

### Agency Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	32,519,743	34,661,745	2,142,002	6.59 %
Operating Expenses	41,736,697	41,120,979	(615,718)	(1.48)%
Equipment & Intangible Assets	310,792	301,072	(9,720)	(3.13)%
Grants	24,432,268	28,122,602	3,690,334	15.10 %
Transfers	4,344,354	3,236,520	(1,107,834)	(25.50)%
<b>Total Expenditures</b>	<b>\$103,343,854</b>	<b>\$107,442,918</b>	<b>\$4,099,064</b>	<b>3.97 %</b>
General Fund	14,228,544	15,715,067	1,486,523	10.45 %
State/Other Special Rev. Funds	2,345,245	2,212,808	(132,437)	(5.65)%
Federal Spec. Rev. Funds	86,770,065	89,515,043	2,744,978	3.16 %
<b>Total Funds</b>	<b>\$103,343,854</b>	<b>\$107,442,918</b>	<b>\$4,099,064</b>	<b>3.97 %</b>
<b>Total Ongoing</b>	<b>\$103,343,854</b>	<b>\$107,551,806</b>	<b>\$4,207,952</b>	<b>4.07 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$108,888)</b>	<b>(\$108,888)</b>	<b>100.00 %</b>

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### Agency Highlights

<b>Department of Military Affairs Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Department of Military Affairs' biennium budget is about \$4.1 million or 4.0% higher than the 2021 biennium budget</li> <li>• Increases include: <ul style="list-style-type: none"> <li>◦ Statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> <li>◦ FTE and personal services funding supported by federal special revenues</li> <li>◦ Funding for local assistance for the Laurel water system</li> </ul> </li> <li>• Decreases are due to: <ul style="list-style-type: none"> <li>◦ An additional 1.0% vacancy savings reduction included in the Director's Office and the Veterans' Affairs Program with language allowing the agency to allocate the reduction among its various programs</li> </ul> </li> </ul>

### Agency Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	213.25	213.25	221.25	221.25
Personal Services	15,444,871	16,265,865	16,253,878	17,251,523	17,410,222
Operating Expenses	19,658,418	20,823,445	20,913,252	20,636,128	20,484,851
Equipment & Intangible Assets	94,983	160,256	150,536	150,536	150,536
Grants	8,793,091	12,620,967	11,811,301	14,561,301	13,561,301
Transfers	538,060	1,701,094	2,643,260	1,618,260	1,618,260
<b>Total Expenditures</b>	<b>\$44,529,423</b>	<b>\$51,571,627</b>	<b>\$51,772,227</b>	<b>\$54,217,748</b>	<b>\$53,225,170</b>
General Fund	6,667,654	7,097,551	7,130,993	8,326,837	7,388,230
State/Other Special Rev. Funds	855,971	1,166,650	1,178,595	1,104,911	1,107,897
Federal Spec. Rev. Funds	37,005,798	43,307,426	43,462,639	44,786,000	44,729,043
<b>Total Funds</b>	<b>\$44,529,423</b>	<b>\$51,571,627</b>	<b>\$51,772,227</b>	<b>\$54,217,748</b>	<b>\$53,225,170</b>
<b>Total Ongoing</b>	<b>\$44,529,423</b>	<b>\$51,571,627</b>	<b>\$51,772,227</b>	<b>\$54,326,636</b>	<b>\$53,225,170</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$108,888)</b>	<b>\$0</b>

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Executive Budget Comparison

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	213.25	221.25	221.25	0.00	221.25	221.25	0.00	0.00
Personal Services	16,253,878	17,424,668	17,251,523	(173,145)	17,583,778	17,410,222	(173,556)	(346,701)
Operating Expenses	20,913,252	21,424,942	20,636,128	(788,814)	21,288,346	20,484,851	(803,495)	(1,592,309)
Equipment & Intangible Assets	150,536	150,536	150,536	0	150,536	150,536	0	0
Grants	11,811,301	11,811,301	14,561,301	2,750,000	11,811,301	13,561,301	1,750,000	4,500,000
Transfers	2,643,260	2,643,260	1,618,260	(1,025,000)	2,643,260	1,618,260	(1,025,000)	(2,050,000)
<b>Total Costs</b>	<b>\$51,772,227</b>	<b>\$53,454,707</b>	<b>\$54,217,748</b>	<b>\$763,041</b>	<b>\$53,477,221</b>	<b>\$53,225,170</b>	<b>(\$252,051)</b>	<b>\$510,990</b>
General Fund	7,130,993	7,302,207	8,326,837	1,024,630	7,379,326	7,388,230	8,904	1,033,534
State/other Special Rev. Funds	1,178,595	1,240,273	1,104,911	(135,362)	1,242,853	1,107,897	(134,956)	(270,318)
Federal Spec. Rev. Funds	43,462,639	44,912,227	44,786,000	(126,227)	44,855,042	44,729,043	(125,999)	(252,226)
<b>Total Funds</b>	<b>\$51,772,227</b>	<b>\$53,454,707</b>	<b>\$54,217,748</b>	<b>\$763,041</b>	<b>\$53,477,221</b>	<b>\$53,225,170</b>	<b>(\$252,051)</b>	<b>\$510,990</b>
<b>Total Ongoing</b>	<b>\$51,772,227</b>	<b>\$53,563,595</b>	<b>\$54,326,636</b>	<b>\$763,041</b>	<b>\$53,477,221</b>	<b>\$53,225,170</b>	<b>(\$252,051)</b>	<b>\$510,990</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$108,888)</b>	<b>(\$108,888)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The legislature adopted ongoing appropriations that are about \$511,000 higher than the proposed appropriations for the 2023 biennium. Significant changes include:

- Adopting a restricted, biennial, one-time-only appropriation of \$1.0 million in general fund to provide local assistance to the city of Laurel for repairs to its water system that were incurred due to flooding
- Moving \$1.7 million out of operating expenses and transfers to grants each year of the biennium to align appropriations with anticipated expenditures
- Providing \$50,000 in state special revenue each year of the biennium to expand uses of search and rescue funds
- Reducing \$150,894 in operating expenses and \$25,000 in transfers to ensure expenditures aligned with available funding

- Providing \$65,000 in general fund in FY 2022 and \$50,000 in FY 2023 for operating expenses in the Veterans' Cemetery Program
- Decreased personal services for an additional 1.0% vacancy savings

## Funding

The following table shows adopted agency funding by source of authority.

