

**Agency Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	35,256,026	38,812,704	3,556,678	10.09 %
Operating Expenses	40,876,397	43,916,673	3,040,276	7.44 %
Equipment & Intangible Assets	301,072	301,072	0	0.00 %
Grants	26,385,072	26,481,362	96,290	0.36 %
Benefits & Claims	1,251	0	(1,251)	(100.00)%
Transfers	2,923,344	3,234,520	311,176	10.64 %
Debt Service	796,000	828,000	32,000	4.02 %
<b>Total Expenditures</b>	<b>\$106,539,162</b>	<b>\$113,574,331</b>	<b>\$7,035,169</b>	<b>6.60 %</b>
General Fund	14,702,544	17,109,646	2,407,102	16.37 %
State/Other Special Rev. Funds	2,220,958	2,099,357	(121,601)	(5.48)%
Federal Spec. Rev. Funds	89,615,660	94,365,328	4,749,668	5.30 %
<b>Total Funds</b>	<b>\$106,539,162</b>	<b>\$113,574,331</b>	<b>\$7,035,169</b>	<b>6.60 %</b>
<b>Total Ongoing</b>	<b>\$106,539,162</b>	<b>\$114,202,807</b>	<b>\$7,663,645</b>	<b>7.19 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$628,476)</b>	<b>(\$628,476)</b>	<b>100.00 %</b>

**Agency Description**

Agency Mission: To provide for safety and well-being for citizens of Montana through mission-ready forces, for federal and state activations, emergency services as directed by the Governor, and services to Montana veterans.

**Agency Highlights**

<b>Department of Military Affairs Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase in the Department of Military Affairs' 2025 biennium budget of approximately \$7.0 million or 6.6% compared to the 2023 biennium budget. Changes adopted by the legislature include:                             <ul style="list-style-type: none"> <li>◦ Federal authority increases for overtime costs for firefighters and oversight costs for remediation work in the Air National Guard Program</li> <li>◦ 4.00 new FTE for the new STARBASE Program in Malta</li> <li>◦ 5.00 new permanent FTE in the Disaster and Emergency Services Division due to increased workload and 2.00 additional FTE transferred from the Department of Administration for the State Continuity and Emergency Management Office</li> <li>◦ 2.00 FTE in the Director's Office for a financial position and an information technology position</li> <li>◦ 1.00 FTE in the Army National Guard Program for a Computer Aided Design and Drafting (CADD) position</li> </ul> </li> </ul>

**Agency Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	220.66	220.66	234.66	234.66
Personal Services	16,648,979	17,403,022	17,853,004	19,236,223	19,576,481
Operating Expenses	20,184,483	20,883,128	19,993,269	21,750,884	22,165,789
Equipment & Intangible Assets	310,266	150,536	150,536	150,536	150,536
Grants	11,058,318	13,024,467	13,360,605	13,240,681	13,240,681
Benefits & Claims	1,001	1,251	0	0	0
Transfers	696,675	1,306,084	1,617,260	1,617,260	1,617,260
Debt Service	374,987	382,000	414,000	414,000	414,000
<b>Total Expenditures</b>	<b>\$49,274,709</b>	<b>\$53,150,488</b>	<b>\$53,388,674</b>	<b>\$56,409,584</b>	<b>\$57,164,747</b>
General Fund	7,228,357	7,314,937	7,387,607	8,472,727	8,636,919
State/Other Special Rev. Funds	865,827	1,104,271	1,116,687	979,911	1,119,446
Federal Spec. Rev. Funds	41,180,525	44,731,280	44,884,380	46,956,946	47,408,382
<b>Total Funds</b>	<b>\$49,274,709</b>	<b>\$53,150,488</b>	<b>\$53,388,674</b>	<b>\$56,409,584</b>	<b>\$57,164,747</b>
<b>Total Ongoing</b>	<b>\$49,274,709</b>	<b>\$53,150,488</b>	<b>\$53,388,674</b>	<b>\$56,711,322</b>	<b>\$57,491,485</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$301,738)</b>	<b>(\$326,738)</b>

**Summary of Legislative Action**

The legislature adopted an increase to the Department of Military Affairs' total biennial appropriation of approximately \$6.8 million or 6.4% compared to the 2023 biennium base appropriation. Changes adopted in this budget include:

