

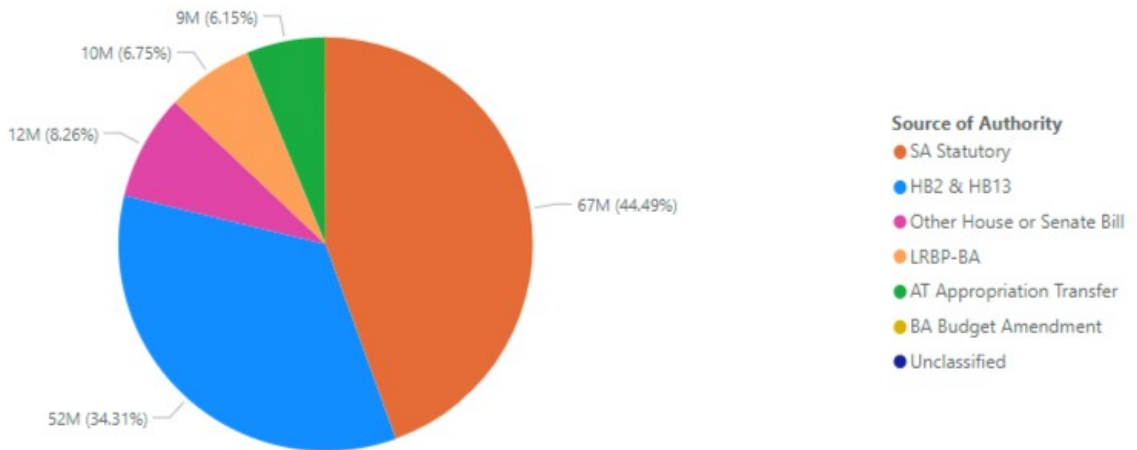
DEPARTMENT OF MILITARY AFFAIRS

TOTAL APPROPRIATION AUTHORITY

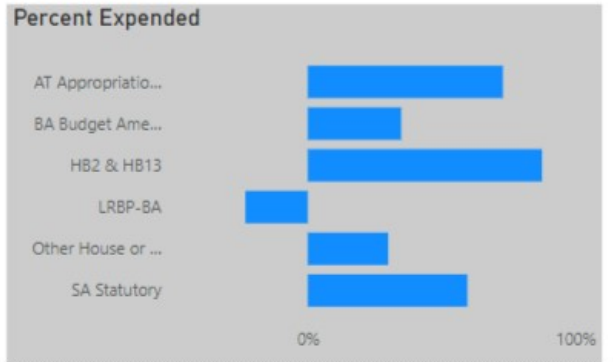
The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 34.3% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Dept of Military Affairs

Total Appropriation Authority



Fiscal Year	2021		
LFD_src_auth_descr	Budget	FYE Expended	Percent Expended
AT Appropriation Transfer	9,284,723	6,773,670	73.0%
BA Budget Amendment	80,866	28,248	34.9%
HB2 & HB13	51,831,106	45,401,607	87.6%
LRBP-BA	10,197,601	-2,378,484	-23.3%
Other House or Senate Bill	12,475,954	3,752,524	30.1%
SA Statutory	67,210,822	40,113,204	59.7%
Unclassified	0		
Total	151,081,071	93,690,768	62.0%



Appropriation Transfers

Appropriation transfers received by the Department of Military Affairs (DMA) consisted of federal special revenue for capital construction projects, including the Malta Readiness Center. Other funding includes improvements to the Veterans Cemetery and vault modifications, construction of the Unit Training Equipment Site (UTES)/Combined Support Maintenance Shop (CSMS) Wash Bay for the National Guard, and construction of the Miles City Readiness Center. Most of these projects take several years to complete and at the end of the project any remaining spending authority will be reverted.

Budget Amendments

Budget amendments processed for DMA provided additional federal funding authority in the ChalleNGe, STARBASE, and Army National Guard programs. The department anticipates spending the remainder of these funds by the end of FY 2022.

Long Range Building Program

A Section F Long-Range Building Program report will be provided in December 2021 which will include a detailed description of long-range projects for DMA. The negative expenditure balance is due to an expenditure correction that took place in FY 2021.

Other Bills

Appropriations to DMA for other house and senate bills include funding for the Long-Range Building Program for construction and improvement projects included in HB 5 and HB 14. Other funding was authorized in HB 158 and HB 172. HB 158 established a state special revenue account for the Purple Heart Scholarship Program. In FY 2021, the Purple Heart Scholarship Program did not receive any applications therefore, no expenditures were made. HB 172 authorized general fund appropriations for the establishment of county and multicounty veteran's service offices which was 100.0% expended in FY 2021.

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 was allocated to the agency by the Governor's Office. Administration authority is not an appropriation and thus is not included in the total appropriation authority on the shown on the previous page. The appropriation authority for CARES I and ARPA shown below remains with the Governor's Office.