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	15,823,955	(108,888)	0	90,000	15,805,067	14.49 %
State Special Total	2,212,808	0	0	1,569,078	3,781,886	3.47 %
Federal Special Total	89,515,043	0	0	0	89,515,043	82.05 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$107,551,806</b>	<b>(\$108,888)</b>	<b>\$0</b>	<b>\$1,659,078</b>	<b>\$109,101,996</b>	
<b>Percent - Total All Sources</b>	<b>98.58 %</b>	<b>(0.10)%</b>	<b>0.00 %</b>	<b>1.52 %</b>		

### HB 2 Funding

General fund comprises about 14.5% of total HB 2 funding in the 2023 biennium. General fund supports a portion of most programs in the Department of Military Affairs and the entire cost of the National Guard scholarships.

State special revenue makes up about 3.5% of the HB 2 funding in the 2023 biennium. The funding is used predominately in the Disaster and Emergency Services and Veterans' Affairs Divisions. The Veterans' Affairs Division receives a large portion of the state special revenues with funding generated through vehicle registration fees, specialty license plates, and donations.

Dominating the funding is federal special revenues at 82.1% of the HB 2 funding in the 2023 biennium. Federal government initiatives, programs and objectives guide the funding requirements for the Department of Military Affairs.

### Statutory Appropriations

The Montana Military Family Relief Fund (MMFRF) 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. Costs for the program in FY 2020 were about \$140,000. The program was originally funded by a transfer of \$1.0 million in general fund. Ongoing revenues included interest and donations of about \$40,000 a year. The fund balance at the end of FY 2020 was \$456,673.

The Veterans' Affairs Division has a statutory appropriation for the operation of the Montana Veterans' Cemetery Program. The state special revenue funds associated with this appropriation are generated from license registration fees, cemetery plot allowances, and donations. The statutory appropriations for the Cemetery Program make up the majority of the state special revenue funds reflected in the preceding table.

The Governor is also provided a number of statutory appropriations in the event of a declared emergency or disaster. The most notable of these is the authority to authorize up to \$16.0 million from the general fund for disaster relief. These expenditures are authorized through executive orders.

## 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 Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	7,130,993	7,130,993	14,261,986	90.75 %	51,772,227	51,772,227	103,544,454	96.37 %
SWPL Adjustments	108,471	87,430	195,901	1.25 %	29,064	(25,278)	3,786	0.00 %
PL Adjustments	(40,370)	(41,046)	(81,416)	(0.52)%	491,756	502,059	993,815	0.93 %
New Proposals	1,127,743	210,853	1,338,596	8.52 %	1,924,701	976,162	2,900,863	2.70 %
<b>Total Budget</b>	<b>\$8,326,837</b>	<b>\$7,388,230</b>	<b>\$15,715,067</b>		<b>\$54,217,748</b>	<b>\$53,225,170</b>	<b>\$107,442,918</b>	

### Language and Statutory Authority

The Director's Office includes a reduction in general fund of \$39,710 in FY 2022 and \$39,799 in FY 2023 and federal special revenue of \$123,967 in FY 2022 and \$124,275 in FY 2023. The Veterans' Affairs Program includes a reduction in state special revenue of \$9,468 in FY 2022 and \$9,482 in FY 2023. The reduction is the equivalent of an additional 1% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2023 biennium operating plans.

Additional Operating Expenses is contingent on the Department of Military Affairs reverting at least \$133,500 in general fund for the 2021 biennium.

### Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	2,240,414	1,879,095	(361,319)	(16.13)%
Operating Expenses	415,665	422,508	6,843	1.65%
Transfers	101,310	101,310	0	0.00%
<b>Total Expenditures</b>	<b>\$2,757,389</b>	<b>\$2,402,913</b>	<b>(\$354,476)</b>	<b>(12.86)%</b>
General Fund	1,668,865	1,568,303	(100,562)	(6.03)%
Federal Spec. Rev. Funds	1,088,524	834,610	(253,914)	(23.33)%
<b>Total Funds</b>	<b>\$2,757,389</b>	<b>\$2,402,913</b>	<b>(\$354,476)</b>	<b>(12.86)%</b>
<b>Total Ongoing</b>	<b>\$2,757,389</b>	<b>\$2,413,577</b>	<b>(\$343,812)</b>	<b>(12.47)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$10,664)</b>	<b>(\$10,664)</b>	<b>100.00%</b>

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### Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	12.32	12.32	12.32	12.32
Personal Services	988,973	1,119,482	1,120,932	932,344	946,751
Operating Expenses	116,942	208,635	207,030	215,220	207,288
Transfers	32,400	50,655	50,655	50,655	50,655
<b>Total Expenditures</b>	<b>\$1,138,315</b>	<b>\$1,378,772</b>	<b>\$1,378,617</b>	<b>\$1,198,219</b>	<b>\$1,204,694</b>
General Fund	724,733	835,597	833,268	779,921	788,382
Federal Spec. Rev. Funds	413,582	543,175	545,349	418,298	416,312
<b>Total Funds</b>	<b>\$1,138,315</b>	<b>\$1,378,772</b>	<b>\$1,378,617</b>	<b>\$1,198,219</b>	<b>\$1,204,694</b>
<b>Total Ongoing</b>	<b>\$1,138,315</b>	<b>\$1,378,772</b>	<b>\$1,378,617</b>	<b>\$1,208,883</b>	<b>\$1,204,694</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,664)</b>	<b>\$0</b>

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### Funding

General fund supports the majority of the program in accordance with federal-state agreements. Under the agreements, federal support is provided for the costs of positions and activities that meet the requirements for federal operations.

**Program Budget Summary by Category**

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	833,268	833,268	1,666,536	106.26 %	1,378,617	1,378,617	2,757,234	114.75 %
SWPL Adjustments	(2,524)	(5,100)	(7,624)	(0.49)%	(5,406)	(9,862)	(15,268)	(0.64)%
PL Adjustments	(40,159)	(39,786)	(79,945)	(5.10)%	(164,328)	(164,061)	(328,389)	(13.67)%
New Proposals	(10,664)	0	(10,664)	(0.68)%	(10,664)	0	(10,664)	(0.44)%
<b>Total Budget</b>	<b>\$779,921</b>	<b>\$788,382</b>	<b>\$1,568,303</b>		<b>\$1,198,219</b>	<b>\$1,204,694</b>	<b>\$2,402,913</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(8,611)	0	(5,636)	(14,247)	0.00	(5,345)	0	(4,762)	(10,107)
DP 2 - Fixed Costs	0.00	6,118	0	2,754	8,872	0.00	265	0	0	265
DP 3 - Inflation Deflation	0.00	(31)	0	0	(31)	0.00	(20)	0	0	(20)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(449)	0	(202)	(651)	0.00	13	0	0	13
DP 51 - Additional 1.0% Vacancy Savings	0.00	(39,710)	0	(123,967)	(163,677)	0.00	(39,799)	0	(124,275)	(164,074)
DP 102 - Adjust Operating Expenses (OTO)	0.00	0	0	0	0	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$42,683)</b>	<b>\$0</b>	<b>(\$127,051)</b>	<b>(\$169,734)</b>	<b>0.00</b>	<b>(\$44,886)</b>	<b>\$0</b>	<b>(\$129,037)</b>	<b>(\$173,923)</b>

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The legislature made adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 51 - Additional 1.0% Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings reducing personal services by \$163,677 in FY 2022 and \$164,074 in FY 2023 and general fund by \$39,710 in FY 2022 and \$39,799 in FY 2023 and federal special revenue by \$123,967 in FY 2022 and \$124,275 in FY 2023.