- Statewide present law adjustments for personal services, fixed costs, and inflation of approximately \$2.2 million over the 2025 biennium
- An increase of approximately \$925,000 federal special revenue over the 2025 biennium for the reestablishment of firefighter overtime costs
- An increase of \$798,342 federal special revenue over the 2025 biennium for 4.00 FTE to create a STARBASE program in Malta
- A 50/50 split general fund and federal special revenue increase of \$540,000 for the 2025 biennium for increased contract costs in the Army National Guard Program
- A general fund increase of \$272,000 for 1.00 FTE information technology position and a funding switch for one current FTE in the Director's Office
- A 50/50 split general fund and federal special revenue increase of \$350,000 for the 2025 biennium for 2.00 FTE transferred from the Department of Administration for the State Continuity and Emergency Management Office (SCEMO) in the Disaster and Emergency Services Division
- A general fund and federal special revenue increase of approximately \$244,000 for the 2025 biennium for increased operational and maintenance costs
- A 50/50 split general fund and federal special revenue restricted increase of \$200,000 for the 2025 biennium for increased disaster preparedness activities
- A general fund increase of \$200,000 over the 2025 biennium for the operation and management of a disaster preparation warehouse
- A transfer of operating costs to personal services to establish 5.00 permanent FTE in the Disaster and Emergency Services Division
- An increase of general fund and federal special revenue of approximately \$180,000 for the 2025 biennium for 1.00 finance FTE in the Director's Office
- An increase of general fund and federal special revenue of approximately \$171,000 for the 2025 biennium for 1.00 CADD FTE in the Air National Guard Program

## Funding

The following table shows adopted agency funding for all sources of authority.

Total Department of Military Affairs Funding by Source of Authority 2025 Biennium Budget Request - Department of Military Affairs						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	17,144,730	(35,084)	0	0	17,109,646	14.84 %
State Special Total	2,103,990	(4,633)	0	1,722,195	3,821,552	3.31 %
Federal Special Total	94,954,087	(588,759)	0	0	94,365,328	81.85 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$114,202,807</b>	<b>(\$628,476)</b>	<b>\$0</b>	<b>\$1,722,195</b>	<b>\$115,296,526</b>	
<b>Percent - Total All Sources</b>	<b>99.05 %</b>	<b>(0.55)%</b>	<b>0.00 %</b>	<b>1.49 %</b>		

*HB 2 Authority*

General fund supports a portion of most programs in the Department of Military Affairs and the entire cost of the National Guard Scholarship Program.

State special revenue is primarily in the Disaster and Emergency Services Division and the Veteran's Affairs Division.

The largest appropriation authority for the Department of Military Affairs is federal special revenue for federal government initiatives, programs and objectives guide the funding requirements for the agency.

*Statutory Appropriations*Governor's Emergency Fund (10-3-312, MCA)

Statute provides the Governor with \$20.0 million general fund over the biennium to address unanticipated costs associated with disasters and emergencies. Natural disasters include costs associated with flooding, windstorms, winter storms, and tornados.

Wildfire Funding (76-13-150, MCA)

Statute provides for a state special revenue fire suppression account. Governor Gianforte declared a statewide wildland fire emergency in Montana in July 2021 and activated the Montana National Guard.

Federal Emergency Management Agency (FEMA) Funding (10-3-311, MCA)

The Department of Military Affairs is granted statutory authority to spend federal funds received for federally declared disasters including pandemic relief.

Veterans Cemetery (10-2-601, MCA)

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

- Montana State Veteran's Cemetery – Fort Harrison, Helena
- Eastern Montana State Veteran's Cemetery – Miles City
- Western Montana State Veteran's Cemetery – Missoula
- Columbia Falls State Veteran's Cemetery – Columbia Falls

Funding for the program is provided through a portion of motor vehicle registration fees, cemetery plot allowances, and donations.

Montana Military Family Relief Fund (MMFRF; 10-1-1303, MCA)

The Montana military family relief fund receives statutory appropriations to provide monetary grants to families of Montana National Guard and Reserve Component members who on or after April 28, 2007, are on active duty for federal service in a contingency operation. MMFRF grants are intended to help Montana families defray the costs of food, housing, utilities, medical services, and other expenses that become difficult to afford when the wage earner has temporarily left civilian employment to be placed on active military duty. Funding for the program is provided through legislative transfers, monetary contributions, gifts, and grants donated to the fund.