Coronavirus Stimulus Appropriations Dept of Military Affairs

Stimulus Authority	Budget	FYE Expended	Percent Expended
CARES I	3,443,991	2,734,185	79.4%

The Department of Military Affairs only received Coronavirus Aid, Relief, and Economic Security (CARES) Act I appropriations of \$3.4 million. In FY 2021, the department expended approximately \$2.7 million or 79.4% of

appropriated funds. These funds were for the Disaster and Emergency Services (DES) Program which is responsible for being the lead agency in 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 (PPE), ventilators, and treatment drugs to be received by hospitals, nursing homes, prisons, as well as other facilities in need of supplies. Additionally, DMA hired staff to be contact tracers to assist local and public health departments.

Statutory Appropriations

Statutory appropriations account for 44.5% of the Department of Military Affairs total appropriation authority. In FY 2021, statutory appropriations totaled approximately \$67.2 million, of which \$40.1 million or 59.7% was expended.

In the event of a declared emergency or natural disaster, the Governor of Montana is allowed various statutory appropriations that are authorized through executive orders. The table below details the FEMA funds that were appropriated in FY 2021. Declared emergencies included floods, storms, and COVID-19 relief. FEMA funding for COVID-19 accounts for the majority of the statutory appropriations. FEMA disaster grants can take multiple years to expend due to the nature of the projects they are used for. Therefore, lower expenditures are due to uncompleted projects that will continue into future years.

The Montana Military Family Relief Fund receives statutory appropriations to provide monetary grants to families of members of the Montana National Guard or Reserve Component who are on active duty. Grants are authorized from these funds with the intention to help Montana families defray living costs such as food, housing, utilities, and medical expenses. The statutory appropriation for this program totaled \$40,000, of which \$31,000 or 77.5% was expended in FY 2021.

The Veterans' Affairs Division has a statutory appropriation for the operation of the Montana Veterans' Cemetery Program. State special revenue funds for the program are generated through license registration fees, cemetery plot allowances, and donations. The statutory appropriation for this program totaled approximately \$806,000, of which \$625,000 or 77.5% was expended in FY 2021.

Other statutory appropriations include the Hazardous Materials Response Team, which are responsible for providing adequate emergency response to hazardous material incidents and the search and rescue operations authorized in HB 676. Both of these statutory appropriations were 100.0% expended in FY 2021.

Statutory Authority	2021 Budget	FYE Expended	Percent Expended
FEMA FLOOD	2,798,058	1,184,950	42.3%
FEMA STORM	1,353,738	902,873	66.7%
FEMA COVID-19	62,156,730	37,315,889	60.0%
MILITARY FAMILY RELIEF	40,000	31,000	77.5%
HAZARDOUS MATERIALS RESPONSE TEAM	10,812	10,812	100.0%
HONOR & REMEMBER ACT	0	36	0.0%
VETERANS' CEMETERY PROGRAM	806,485	624,818	77.5%
SEARCH AND RESCUE	45,000	45,000	100.0%
TOTAL	67,210,822	40,115,378	59.7%

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the ending FYE modified budget. 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.

HB 2 Modifications Dept of Military Affairs

Agency Program	HB2 Budget	FYE Modified Budget	Net Modifications
01 DIRECTORS OFFICE	1,378,617	1,461,552	82,935
02 CHALLENGE PROGRAM	4,594,282	5,104,555	510,273
03 SCHOLARSHIP PROGRAM	207,362	274,524	67,162
04 STARBASE	713,193	713,927	734
12 ARMY NATIONAL GUARD PGM	19,132,382	19,278,489	146,107
13 AIR NATIONAL GUARD PGM	5,784,042	5,788,445	4,403
21 DISASTER & EMERGENCY SERVICES	17,599,094	17,024,157	-574,938
31 VETERANS AFFAIRS PROGRAM	2,283,255	2,185,456	-97,799
Total	51,692,227	51,831,106	138,879

Expenditure Account	HB2 Budget	FYE Modified Budget	Net Modifications
61000 Personal Services	16,521,334	16,775,535	254,201
62000 Operating Expenses	20,645,796	21,070,403	424,607
63000 Equipment & Intangible Assets	150,536	266,484	115,948
66000 Grants	11,776,301	11,643,801	-132,500
67000 Benefits & Claims		500	500
68000 Transfers-out	2,598,260	2,074,383	-523,877

Fund Type	HB2 Budget	FYE Modified Budget	Net Modifications
01 General	7,100,993	7,186,438	85,445
02 State/Other Spec Rev	1,128,595	1,130,681	2,086
03 Fed/Other Spec Rev	43,462,639	43,513,986	51,347