DP 102 - Adjust Operating Expenses (OTO) -

The legislature provided funding for operating expenses as one-time-only with the intention of examining the need for this level of funding for the 2025 biennium. The one-time-only funding was removed from the base budget so that the sum of the transactions' nets to zero in the decision package table.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(10,664)	0	0	(10,664)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$10,664)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,664)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, were applicable, are proposed to remain in agency personal services budgets. The reduction is contingent on passage and approval of Senate Bill 110.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	6,464,425	6,813,345	348,920	5.40 %
Operating Expenses	2,669,357	2,948,402	279,045	10.45 %
<b>Total Expenditures</b>	<b>\$9,133,782</b>	<b>\$9,761,747</b>	<b>\$627,965</b>	<b>6.88 %</b>
General Fund	2,283,666	2,421,021	137,355	6.01 %
Federal Spec. Rev. Funds	6,850,116	7,340,726	490,610	7.16 %
<b>Total Funds</b>	<b>\$9,133,782</b>	<b>\$9,761,747</b>	<b>\$627,965</b>	<b>6.88 %</b>
<b>Total Ongoing</b>	<b>\$9,133,782</b>	<b>\$9,787,836</b>	<b>\$654,054</b>	<b>7.16 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$26,089)</b>	<b>(\$26,089)</b>	<b>100.00 %</b>

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	53.15	53.15	54.15	54.15
Personal Services	3,265,165	3,337,699	3,126,726	3,390,797	3,422,548
Operating Expenses	1,087,477	1,201,801	1,467,556	1,480,594	1,467,808
<b>Total Expenditures</b>	<b>\$4,352,642</b>	<b>\$4,539,500</b>	<b>\$4,594,282</b>	<b>\$4,871,391</b>	<b>\$4,890,356</b>
General Fund	1,018,018	1,135,020	1,148,646	1,198,357	1,222,664
Federal Spec. Rev. Funds	3,334,624	3,404,480	3,445,636	3,673,034	3,667,692
<b>Total Funds</b>	<b>\$4,352,642</b>	<b>\$4,539,500</b>	<b>\$4,594,282</b>	<b>\$4,871,391</b>	<b>\$4,890,356</b>
<b>Total Ongoing</b>	<b>\$4,352,642</b>	<b>\$4,539,500</b>	<b>\$4,594,282</b>	<b>\$4,897,480</b>	<b>\$4,890,356</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$26,089)</b>	<b>\$0</b>

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**Funding**

The Youth Challenge Program is funded with general fund and federal special revenue at a 25/75 state to federal funding ratio for most costs. Some travel and special projects required by the federal/state cooperative agreement are funded entirely with federal funds.



**Program Budget Summary by Category**

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	1,148,646	1,148,646	2,297,292	94.89 %	4,594,282	4,594,282	9,188,564	94.13 %
SWPL Adjustments	57,879	55,730	113,609	4.69 %	231,515	222,921	454,436	4.66 %
PL Adjustments	(326)	29	(297)	(0.01)%	(1,305)	115	(1,190)	(0.01)%
New Proposals	(7,842)	18,259	10,417	0.43 %	46,899	73,038	119,937	1.23 %
<b>Total Budget</b>	<b>\$1,198,357</b>	<b>\$1,222,664</b>	<b>\$2,421,021</b>		<b>\$4,871,391</b>	<b>\$4,890,356</b>	<b>\$9,761,747</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	54,293	0	162,879	217,172	0.00	55,696	0	167,088	222,784
DP 2 - Fixed Costs	0.00	4,445	0	13,335	17,780	0.00	573	0	1,719	2,292
DP 3 - Inflation Deflation	0.00	(859)	0	(2,578)	(3,437)	0.00	(539)	0	(1,616)	(2,155)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(326)	0	(979)	(1,305)	0.00	29	0	86	115
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$57,553</b>	<b>\$0</b>	<b>\$172,657</b>	<b>\$230,210</b>	<b>0.00</b>	<b>\$55,759</b>	<b>\$0</b>	<b>\$167,277</b>	<b>\$223,036</b>

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The legislature made adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 202 - CHALLENGE Modified to Permanent FTE	1.00	18,247	0	54,741	72,988	1.00	18,259	0	54,779	73,038
DP 203 - Additional Operating Expenses (Restricted)	0.00	66,750	0	200,250	267,000	0.00	66,750	0	200,250	267,000
DP 2023 - Reduce Operating Expenses	0.00	(66,750)	0	(200,250)	(267,000)	0.00	(66,750)	0	(200,250)	(267,000)
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(26,089)	0	0	(26,089)	0.00	0	0	0	0
<b>Total</b>	<b>1.00</b>	<b>(\$7,842)</b>	<b>\$0</b>	<b>\$54,741</b>	<b>\$46,899</b>	<b>1.00</b>	<b>\$18,259</b>	<b>\$0</b>	<b>\$54,779</b>	<b>\$73,038</b>

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

DP 202 - CHALLENGE Modified to Permanent FTE -

The legislature added 1.00 FTE at the Montana Youth Challenge Academy. The position is 75.0% federally funded and 25.0% general fund.

DP 203 - Additional Operating Expenses (Restricted) -

The legislature provided additional operating expenses for the National Guard Youth Challenge Program provided that the Department of Military Affairs reverts at least \$133,500 in general fund at the end of FY 2021.

