administrative Assistant 3	1.00	10.00	21.48
Program Specialist 2	1.00	10.00	36.35
STARBASE Program Specialist 2	1.00	2.79	36.35
Teacher 1	2.00	10.00	26.87
12 ARMY NATIONAL GUARD PGM	4.30	7.02	38.15
AntiTerrorism Program Specialt	1.00	13.21	36.35
Environmental Scientist 3	1.00	1.74	38.15
Professional Engineer 1	1.00	11.77	40.97
Project Management Specialist3	1.00	4.43	47.69
Short Term Worker	0.30	7.02	
13 AIR NATIONAL GUARD PGM	6.00	9.08	28.54
Designer 1	1.00	10.00	29.24
Firefighter	1.00	18.26	29.33
Firefighter 2	2.00	13.44	24.86
Firefighter Supervisor	1.00	5.41	27.84
HVAC Specialist 2	1.00	1.31	32.39
31 VETERANS AFFAIRS PROGRAM	2.00	0.98	33.65
Veterans Services Specialist	2.00	0.98	33.65
Total	20.51	7.59	29.45

APPENDIX A

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

- How much did you pay to contractors between March 1, 2024, and April 30, 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 March 1, 2024, and April 30, 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?

The table below was provided by the agency regarding the appendix questions listed. Regarding contracted services, this chart represents services provided due to vacant or lack of positions, as provided by the Department of Military Affairs.

	Contracted Services	Over Time	Reason
Air National Guard	-	11,381	Over-time is related to 24/7 Firefighter positons.
Army National Guard	-	8,751	Over-time is due to vacant project management and engineering vacancies, as well as on-call service provided by post engineers. The over-time is also related to a once every 10 year communication systems upgrade.
Youth Challenge	-	21,982	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	429,482	20,421	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. Over-time: Majority of the overtime was for the Duty Officer, Disaster Recovery, Mitigation, and Financial personnel. DES also had over 380 hours of Comp Time Earned during this period 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.
Veteran Affairs	-	2,428	Over-time: The majority of the overtime for Montana Veteran's Affairs Division was due to backfilling staffing of vacant positions in the Cemetery Program. The Fort Harrison cemetery had three vacancies within a couple of months, which required our Facilities Specialist located in Miles City to travel and handle cemetery operations in Fort Harrison, as well as to provide support and training once the vacancies were filled. The travel from Miles City to Fort Harrison resulted in overtime during this time period. The remaining overtime reported is due to travel related for trainings. Also, MVAD had 199 hours of comp time earned from February 1st to April 30th due to increasing workload in the Veteran Services Program and the Veteran Cemetery Program.
Totals	429,482	64,962	