**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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	7,387,607	7,387,607	14,775,214	86.36 %	53,388,674	53,388,674	106,777,348	94.02 %
SWPL Adjustments	358,912	500,120	859,032	5.02 %	1,147,586	1,506,069	2,653,655	2.34 %
PL Adjustments	92,097	92,136	184,233	1.08 %	638,214	646,598	1,284,812	1.13 %
New Proposals	634,111	657,056	1,291,167	7.55 %	1,235,110	1,623,406	2,858,516	2.52 %
<b>Total Budget</b>	<b>\$8,472,727</b>	<b>\$8,636,919</b>	<b>\$17,109,646</b>		<b>\$56,409,584</b>	<b>\$57,164,747</b>	<b>\$113,574,331</b>	

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	220.66	234.66	234.66	0.00	234.66	234.66	0.00	0.00
Personal Services	17,853,004	19,430,513	19,236,223	(194,290)	19,772,574	19,576,481	(196,093)	(390,383)
Operating Expenses	19,993,269	22,730,222	21,750,884	(979,338)	23,149,744	22,165,789	(983,955)	(1,963,293)
Equipment & Intangible Assets	150,536	650,536	150,536	(500,000)	410,536	150,536	(260,000)	(760,000)
Capital Outlay	0	0	0	0	0	0	0	0
Grants	13,360,605	13,240,681	13,240,681	0	13,240,681	13,240,681	0	0
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	1,617,260	1,617,260	1,617,260	0	1,617,260	1,617,260	0	0
Debt Service	414,000	414,000	414,000	0	414,000	414,000	0	0
<b>Total Costs</b>	<b>\$53,388,674</b>	<b>\$58,083,212</b>	<b>\$56,409,584</b>	<b>(\$1,673,628)</b>	<b>\$58,604,795</b>	<b>\$57,164,747</b>	<b>(\$1,440,048)</b>	<b>(\$3,113,676)</b>
General Fund	7,387,607	7,133,235	8,472,727	1,339,492	7,168,398	8,636,919	1,468,521	2,808,013
State/other Special Rev. Funds	1,116,687	3,736,512	979,911	(2,756,601)	3,770,692	1,119,446	(2,651,246)	(5,407,847)
Federal Spec. Rev. Funds	44,884,380	47,213,465	46,956,946	(256,519)	47,665,705	47,408,382	(257,323)	(513,842)
Other	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$53,388,674</b>	<b>\$58,083,212</b>	<b>\$56,409,584</b>	<b>(\$1,673,628)</b>	<b>\$58,604,795</b>	<b>\$57,164,747</b>	<b>(\$1,440,048)</b>	<b>(\$3,113,676)</b>
<b>Total Ongoing</b>	<b>\$53,388,674</b>	<b>\$58,058,212</b>	<b>\$56,711,322</b>	<b>(\$1,346,890)</b>	<b>\$58,604,795</b>	<b>\$57,491,485</b>	<b>(\$1,113,310)</b>	<b>(\$2,460,200)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$25,000</b>	<b>(\$301,738)</b>	<b>(\$326,738)</b>	<b>\$0</b>	<b>(\$326,738)</b>	<b>(\$326,738)</b>	<b>(\$653,476)</b>

The legislature adopted ongoing appropriations that are \$2.5 million less than the proposed appropriations for the 2025 biennium. Significant changes include:

- The legislature adopted an increase of approximately \$2.2 million state special revenue in the 2025 biennium. Funding for this increase was dependent on passage and approval of other house and senate bills in the Veteran's Affairs Division. These bills were not passed and approved, which removed the appropriation authority from HB 2
- The legislature adopted \$270,000 each fiscal year for DP 1202 for service contracts in the Army National Guard Program. This is a reduction from the executively proposed \$570,000 each fiscal year
- The legislature adopted an additional 1.0% vacancy savings

**Language and Statutory Authority**

*The legislature adopted the following language in HB 2:*

"The Director's Office, Montana Youth Challenge Program, STARBASE Program, Army National Guard Program, Air National Guard Program, Disaster and Emergency Services Division, and Veterans' Affairs Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund."

"It is the intent of the Legislature that the National Guard Scholarship Program does not expend more than its 2025 biennial appropriation."

"The Director's Office includes an increase in general fund of \$55,816 in FY 2024 and \$63,246 in FY 2025 and federal special revenue of \$236,014 in FY 2024 and \$294,034 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

*Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:*

"If SB 442 is not passed and approved, state special revenue appropriation in the Veterans' Affairs Program is reduced by \$2,716,991 in FY 2024 and \$2,607,815 in FY 2025 and general fund is increased by \$1,504,891 in FY 2024 and \$1,631,015 in FY 2025."