DP 2023 - Reduce Operating Expenses -

The legislature reduced operating expenses to offset the impact of increased FY 2021 base budget authority due to transfers of personal services authority to operating expenses.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, were applicable, are proposed to remain in agency personal services budgets. The reduction is contingent on passage and approval of Senate Bill 110.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change	
Operating Expenses	414,724	414,724	0	0.00 %	
<b>Total Expenditures</b>	<b>\$414,724</b>	<b>\$414,724</b>	<b>\$0</b>	<b>0.00 %</b>	
General Fund	414,724	414,724	0	0.00 %	
<b>Total Funds</b>	<b>\$414,724</b>	<b>\$414,724</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total Ongoing</b>	<b>\$414,724</b>	<b>\$414,724</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	

**Page Reference**

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Operating Expenses	140,200	207,362	207,362	207,362	207,362
<b>Total Expenditures</b>	<b>\$140,200</b>	<b>\$207,362</b>	<b>\$207,362</b>	<b>\$207,362</b>	<b>\$207,362</b>
General Fund	140,200	207,362	207,362	207,362	207,362
<b>Total Funds</b>	<b>\$140,200</b>	<b>\$207,362</b>	<b>\$207,362</b>	<b>\$207,362</b>	<b>\$207,362</b>
<b>Total Ongoing</b>	<b>\$140,200</b>	<b>\$207,362</b>	<b>\$207,362</b>	<b>\$207,362</b>	<b>\$207,362</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Funding**

The National Guard Scholarship Program is funded entirely from general fund.

**Program Budget Summary by Category**

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	207,362	207,362	414,724	100.00 %	207,362	207,362	414,724	100.00 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$207,362</b>	<b>\$207,362</b>	<b>\$414,724</b>		<b>\$207,362</b>	<b>\$207,362</b>	<b>\$414,724</b>	

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	493,731	379,834	(113,897)	(23.07)%
Operating Expenses	930,562	931,299	737	0.08 %
<b>Total Expenditures</b>	<b>\$1,424,293</b>	<b>\$1,311,133</b>	<b>(\$113,160)</b>	<b>(7.94)%</b>
Federal Spec. Rev. Funds	1,424,293	1,311,133	(113,160)	(7.94)%
<b>Total Funds</b>	<b>\$1,424,293</b>	<b>\$1,311,133</b>	<b>(\$113,160)</b>	<b>(7.94)%</b>
<b>Total Ongoing</b>	<b>\$1,424,293</b>	<b>\$1,311,133</b>	<b>(\$113,160)</b>	<b>(7.94)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	2.00	2.00	2.00	2.00
Personal Services	210,660	245,366	248,365	189,508	190,326
Operating Expenses	445,466	465,734	464,828	467,011	464,288
<b>Total Expenditures</b>	<b>\$656,126</b>	<b>\$711,100</b>	<b>\$713,193</b>	<b>\$656,519</b>	<b>\$654,614</b>
Federal Spec. Rev. Funds	656,126	711,100	713,193	656,519	654,614
<b>Total Funds</b>	<b>\$656,126</b>	<b>\$711,100</b>	<b>\$713,193</b>	<b>\$656,519</b>	<b>\$654,614</b>
<b>Total Ongoing</b>	<b>\$656,126</b>	<b>\$711,100</b>	<b>\$713,193</b>	<b>\$656,519</b>	<b>\$654,614</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Funding**

The STARBASE Program is funded entirely with federal special revenues from the Air National Guard.

**Program Budget Summary by Category**

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	
2021 Base Budget	0	0	0	0.00 %	713,193	713,193	1,426,386	108.79 %	
SWPL Adjustments	0	0	0	0.00 %	(56,501)	(58,553)	(115,054)	(8.78)%	
PL Adjustments	0	0	0	0.00 %	(173)	(26)	(199)	(0.02)%	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$656,519</b>	<b>\$654,614</b>	<b>\$1,311,133</b>		

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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 2022-----					-----Fiscal 2023-----				
	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	(58,857)	(58,857)	0.00	0	0	(58,039)	(58,039)
DP 2 - Fixed Costs	0.00	0	0	2,356	2,356	0.00	0	0	(514)	(514)
DP 50 - SWPLA Fixed Cost Reductions	0.00	0	0	(173)	(173)	0.00	0	0	(26)	(26)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$56,674)</b>	<b>(\$56,674)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$58,579)</b>	<b>(\$58,579)</b>

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	7,750,333	9,108,739	1,358,406	17.53 %
Operating Expenses	30,164,835	30,093,730	(71,105)	(0.24)%
Equipment & Intangible Assets	301,072	301,072	0	0.00 %
Transfers	50,000	50,000	0	0.00 %
<b>Total Expenditures</b>	<b>\$38,266,240</b>	<b>\$39,553,541</b>	<b>\$1,287,301</b>	<b>3.36 %</b>
General Fund	3,471,801	3,528,799	56,998	1.64 %
State/Other Special Rev. Funds	840	840	0	0.00 %
Federal Spec. Rev. Funds	34,793,599	36,023,902	1,230,303	3.54 %
<b>Total Funds</b>	<b>\$38,266,240</b>	<b>\$39,553,541</b>	<b>\$1,287,301</b>	<b>3.36 %</b>
<b>Total Ongoing</b>	<b>\$38,266,240</b>	<b>\$39,558,013</b>	<b>\$1,291,773</b>	<b>3.38 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$4,472)</b>	<b>(\$4,472)</b>	<b>100.00 %</b>

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	51.30	51.30	56.30	56.30
Personal Services	3,583,079	3,729,712	4,020,621	4,546,548	4,562,191
Operating Expenses	15,120,305	15,228,610	14,936,225	15,066,477	15,027,253
Equipment & Intangible Assets	85,264	150,536	150,536	150,536	150,536
Transfers	0	25,000	25,000	25,000	25,000
<b>Total Expenditures</b>	<b>\$18,788,648</b>	<b>\$19,133,858</b>	<b>\$19,132,382</b>	<b>\$19,788,561</b>	<b>\$19,764,980</b>
General Fund	1,735,935	1,745,741	1,726,060	1,766,896	1,761,903
State/Other Special Rev. Funds	100	420	420	420	420
Federal Spec. Rev. Funds	17,052,613	17,387,697	17,405,902	18,021,245	18,002,657
<b>Total Funds</b>	<b>\$18,788,648</b>	<b>\$19,133,858</b>	<b>\$19,132,382</b>	<b>\$19,788,561</b>	<b>\$19,764,980</b>
<b>Total Ongoing</b>	<b>\$18,788,648</b>	<b>\$19,133,858</b>	<b>\$19,132,382</b>	<b>\$19,793,033</b>	<b>\$19,764,980</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,472)</b>	<b>\$0</b>

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**Funding**

The funding ratio between general fund and federal funds depends on the nature of the activity, the uses or location of the facility being funded, and the goals of the operation. While the descriptions below discuss state funds, for the Army National Guard Program, state fund support is provided by the general fund. Different funding scenarios include:

- When a facility is owned by the state and located on state land, maintenance and utility costs are split 50/50 with the federal government
- When a facility is state owned, but located on federal land, the maintenance and utility costs are funded 75.0% with federal funds and 25.0% with state funds
- When a facility is classified as a logistics facility, the funding is 100.0% federal for the entire facility
- When a facility is owned federally and located on federal lands and when a facility serves training missions, funding is mainly 100.0% federal, except when the building is used as an armory
- When an armory is constructed with federal funds and located on federal land, maintenance and utility costs are funded 75.0% federal funds and 25.0% state funds. When armories are rented to groups, the state special revenue funds generated from the rental fees are used to augment general fund support of the facilities

**Program Budget Summary by Category**

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	1,726,060	1,726,060	3,452,120	97.83 %	19,132,382	19,132,382	38,264,764	96.74 %
SWPL Adjustments	15,455	6,235	21,690	0.61 %	165,998	138,743	304,741	0.77 %
PL Adjustments	(147)	(392)	(539)	(0.02)%	(507)	(1,569)	(2,076)	(0.01)%
New Proposals	25,528	30,000	55,528	1.57 %	490,688	495,424	986,112	2.49 %
<b>Total Budget</b>	<b>\$1,766,896</b>	<b>\$1,761,903</b>	<b>\$3,528,799</b>		<b>\$19,788,561</b>	<b>\$19,764,980</b>	<b>\$39,553,541</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	13,489	0	145,750	159,239	0.00	14,085	0	156,061	170,146
DP 2 - Fixed Costs	0.00	2,000	0	4,898	6,898	0.00	(7,829)	0	(23,487)	(31,316)
DP 3 - Inflation Deflation	0.00	(34)	0	(105)	(139)	0.00	(21)	0	(66)	(87)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(147)	0	(360)	(507)	0.00	(392)	0	(1,177)	(1,569)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$15,308</b>	<b>\$0</b>	<b>\$150,183</b>	<b>\$165,491</b>	<b>0.00</b>	<b>\$5,843</b>	<b>\$0</b>	<b>\$131,331</b>	<b>\$137,174</b>

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -



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

DP 3 - Inflation Deflation -

The legislature made adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1201 - Natural Resource Manager FTE	1.00	0	0	75,739	75,739	1.00	0	0	75,794	75,794
DP 1202 - Environmental Compliance Specialist FTE	1.00	0	0	75,740	75,740	1.00	0	0	75,794	75,794
DP 1203 - CFMO Grounds Maintenance FTE	1.00	0	0	57,249	57,249	1.00	0	0	57,287	57,287
DP 1204 - O&M Branch FTE	1.00	0	0	57,249	57,249	1.00	0	0	57,287	57,287
DP 1205 - CFMO Division Modified to Permanent FTE	1.00	0	0	105,183	105,183	1.00	0	0	105,262	105,262
DP 1206 - CFMO Spending Operation and Maint of Facilities	0.00	30,000	0	94,000	124,000	0.00	30,000	0	94,000	124,000
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(4,472)	0	0	(4,472)	0.00	0	0	0	0
<b>Total</b>	<b>5.00</b>	<b>\$25,528</b>	<b>\$0</b>	<b>\$465,160</b>	<b>\$490,688</b>	<b>5.00</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$465,424</b>	<b>\$495,424</b>

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

DP 1201 - Natural Resource Manager FTE -

The legislature added personal services for 1.00 FTE for a Natural Resources Manager for the Environmental Office to maintain compliance with the Sikes Act and manage natural resources on Montana Army National Guard training lands at Fort Harrison and Limestone Hills with federal funds.

DP 1202 - Environmental Compliance Specialist FTE -

The legislature added funding for 1.00 FTE for an Environmental Compliance Specialist to perform regulatory driven tasks under the Resource Conservation and Recovery Act, Executive Order 13834: Efficient Federal Operations, and Toxic Substances Control Act from federal funds.

DP 1203 - CFMO Grounds Maintenance FTE -

The legislature added personal services for 1.00 FTE grounds maintenance position with federal funds. The Construction and Facilities Management Office is responsible for the maintenance services, including regularly scheduled adjustments and inspections, preventative maintenance, landscaping, mowing, snowplowing, and similar municipal services on facilities

used to support the mission of the Montana Army National Guard.

DP 1204 - O&M Branch FTE -

The legislature funded personal services for 1.00 FTE for the Operations & Management Branch of the Construction and Facilities Management Office with federal funds. The addition of this FTE will increase the staffing level to 1.00 FTE per 150,000 square feet. The FTE eliminates the need to hire two temporary FTE during the summer months and are responsible for regular maintenance on 100.0% federally funded facilities, which includes an additional 31,000 SF of facility space constructed at Fort Harrison and brought online in federal FY 2021.

DP 1205 - CFMO Division Modified to Permanent FTE -

The legislature provided personal services for 1.00 FTE in the Construction and Facilities Management Office (CFMO) with federal funds. The FTE will maintain state contracting documents, develop and implement CFMO contracting policies and procedures, evaluate and ensure contractor performance, and ensure compliance with state and federal regulations. The position will assist the CFMO to align the structure of the CFMO with the procedures and guidance issued by the National Guard Bureau.

