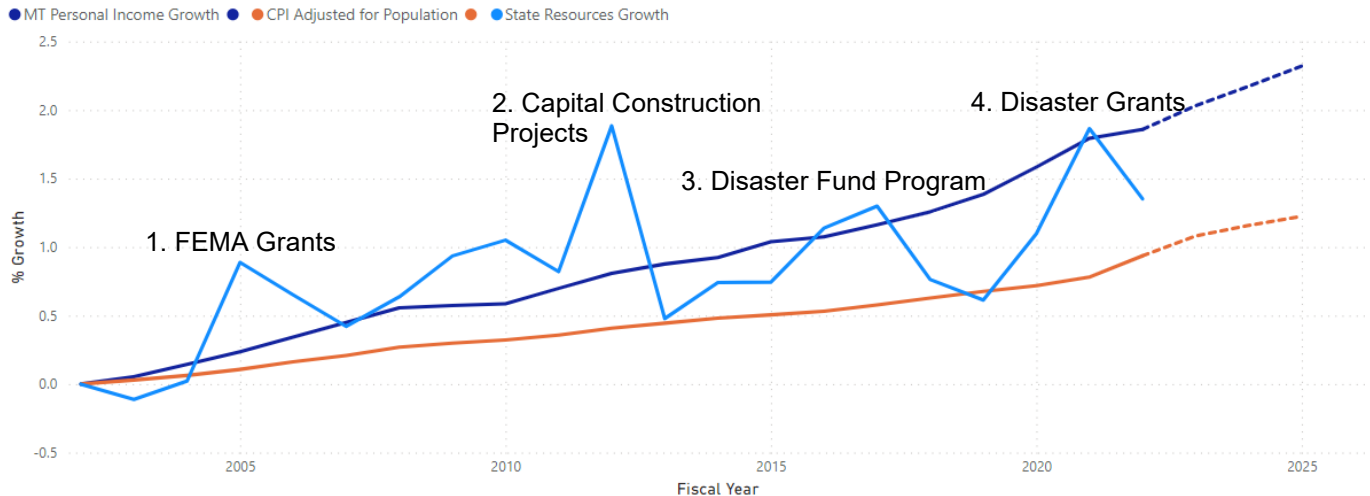


Department of Military Affairs

This report includes a series of charts that compare state resources expenditure growth to the growth in personal income and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

All Government Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

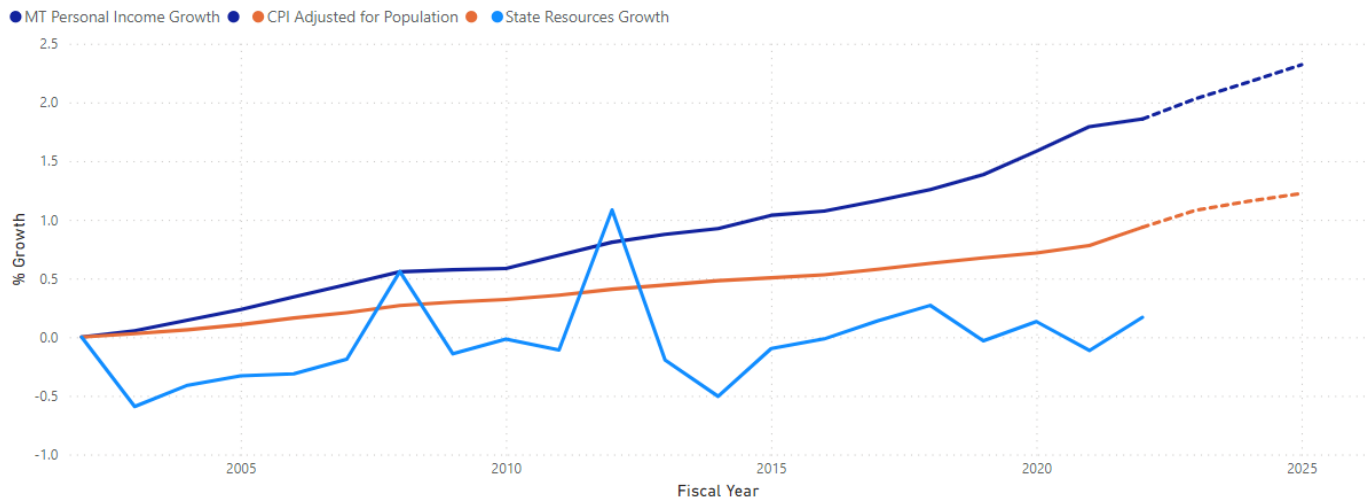


The Department of Military Affairs' (DMA) budget consists primarily of federal special revenue funds, with small amounts of general fund, state special revenue, and capital projects funding. The volatility in all funds expenditures within DMA is primarily related to surges in federal funds for disaster relief and pre-disaster mitigation grants, as well as federal funds for major capital construction projects such as new armories or readiness centers. Excluding these funds, the trend in expenditures for DMA generally parallels with inflation and population. The following list discusses in more detail the inflection points on the charts:

1. In FY 2005, the Disaster and Emergency Services Program received federal grants from the Federal Emergency Management Agency (FEMA) for pre-disaster mitigation plans, hazard assessment, emergency response preparation, and other federal grants for terrorism preparedness.
2. In FY 2005, the Military Capital Construction Program expended funds for the construction of several new armories. From FY 2007 through FY 2010, expenditures increased for the construction of the Armed Forces Reserve Center in Missoula and various other military construction projects. In FY 2014 and FY 2017, the program expended funds for the construction of readiness centers.
3. In FY 2012, expenditures from the Disaster Fund Program totaled \$50.9 million, \$49.3 million of which was a statutorily appropriated presidential FEMA grant related to severe storms and flooding Montana experienced in 2011.
4. In FY 2021, the Disaster and Emergency Services Program received an increase in federal grants for the COVID-19 response.

General fund

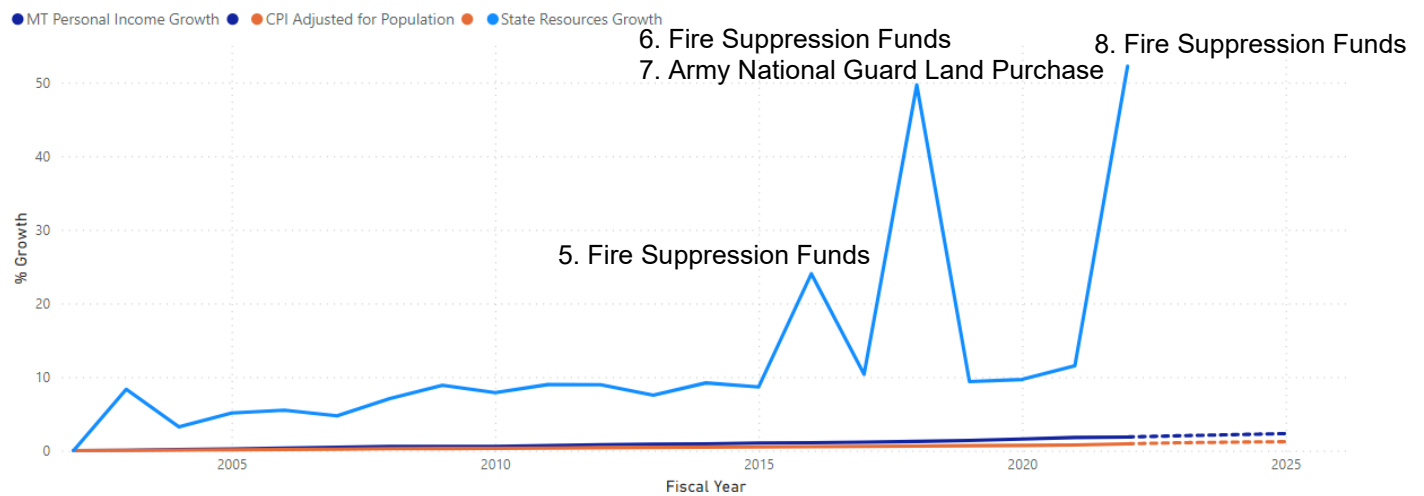
The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



General fund supports a portion of most of the programs in DMA and the entire cost of the National Guard Scholarship Program. General fund is primarily used to meet the state match requirements for federal funds in the Army and Air National Guard Programs and the Disaster and Emergency Services Division. Increases in general fund correspond to increased federal special revenue with state match requirements.

State special revenue

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



State special revenue is predominately expended in the Disaster and Emergency Services Division and Veterans' Affairs Program. Veterans' Affairs accounts for the majority of the state special revenue funding with revenues generated through vehicle registrations, specialty license plates, and donations. Disaster and Emergency Services generally has a small amount of state special revenue expenditures for training and search and rescue operations. DMA has received a small amount of funding from the fire suppression state special revenue account for disaster-related expenditures; however, the Department of Natural Resources and Conservation expends a majority of the funds for fire suppression through their programs.



5. In FY 2016, the Disaster Fund Program expended approximately \$2.1 million from the fire suppression state special revenue fund related to the 2015 fire season.
6. In FY 2018, the Disaster and Emergency Services Division expended approximately \$3.9 million from the fire suppression state special revenue fund related to the 2017 fire season.
7. Additionally in FY 2018, the Army National Guard Program expended approximately \$1.6 million in statutory authority from the land purchase state special revenue account.
8. In FY 2021, the Disaster and Emergency Services Division expended \$3.9 million from the fire suppression state special revenue fund related to the 2021 fire season.