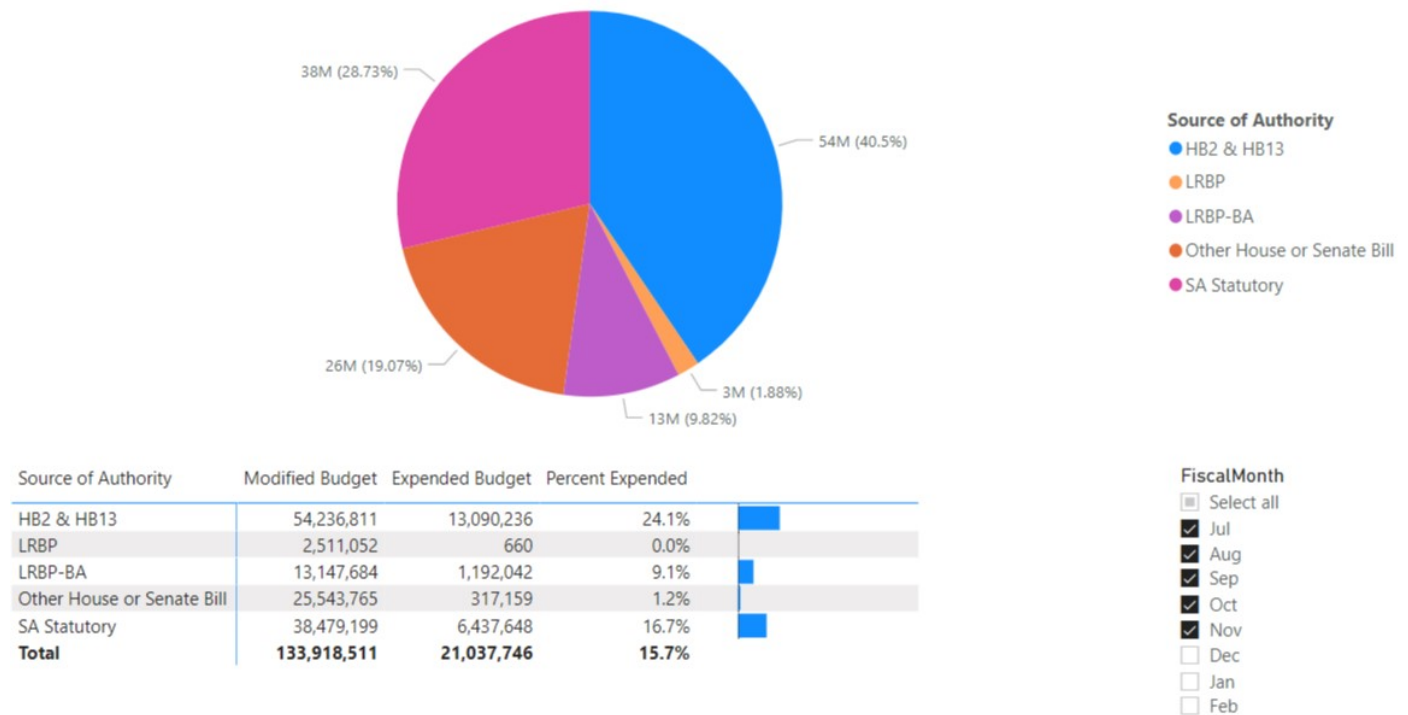


DEPARTMENT OF MILITARY AFFAIRS (DMA)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 40.5% 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



Long-Range Building Program – Budget Amendments (LRBP-BA)

In FY 2022, the Department of Military Affairs included \$13.1 million in federal funds for additional military construction projects in its budget. These projects were not included as part of 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:

- \$3.0 million for a maintenance bay addition to the combined support maintenance shop at Fort Harrison
- \$1.8 million for construction of an enlisted barracks facility at Fort Harrison
- \$0.2 million for a hazardous waste accumulation area at Fort Harrison
- \$1.3 million for a maintenance vehicle/sand storage building at Fort Harrison
- \$0.1 million for dining facilities at Fort Harrison
- \$6.0 million for the Miles City Aviation Readiness Center
- \$0.1 million for the Missoula veterans' cemetery

- \$0.6 million for unheated storage facilities

Through the end of November, DMA has expended \$1.2 million of the funds, with the majority on the enlisted barracks at Fort Harrison.