DP 1206 - CFMO Spending Operation and Maint of Facilities -

The legislature increased operating expenses to operate and maintain eight new facilities. The operation and maintenance costs for the additional 72,249 square feet of facility space include utilities, janitorial services, ground maintenance and fire protection costs. Of the eight facilities, only the Malta Readiness Center has a state share, which is \$30,000 per year. The other seven facilities are 100.0% federally operated and maintained, therefore the remaining \$94,000 is federally reimbursed.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, were applicable, are proposed to remain in agency personal services budgets. The reduction is contingent on passage and approval of Senate Bill 110.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	7,622,051	8,138,399	516,348	6.77 %
Operating Expenses	3,857,258	3,900,003	42,745	1.11 %
Equipment & Intangible Assets	9,720	0	(9,720)	(100.00)%
<b>Total Expenditures</b>	<b>\$11,489,029</b>	<b>\$12,038,402</b>	<b>\$549,373</b>	<b>4.78 %</b>
General Fund	865,050	775,472	(89,578)	(10.36)%
Federal Spec. Rev. Funds	10,623,979	11,262,930	638,951	6.01 %
<b>Total Funds</b>	<b>\$11,489,029</b>	<b>\$12,038,402</b>	<b>\$549,373</b>	<b>4.78 %</b>
<b>Total Ongoing</b>	<b>\$11,489,029</b>	<b>\$12,044,298</b>	<b>\$555,269</b>	<b>4.83 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$5,896)</b>	<b>(\$5,896)</b>	<b>100.00 %</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	46.00	46.00	46.00	46.00
Personal Services	3,344,918	3,740,437	3,881,614	4,056,561	4,081,838
Operating Expenses	1,947,766	1,954,830	1,902,428	1,955,814	1,944,189
Equipment & Intangible Assets	9,719	9,720	0	0	0
<b>Total Expenditures</b>	<b>\$5,302,403</b>	<b>\$5,704,987</b>	<b>\$5,784,042</b>	<b>\$6,012,375</b>	<b>\$6,026,027</b>
General Fund	430,453	430,943	434,107	385,307	390,165
Federal Spec. Rev. Funds	4,871,950	5,274,044	5,349,935	5,627,068	5,635,862
<b>Total Funds</b>	<b>\$5,302,403</b>	<b>\$5,704,987</b>	<b>\$5,784,042</b>	<b>\$6,012,375</b>	<b>\$6,026,027</b>
<b>Total Ongoing</b>	<b>\$5,302,403</b>	<b>\$5,704,987</b>	<b>\$5,784,042</b>	<b>\$6,018,271</b>	<b>\$6,026,027</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,896)</b>	<b>\$0</b>

**Page Reference**

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**Funding**

The Montana Air National Guard is predominately funded through federal funds. General fund supports some building and ground maintenance activities, a portion of administrative expenses, and a portion of personal service costs.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	434,107	434,107	868,214	111.96 %	5,784,042	5,784,042	11,568,084	96.09 %
SWPL Adjustments	(42,682)	(43,988)	(86,670)	(11.18)%	(467,135)	(471,874)	(939,009)	(7.80)%
PL Adjustments	(222)	46	(176)	(0.02)%	666,364	678,859	1,345,223	11.17 %
New Proposals	(5,896)	0	(5,896)	(0.76)%	29,104	35,000	64,104	0.53 %
<b>Total Budget</b>	<b>\$385,307</b>	<b>\$390,165</b>	<b>\$775,472</b>		<b>\$6,012,375</b>	<b>\$6,026,027</b>	<b>\$12,038,402</b>	

Present Law Adjustments -

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(45,711)	0	(441,267)	(486,978)	0.00	(44,898)	0	(433,414)	(478,312)
DP 2 - Fixed Costs	0.00	3,029	0	16,814	19,843	0.00	910	0	5,528	6,438
DP 50 - SWPLA Fixed Cost Reductions	0.00	(222)	0	(1,235)	(1,457)	0.00	46	0	277	323
DP 1301 - ANG Firefighter Federal Authority Pay Increase	0.00	0	0	103,424	103,424	0.00	0	0	105,673	105,673
DP 1302 - ANG Fire FLSA Salaries Federal Authority	0.00	0	0	564,397	564,397	0.00	0	0	572,863	572,863
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$42,904)</b>	<b>\$0</b>	<b>\$242,133</b>	<b>\$199,229</b>	<b>0.00</b>	<b>(\$43,942)</b>	<b>\$0</b>	<b>\$250,927</b>	<b>\$206,985</b>

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 1301 - ANG Firefighter Federal Authority Pay Increase -

The legislature increased federal special revenue for hourly pay scale increases for the 30 state firefighters employed at the 120th Airlift Wing, Montana Air National Guard (MANG) base in Great Falls. MANG firefighters are also Emergency Medical Technicians. They are required to complete a higher level of training and certification than their civilian counterparts

across the state and nation, yet they are paid less. The current hourly pay offered to state firefighters at MANG ranks in the bottom 25.0% of pay across all fire departments in Montana. These pay issues have resulted in costly staff recruitment and retention problems, and expensive turnover. The executive proposes a 5.4% overall increase in the salary and benefits costs for the MANG fire department. This plan has been approved by the National Guard Bureau to bring MANG firefighter pay scales in line with Montana market pay rates.

DP 1302 - ANG Fire FLSA Salaries Federal Authority -

The legislature provided 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.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1303 - ANG Airlift Wing Drop Zone Lease Federal Authority	0.00	0	0	35,000	35,000	0.00	0	0	35,000	35,000
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(5,896)	0	0	(5,896)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$5,896)</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$29,104</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$35,000</b>

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

DP 1303 - ANG Airlift Wing Drop Zone Lease Federal Authority -

The legislature provided \$35,000 annually in federal special revenue to fund a new 640-acre drop zone land lease near Fort Benton, Montana and located on farm and ranch property. The operating lease is essential to the 120th Airlift Wing mission, supported by the National Guard Bureau. The 640-acre drop zone lease supports the 120th Airlift Wing federal flying mission. The corresponding operating license for this lease falls under the state of Montana Adjutant General's authority.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, were applicable, are proposed to remain in agency personal services budgets. The reduction is contingent on passage and approval of Senate Bill 110.

### Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	4,090,008	4,274,335	184,327	4.51 %
Operating Expenses	2,607,438	1,862,443	(744,995)	(28.57)%
Grants	24,362,268	28,052,602	3,690,334	15.15 %
Transfers	4,103,044	3,045,210	(1,057,834)	(25.78)%
<b>Total Expenditures</b>	<b>\$35,162,758</b>	<b>\$37,234,590</b>	<b>\$2,071,832</b>	<b>5.89 %</b>
General Fund	2,759,844	3,979,488	1,219,644	44.19 %
State/Other Special Rev. Funds	413,360	513,360	100,000	24.19 %
Federal Spec. Rev. Funds	31,989,554	32,741,742	752,188	2.35 %
<b>Total Funds</b>	<b>\$35,162,758</b>	<b>\$37,234,590</b>	<b>\$2,071,832</b>	<b>5.89 %</b>
<b>Total Ongoing</b>	<b>\$35,162,758</b>	<b>\$37,257,398</b>	<b>\$2,094,640</b>	<b>5.96 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$22,808)</b>	<b>(\$22,808)</b>	<b>100.00 %</b>