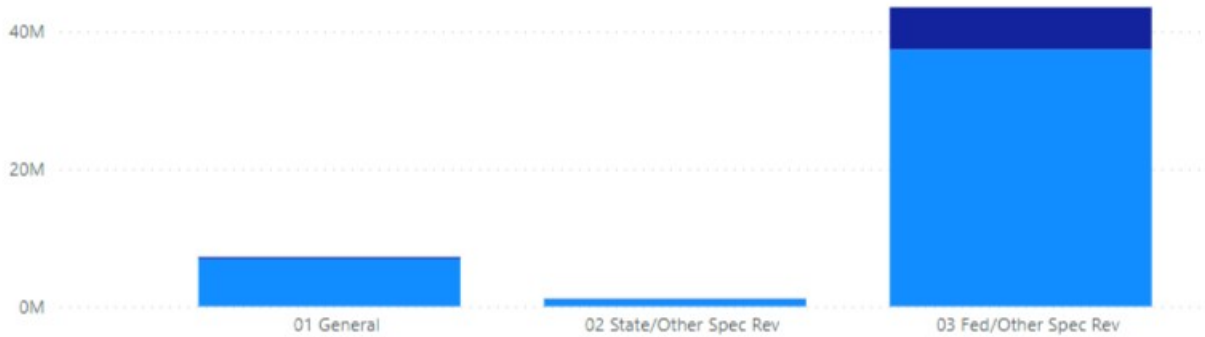
Modifications to the HB 2 budget passed by the 2019 Legislature was primarily due to increased appropriations in the ChalleNGe Program and Army National Guard Program and decreases in the Disaster and Emergency Services (DES) and Veterans Affairs Programs. During the COVID-19 pandemic DES received additional federal funds which caused the program to have an excess of general fund authority. Likewise, the Veterans Affairs Program had a surplus of general fund authority. That authority was transferred to other programs in need including the ChalleNGe, Army National Guard, Director's Office, and Scholarship Programs. The ChalleNGe Program required additional funding for dining hall renovations. The Army National Guard Program used transferred funds for boiler repairs and replacements as well as a startup funding for the Billings Readiness Center.

Increases to the general fund (\$85,445), state special revenue (\$2,086), and federal special revenue (\$51,347) are due to continuing authority for biennial legislative audit appropriations.

HB 2 APPROPRIATION AUTHORITY

HB 2 Expenditures

● FYE Expended ● Remaining Budget



Expenditure Account	FYE Modified Budget	FYE Expended	Percent Expended
62000 Operating Expenses	21,070,403	20,213,276	95.9%
61000 Personal Services	16,775,535	16,219,446	96.7%
66000 Grants	11,643,801	7,963,557	68.4%
68000 Transfers-out	2,074,383	738,345	35.6%
63000 Equipment & Intangible Assets	266,484	266,483	100.0%
67000 Benefits & Claims	500	500	100.0%

Agency Program	FYE Modified Budget	FYE Expended	Percent Expended
12 ARMY NATIONAL GUARD PGM	19,278,489	19,260,427	99.9%
21 DISASTER & EMERGENCY SERVICES	17,024,157	11,244,940	66.1%
13 AIR NATIONAL GUARD PGM	5,788,445	5,446,887	94.1%
02 CHALLENGE PROGRAM	5,104,555	5,071,506	99.4%
31 VETERANS AFFAIRS PROGRAM	2,185,456	2,183,361	99.9%
01 DIRECTORS OFFICE	1,461,552	1,297,773	88.8%
04 STARBASE	713,927	673,951	94.4%
03 SCHOLARSHIP PROGRAM	274,524	222,762	81.1%
Total	51,831,106	45,401,607	87.6%

In FY 2021, the HB 2 modified budget for the Department of Military Affairs was approximately \$51.8 million, of which \$45.4 million or 87.6% was expended. The majority of the department's budget is in federal special revenue used for personal services, operating expenses, and grants. Lower expenditures are primarily in the Disaster and Emergency Services Program for federal special revenue appropriations. This lower expenditure is due to much of the funding in the DES being for multi-year projects. However, this spending is in line with the five-year average of 59.9% expended.

OTHER ISSUES

Continuing Authority

The Department of Military Affairs has approximately \$3.5 million in general fund from continuing authority in FY 2021. These funds are from the Governor's emergency fund which are statutorily appropriated, and projects may span multiple years. Any remaining authority will be reverted.

Continuing Authority	FY 2021 Budget
FEMA 5-2011 FLOOD	1,073,718
FEMA 5-2011 FLOOD	718,223
FEMA 11-2016 STORM	331,245
FEMA 05-2019 FLOOD	201,002
FLOOD 20-2018	393,870
TETON FLOOD 13-2019	70,614
FEMA FLOOD 14-2018	102,568
FEMA FLOOD 14-2018	44,051
FALL STORM 15-2019	75
COVID-19 2-2020	530,416
Total	3,465,782