Other Bills

HB 5 – Agency Capital Development Projects

Several previous legislatures have appropriated funds in HB 5, or other long-range building bills, for construction projects on various military bases and armories across Montana. As the construction projects take several years, unspent authority awarded in one biennium is continued into future biennia until the projects are completed. In FY 2022, \$25.3 million is included in the Department of Military Affairs' budget for agency capital development projects, with approximately 60.0% approved by the 2021 Legislature and the balance from continuing authority from prior sessions. The projects approved by the 2021 Legislature include:

- \$6.0 million for design and construction of barracks and supporting infrastructure at Fort Harrison
- \$3.0 million for capital improvements to statewide facilities
- \$2.2 million for construction of barracks for National Guard soldiers at the Limestone Hills training area near Townsend
- \$2.2 million for renovation of existing space in the Regional Training Institute building and construction of new classroom space
- \$0.8 million for renovation of paved/surfaced secure compound space for military vehicles and equipment to load and unload trains at Fort Harrison
- \$0.8 million for the installation of an eight-foot-tall chain link fence, security gates and gravel base to create multiple secured compound sections at Fort Harrison
- \$0.5 million for a remodel of the Post Engineers Maintenance Building to accommodate 24 personnel and create a conference room at Fort Harrison
- \$0.4 million to construct military equipment parking with rigid concrete pavement at the Helena field maintenance shop
- \$0.2 million for replacement of the roof on building 530 at Fort Harrison
- \$0.1 million to construct a fence around the perimeter of the Billings field maintenance shop
- \$0.1 million for permanent vault style latrines at the training area at Fort Harrison
- \$0.1 million to remove existing waste oil burners from the aircraft storage hanger and install above ground storage tanks for jet fuel and used oil at the Army Aviation Support Facility
- \$0.1 million for construction of a concrete loading ramp at the Limestone Hills training area
- \$0.1 million to replace rigid concrete paving and install storm water drainage structures, fencing, and curbing at the Missoula field maintenance shop

As of the end of November, DMA expended \$0.3 million of its long-range building funds from previous biennia.