### Page Reference

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### Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	22.89	22.89	24.89	24.89
Personal Services	2,138,859	2,147,568	1,942,440	2,122,740	2,151,595
Operating Expenses	573,890	1,249,690	1,357,748	960,706	901,737
Grants	8,763,091	12,585,967	11,776,301	14,526,301	13,526,301
Transfers	505,660	1,580,439	2,522,605	1,522,605	1,522,605
<b>Total Expenditures</b>	<b>\$11,981,500</b>	<b>\$17,563,664</b>	<b>\$17,599,094</b>	<b>\$19,132,352</b>	<b>\$18,102,238</b>
General Fund	1,273,742	1,370,054	1,389,790	2,485,836	1,493,652
State/Other Special Rev. Funds	30,855	206,680	206,680	256,680	256,680
Federal Spec. Rev. Funds	10,676,903	15,986,930	16,002,624	16,389,836	16,351,906
<b>Total Funds</b>	<b>\$11,981,500</b>	<b>\$17,563,664</b>	<b>\$17,599,094</b>	<b>\$19,132,352</b>	<b>\$18,102,238</b>
<b>Total Ongoing</b>	<b>\$11,981,500</b>	<b>\$17,563,664</b>	<b>\$17,599,094</b>	<b>\$19,155,160</b>	<b>\$18,102,238</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$22,808)</b>	<b>\$0</b>

### Page Reference

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### Funding

*HB 2 Funding*

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

- Administration and coordination
- Search and rescue
- Grant programs

Administrative and coordination functions are primarily funded with 50.0% general fund and 50.0% federal funds. Disaster coordination functions are typically funded 100.0% with federal funds. Search and rescue activities are funded through state special revenue funds derived from surcharges on conservation licenses and off-road vehicle licenses. Grant activities typically utilize federal funds. The amount of this funding budgeted in HB 2 can vary greatly depending on the federal source and available amounts known at the time of budget submission.

*Statutory Funding*

Statutory appropriations available to the Disaster and Emergency Services Division include:

- Federal special revenue payments for disasters and fire suppression – 10-3-203, MCA
- General fund for local incidence response by the state – 10-3-310, MCA
- General fund for a Governor declared emergency or disaster – 10-3-312(1), MCA
- State special revenue for contingencies to address environmental problems – 75-1-1101, MCA

Statutory funding is provided in the event of a declared emergency or disaster. The expenditures are authorized through executive order.

**Program Budget Summary by Category**

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	1,389,790	1,389,790	2,779,580	69.85 %	17,599,094	17,599,094	35,198,188	94.53 %
SWPL Adjustments	(5,219)	(7,898)	(13,117)	(0.33)%	13,353	6,638	19,991	0.05 %
PL Adjustments	689	(834)	(145)	(0.00)%	1,378	(1,668)	(290)	(0.00)%
New Proposals	1,100,576	112,594	1,213,170	30.49 %	1,518,527	498,174	2,016,701	5.42 %
<b>Total Budget</b>	<b>\$2,485,836</b>	<b>\$1,493,652</b>	<b>\$3,979,488</b>		<b>\$19,132,352</b>	<b>\$18,102,238</b>	<b>\$37,234,590</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	6,770	0	30,559	37,329	0.00	10,376	0	32,809	43,185
DP 2 - Fixed Costs	0.00	(9,380)	0	(9,379)	(18,759)	0.00	(16,638)	0	(16,637)	(33,275)
DP 3 - Inflation Deflation	0.00	(2,609)	0	(2,608)	(5,217)	0.00	(1,636)	0	(1,636)	(3,272)
DP 50 - SWPLA Fixed Cost Reductions	0.00	689	0	689	1,378	0.00	(834)	0	(834)	(1,668)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$4,530)</b>	<b>\$0</b>	<b>\$19,261</b>	<b>\$14,731</b>	<b>0.00</b>	<b>(\$8,732)</b>	<b>\$0</b>	<b>\$13,702</b>	<b>\$4,970</b>

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The legislature made adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2103 - Mitigation Plans	0.00	85,838	0	257,514	343,352	0.00	75,000	0	225,000	300,000
DP 2104 - Mitigation FTE	2.00	36,444	0	109,335	145,779	2.00	36,492	0	109,478	145,970
DP 2105 - Align Expenditures	0.00	0	0	0	0	0.00	0	0	0	0
DP 2106 - Expanded Funding for Search and Rescue	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 2107 - Laurel Water System (Restricted/Biennial/OTO)	0.00	1,000,000	0	0	1,000,000	0.00	0	0	0	0
DP 2199 - NRIS/GIS Fixed Costs	0.00	1,102	0	1,102	2,204	0.00	1,102	0	1,102	2,204
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(22,808)	0	0	(22,808)	0.00	0	0	0	0
<b>Total</b>	<b>2.00</b>	<b>\$1,100,576</b>	<b>\$50,000</b>	<b>\$367,951</b>	<b>\$1,518,527</b>	<b>2.00</b>	<b>\$112,594</b>	<b>\$50,000</b>	<b>\$335,580</b>	<b>\$498,174</b>



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

#### DP 2103 - Mitigation Plans -

The Federal Emergency Management Administration requires states and counties to each have a FEMA approved hazard mitigation plan to apply for or receive federal mitigation funds either pre or post disaster. FEMA has prioritized mitigation, increasing the funding available and allowing the state to apply for up to \$35.0 million in federal funding each building resilient infrastructure communities grant cycle. To reduce redundancy, costs, and man hours required for each county to maintain a plan, regional plans will be done to cover counties with similar hazards. Plans are good for five years. The legislature approved funding for mitigation plans supported by 75.0% federal and 25.0% general fund. State matching funds are required to be eligible for federal mitigation funds.

#### DP 2104 - Mitigation FTE -

The legislature provided personal services for 2.00 FTE as emergency managers in the Disaster and Emergency Services Division. DES is responsible for ensuring the state is able to deal with disasters or emergencies in order to protect public health and safety, and to preserve lives and property of the people of Montana. This includes mitigating anticipated weaknesses, developing plans to effectively respond when an incident occurs, and helping communities recover from disasters by repairing public infrastructure to a pre-disaster condition.

#### DP 2105 - Align Expenditures -

The legislature reduced operating expenses and transfers and increased grant appropriations to align appropriations with anticipated expenditures. The transaction moves \$700,000 in operating expenses and \$1.0 million in transfers to grants, increasing grants by \$1.7 million. The transactions net to zero in the decision package table.

#### DP 2106 - Expanded Funding for Search and Rescue -

The legislature provided additional authority to expand the usage funding supporting search and rescue operations.

#### DP 2107 - Laurel Water System (Restricted/Biennial/OTO) -

The legislature approved a general fund grant to the city of Laurel for water system repairs that were incurred as a result of flooding.

#### DP 2199 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee (LFC) to conduct a study of the funding of digital library services. The LFC recommended that the Office of Budget and Program Planning include an assessment for the natural resource information system (NRIS) and the geographic information system (GIS) as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.

#### DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, were applicable, are proposed to remain in agency personal services budgets. The reduction is contingent on passage and approval of Senate Bill 110.

#### **Other Issues -**

The Joint Appropriation Subcommittee on General Government (Section A) provided \$50,000 a year in state special

revenue funding for additional search and rescue grants to local governments and search and rescue missions. In addition, Section A recommends the House Appropriations Committee request a companion bill to make statutory changes in 87-1-601, MCA to make the search and rescue surcharge optional, increase the allowable searches to include recreationalists, and to amend 10-3-801, MCA to increase the maximum reimbursement for each rescue mission from \$6,000 to \$25,000.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	3,858,781	4,067,998	209,217	5.42 %
Operating Expenses	676,858	547,870	(128,988)	(19.06)%
Grants	70,000	70,000	0	0.00 %
Transfers	90,000	40,000	(50,000)	(55.56)%
<b>Total Expenditures</b>	<b>\$4,695,639</b>	<b>\$4,725,868</b>	<b>\$30,229</b>	<b>0.64 %</b>
General Fund	2,764,594	3,027,260	262,666	9.50 %
State/Other Special Rev. Funds	1,931,045	1,698,608	(232,437)	(12.04)%
<b>Total Funds</b>	<b>\$4,695,639</b>	<b>\$4,725,868</b>	<b>\$30,229</b>	<b>0.64 %</b>
<b>Total Ongoing</b>	<b>\$4,695,639</b>	<b>\$4,764,827</b>	<b>\$69,188</b>	<b>1.47 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$38,959)</b>	<b>(\$38,959)</b>	<b>100.00 %</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	25.59	25.59	25.59	25.59
Personal Services	1,913,217	1,945,601	1,913,180	2,013,025	2,054,973
Operating Expenses	226,372	306,783	370,075	282,944	264,926
Grants	30,000	35,000	35,000	35,000	35,000
Transfers	0	45,000	45,000	20,000	20,000
<b>Total Expenditures</b>	<b>\$2,169,589</b>	<b>\$2,332,384</b>	<b>\$2,363,255</b>	<b>\$2,350,969</b>	<b>\$2,374,899</b>
General Fund	1,344,573	1,372,834	1,391,760	1,503,158	1,524,102
State/Other Special Rev. Funds	825,016	959,550	971,495	847,811	850,797
<b>Total Funds</b>	<b>\$2,169,589</b>	<b>\$2,332,384</b>	<b>\$2,363,255</b>	<b>\$2,350,969</b>	<b>\$2,374,899</b>
<b>Total Ongoing</b>	<b>\$2,169,589</b>	<b>\$2,332,384</b>	<b>\$2,363,255</b>	<b>\$2,389,928</b>	<b>\$2,374,899</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$38,959)</b>	<b>\$0</b>

**Page Reference**

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**Funding**

*HB 2 Funding*

General fund supports the Veterans' Affairs Program functions. State special revenue includes three accounts:

- Veterans' services account, enacted by the 2003 Legislature, allocating proceeds from the sale of veterans' specialty 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 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 the 2023 biennium

*Statutory Appropriations*

The Veterans' Affairs Division has a statutory appropriation for the operation of the Montana Veterans' 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**

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	1,391,760	1,391,760	2,783,520	91.95 %	2,363,255	2,363,255	4,726,510	100.01 %
SWPL Adjustments	85,562	82,451	168,013	5.55 %	147,240	146,709	293,949	6.22 %
PL Adjustments	(205)	(109)	(314)	(0.01)%	(9,673)	(9,591)	(19,264)	(0.41)%
New Proposals	26,041	50,000	76,041	2.51 %	(149,853)	(125,474)	(275,327)	(5.83)%
<b>Total Budget</b>	<b>\$1,503,158</b>	<b>\$1,524,102</b>	<b>\$3,027,260</b>		<b>\$2,350,969</b>	<b>\$2,374,899</b>	<b>\$4,725,868</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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 2022-----				-----Fiscal 2023-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	82,774	65,498	0	148,272	0.00	84,622	66,653	0	151,275
DP 2 - Fixed Costs	0.00	2,788	0	0	2,788	0.00	(2,171)	0	0	(2,171)
DP 3 - Inflation Deflation	0.00	0	(3,820)	0	(3,820)	0.00	0	(2,395)	0	(2,395)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(205)	0	0	(205)	0.00	(109)	0	0	(109)
DP 51 - Additional 1.0% Vacancy Savings	0.00	0	(9,468)	0	(9,468)	0.00	0	(9,482)	0	(9,482)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$85,357</b>	<b>\$52,210</b>	<b>\$0</b>	<b>\$137,567</b>	<b>0.00</b>	<b>\$82,342</b>	<b>\$54,776</b>	<b>\$0</b>	<b>\$137,118</b>

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

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The legislature made adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 51 - Additional 1.0% Vacancy Savings -

The legislature adopted an additional 1% vacancy savings reducing personal services by \$18,950 and \$9,468 in state special revenue in FY 2022 and \$9,482 in FY 2023.

**New Proposals -**

The New Proposals table shows new changes to spending

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3105 - Reduce Patriotic Plates & Veterans' Service Acco	0.00	0	(150,894)	0	(150,894)	0.00	0	(150,474)	0	(150,474)
DP 3106 - Align Scholarships with Available Funding	0.00	0	(25,000)	0	(25,000)	0.00	0	(25,000)	0	(25,000)
DP 3107 - Veterans' Cemetery support	0.00	65,000	0	0	65,000	0.00	50,000	0	0	50,000
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(38,959)	0	0	(38,959)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$26,041</b>	<b>(\$175,894)</b>	<b>\$0</b>	<b>(\$149,853)</b>	<b>0.00</b>	<b>\$50,000</b>	<b>(\$175,474)</b>	<b>\$0</b>	<b>(\$125,474)</b>

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

DP 3105 - Reduce Patriotic Plates & Veterans' Service Acco -

The legislature reduced operating expenses funded with the veterans' service and patriotic license plate accounts within the state special revenue fund to align expenditures with estimated revenues.

DP 3106 - Align Scholarships with Available Funding -

The legislature reduced transfer appropriations to align scholarships with available state special revenue funding.

DP 3107 - Veterans' Cemetery support -

The legislature provided operating expenses supported by general fund for the Montana veterans' cemeteries to address a projected shortfall in state special revenue that supports the program.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature eliminated the state share contribution to the state employee group benefit plan for two months. Reserves are used to pay benefits during the holiday. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, where applicable, are proposed to remain in agency personal services budgets. The reduction is contingent on passage and approval of Senate Bill 110.