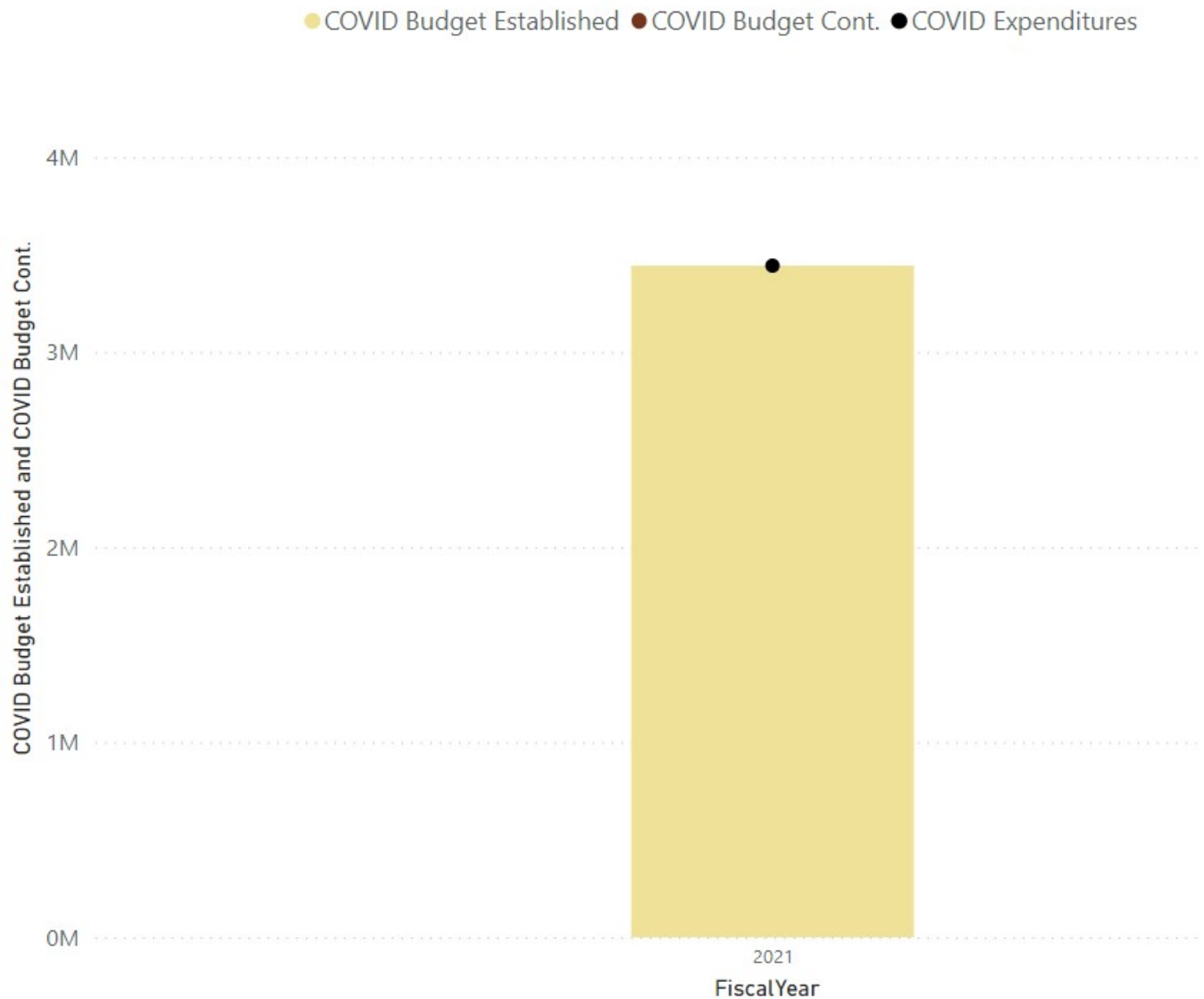
HB 701 – Revising Laws Related to the Regulation and Taxation of Marijuana

The 2021 Legislature appropriated \$200,000 annually in the 2023 biennium to the Department of Military Affairs to provide services and assistance to Montana veterans and surviving spouses and dependents. As of the end of November, the Department of Military Affairs has not expended any of the funding.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations were allocated to the agency by the Governor's Office. Administrative authority is not an appropriation and thus is not included in the total appropriation authority shown on the previous page.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



The Department of Military Affairs received Coronavirus Aid, Relief, and Economic Security (CARES) Act I appropriations of \$3.4 million. In FY 2021, DMA expended all of these funds. These funds were for the Disaster and Emergency Services (DES) Program which is responsible for coordinating emergency management in Montana. The DES was responsible for implementing an emergency response to the COVID-19 outbreak, which included organizing increased personal protective equipment, ventilators, and treatment drugs for hospitals,

nursing homes, prisons, as well as other facilities in need of supplies. Additionally, DMA hired staff as contact tracers to assist local and public health departments, deployments at airports, and hospitals.

Statutory Appropriations

Governor's Emergency Fund

Statute provides the Governor with \$16.5 million general fund over the biennium to address unanticipated costs associated with disasters and emergencies (10-3-312, MCA). In FY 2022, the Department of Military Affairs budget includes \$1.0 million in general fund from disasters declared in previous biennia. Natural disasters include costs associated with flooding, windstorms, winter storms, and tornados. Through the end of November, DMA has not expended any of the funding.

Wildfire Funding

Statute provides for a fire suppression account within the state special revenue fund type, designated as statutory appropriations (76-13-150, MCA). Governor Gianforte declared a statewide wildland fire emergency in Montana in July 2021 and activated the Montana National Guard. DMA recorded \$5.6 million in statutory appropriations of state special revenue from the fire suppression fund for the costs of summer firefighting. As of the end of November, DMA has expended \$2.0 million of the funding.

Federal Emergency Management Agency (FEMA) Funding

The Department of Military Affairs is granted statutory authority to spend federal funds received for federally declared disasters including pandemic relief. Of the \$30.2 million in federal funds for disasters \$23.6 million is for the COVID-19 pandemic efforts. As of the end of November, DMA has expended \$3.3 million on pandemic associated costs and \$21,478 for costs associated with floods and winds.

Veterans' Cemeteries

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

- Montana State Veterans Cemetery – Fort Harrison
- Eastern Montana State Veterans Cemetery – Miles City
- Western Montana State Veterans Cemetery – Missoula

Funding for the program is provided through a portion of motor vehicle registration fees, cemetery plot allowances, and donations. As of November 30, DMA has expended \$0.2 million of the \$0.7 million in state special revenue funds appropriated for the cemeteries.

Montana Military Family Relief Fund (MMFRF)

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. As of the end of November, DMA has expended \$750 of its \$40,000 state special revenue appropriation.

Montana National Guard Land Purchase

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

In FY 2022, DMA expended \$877,000 of these funds for the future site of the Readiness Center in Billings.

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 through November 30, 2021. 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	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> Dept of Military Affairs	54,236,811	54,236,811	0
AIR NATIONAL GUARD PGM	6,017,719	5,925,890	-91,829
ARMY NATIONAL GUARD PGM	19,795,216	19,758,021	-37,195
CHALLENGE PROGRAM	4,873,936	4,842,418	-31,518
DIRECTORS OFFICE	1,199,972	1,352,585	152,613
DISASTER & EMERGENCY SERVICES	19,134,138	19,095,921	-38,217
SCHOLARSHIP PROGRAM	207,362	207,362	
STARBASE	656,519	714,916	58,397
VETERANS AFFAIRS PROGRAM	2,351,949	2,339,700	-12,249
Total	54,236,811	54,236,811	0

Acct & Lvl 1 DESC	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	17,270,586	17,474,421	203,835
<input type="checkbox"/> 62000 Operating Expenses	20,636,128	20,632,728	-3,400
<input type="checkbox"/> 63000 Equipment & Intangible Assets	150,536	150,536	
<input type="checkbox"/> 66000 Grants	14,561,301	14,357,466	-203,835
<input type="checkbox"/> 68000 Transfers-out	1,618,260	1,621,660	3,400

Fund Type	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 01 General	8,323,974	8,328,974	5,000
<input type="checkbox"/> 02 State/Other Spec Rev	1,110,445	1,105,445	-5,000
<input type="checkbox"/> 03 Fed/Other Spec Rev	44,802,392	44,802,392	0

Modifications made to the FY 2022 budget through the end of November include a reallocation of the additional 1.0% vacancy savings that was passed by the 2021 Legislature. A 1.0% vacancy savings reduction of HB 2 personal services was allocated to the Director's Office with language included in HB 2 allowing the agency to allocate the reduction across its programs. DMA redistributed the additional 1.0% vacancy savings across all agency programs with personal service appropriations.

The agency transferred \$203,835 appropriation authority from grants to personal services to fund 2.00 modified FTE positions in the Disaster and Emergency Services Division (DES). In the 2021 biennium, DES

utilized 4.00 modified FTE for emergency management specialists and mitigation coordinators. The 2021 Legislature approved an additional 2.00 FTE for mitigation coordinators. DES is using the ongoing modified FTE for emergency management specialists.

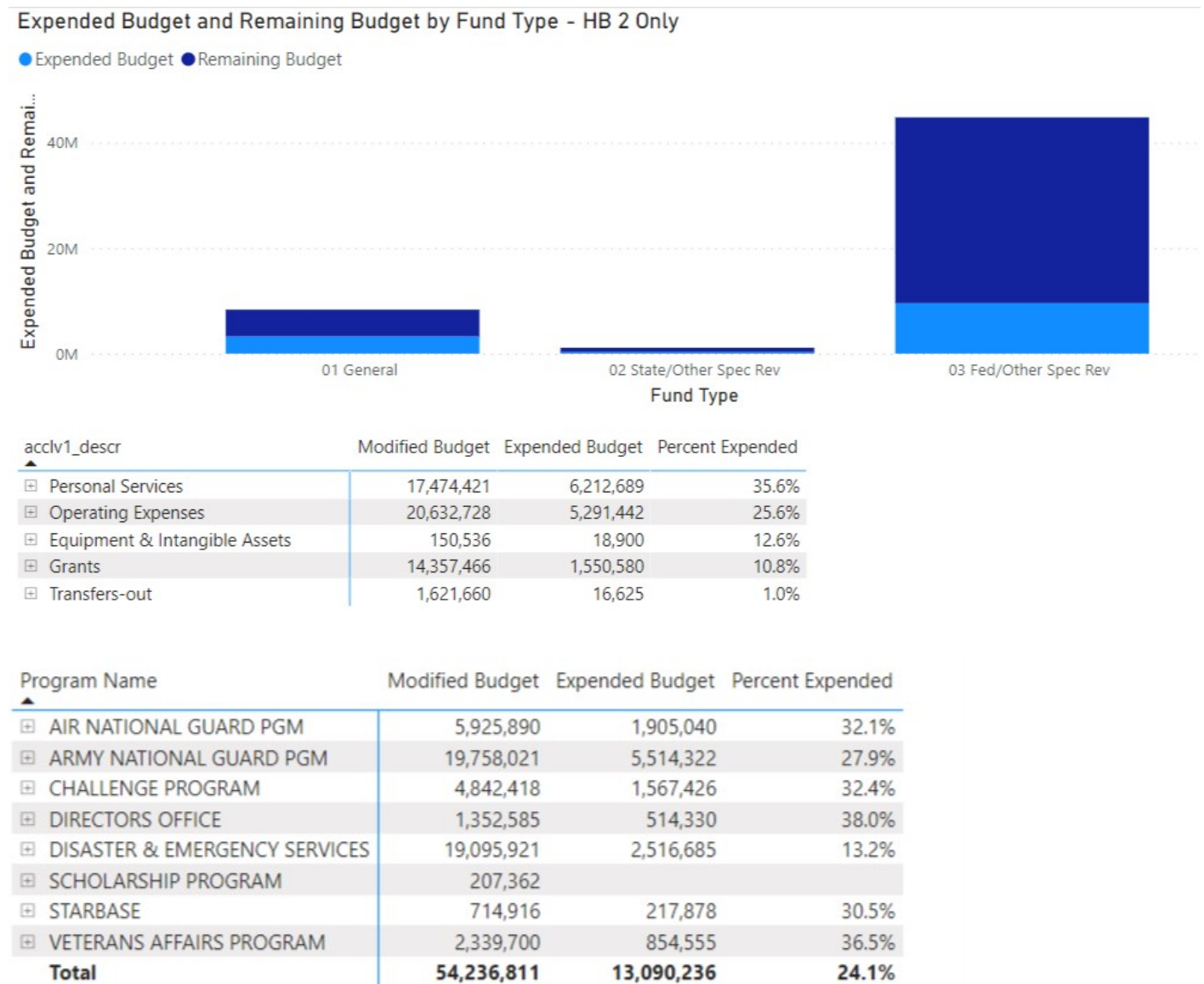
The Air National Guard Program transferred 1.00 FTE and \$60,888 in personal services authority to the STARBASE Program to assist with STARBASE Program staffing needs.

Veteran's Affairs moved \$5,000 in appropriation authority between general fund and state special revenue to align the funding with HB 2 appropriations.

Additionally, the agency transferred \$3,400 from operating expenses to transfers-out for a memorandum of understanding (MOU) with the Montana State Library to conduct a survey of bat habitat in the Limestone Hills training area. The MOU requires a total transfer of \$28,395 to the Montana State Library.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2021.

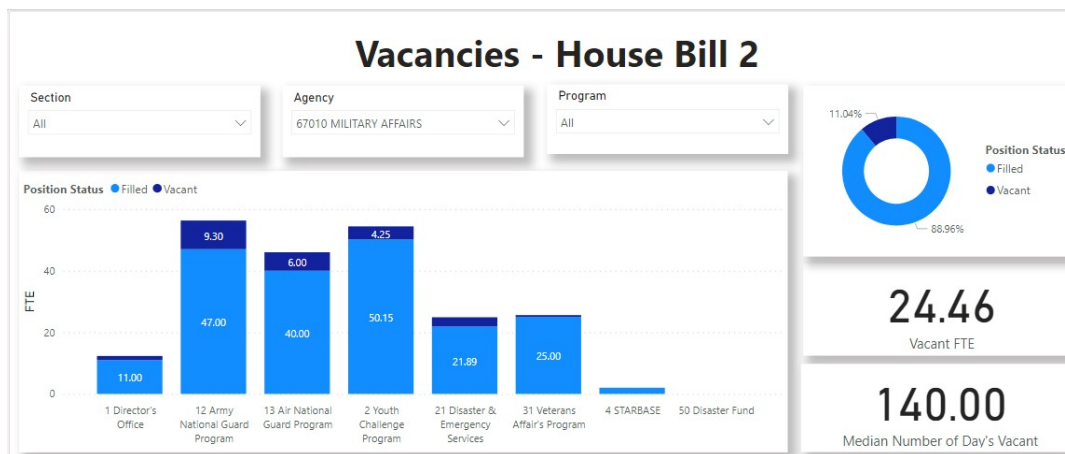


General fund makes up 15.4% of the HB 2 modified budget supporting the Department of Military Affairs, state special revenue provides 2.0% of the funding, and federal funds make up the remaining 82.6%.

Personal Services

Personal services make up 32.2% of the HB 2 modified budget with \$6.2 million or 35.6% expended as of November 30, 2021.

The following chart shows the filled and vacant FTE within the agency as of November 1, 2021.



As shown, overall the Department of Military Affairs had 11.0% of its HB 2 positions vacant as of November 1, 2021 including:

- 1.32 FTE or 10.7% in the Director's Office
- 4.25 FTE or 7.8% in the ChalleNGe Program
- 9.30 FTE or 16.5% in the Army National Guard Program
- 6.00 FTE or 13.0% in the Air National Guard Program
- 3.00 FTE or 12.1% in the Disaster and Emergency Services Program
- 0.59 FTE or 2.3% in the Veterans Affairs Program

The legislature authorized 5.00 new FTE in the FY 2022 budget in the Army National Guard Program, DMA is in the process of filling these positions. The ChalleNGe Program has continued to have retention and recruitment issues with cadre instructors which make up the vacant FTE as of November 1, 2021. In July, the salary for cadre instructors was increased. The number of vacancies for these positions has decreased and the retention of the staff has increased since.

Operating Expenses

Operating expenses make up 38.0% of the HB 2 modified budget. Over 73.0% of the funding for operating expenses is allocated to the Army National Guard Program with utility costs making up \$5.2 million or 34.7% of the budget and maintenance and repairs, also at \$5.2 million or 34.7%.

Through the end of November, DMA had expended \$5.3 million or 25.6% of its operating expense budget. Of the total expenditures, \$1.3 million was for professional and consulting services within the Army National Guard Program. According to DMA, the majority of the funding was related to the unexploded ordnance cleanup of the Limestone Hills training area.

Grants

Grants make up 26.5% of the HB 2 modified budget with the almost \$14.4 million included in the budget for Disaster and Emergency Services. In FY 2022, the 2021 Legislature provided a \$1.0 million restricted, one-time-

only appropriation for the Laurel water system. DMA has made this payment which makes up the majority of the expenditures for grants through the end of November.

OTHER ISSUES

Required Reports

The Department of Military Affairs did not have any budget amendments, operating plan changes, or program transfers that require reporting to the Legislative Finance Committee.