"If HB 81 is not passed and approved, VA Columbia Falls Cemetery Operations is void."

"If HB 669 is passed and approved and provides for an appropriation to the Veterans' Affairs Program of at least \$5 million from the general fund in the 2025 biennium, then all HB 2 general fund appropriation authority is void and HB 2 state special revenue authority will be reduced to \$844,279 in FY 2024 and \$983,814 in FY 2025 in the Veterans' Affairs Program."

"If HB 298 is passed and approved, the Department of Military Affairs is decreased by \$1,544 state special revenue in FY 2024 and \$1,544 state special revenue in FY 2025."

"If HB 839 is passed and approved, the Department of Military Affairs may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2025."

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	2,264,233	2,791,988	527,755	23.31 %
Operating Expenses	323,344	1,182,278	858,934	265.64 %
Transfers	101,310	101,310	0	0.00 %
<b>Total Expenditures</b>	<b>\$2,688,887</b>	<b>\$4,075,576</b>	<b>\$1,386,689</b>	<b>51.57 %</b>
General Fund	1,607,790	2,273,211	665,421	41.39 %
Federal Spec. Rev. Funds	1,081,097	1,802,365	721,268	66.72 %
<b>Total Funds</b>	<b>\$2,688,887</b>	<b>\$4,075,576</b>	<b>\$1,386,689</b>	<b>51.57 %</b>
<b>Total Ongoing</b>	<b>\$2,688,887</b>	<b>\$4,062,402</b>	<b>\$1,373,515</b>	<b>51.08 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$13,174</b>	<b>\$13,174</b>	<b>100.00 %</b>

**Program Description**

The Director's Office provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

**Program Highlights**

<b>Director's Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the Director's Office 2025 biennium budget of approximately \$1.4 million or 51.6% compared to the 2023 biennium budget. Changes include:                             <ul style="list-style-type: none"> <li>◦ General fund increases for 1.00 new information technology FTE and a funding switch for 0.50 FTE</li> <li>◦ General fund and federal special revenue increases for 1.00 new financial FTE</li> <li>◦ Reestablishment of general fund operating funds</li> <li>◦ A general fund increase to purchase two new servers</li> <li>◦ An adjustment to inflation costs that may be redistributed across the other divisions in the agency</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	12.21	12.21	14.21	14.21
Personal Services	1,111,643	1,151,790	1,112,443	1,393,725	1,398,263
Operating Expenses	128,265	165,638	157,706	575,979	606,299
Transfers	39,900	50,655	50,655	50,655	50,655
<b>Total Expenditures</b>	<b>\$1,279,808</b>	<b>\$1,368,083</b>	<b>\$1,320,804</b>	<b>\$2,020,359</b>	<b>\$2,055,217</b>
General Fund	825,335	830,011	777,779	1,148,556	1,124,655
Federal Spec. Rev. Funds	454,473	538,072	543,025	871,803	930,562
<b>Total Funds</b>	<b>\$1,279,808</b>	<b>\$1,368,083</b>	<b>\$1,320,804</b>	<b>\$2,020,359</b>	<b>\$2,055,217</b>
<b>Total Ongoing</b>	<b>\$1,279,808</b>	<b>\$1,368,083</b>	<b>\$1,320,804</b>	<b>\$2,001,272</b>	<b>\$2,061,130</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,087</b>	<b>(\$5,913)</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 01-Directors Office Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,273,211	0	0	2,273,211	55.78 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03132 National Guard	1,332,429	0	0	1,332,429	73.93 %
03134 DES Emergency Mgmt Perf 97.042	149,484	0	0	149,484	8.29 %
03453 Air National Guard	282,999	0	0	282,999	15.70 %
03143 DES Homeland Security 97.067	37,453	0	0	37,453	2.08 %
<b>Federal Special Total</b>	<b>\$1,802,365</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,802,365</b>	<b>44.22 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$4,075,576</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,075,576</b>	

*HB 2 Authority*

General Fund

General fund accounts for approximately two-thirds of the Director's Office total appropriation authority. General fund provides funding for federal-state matching requirements. General fund also provides funding for the General, Deputy Director, and IT staff positions in the Director's Office and all operating costs.

Federal Special Revenue

Federal special revenue accounts for the remaining one-third of the total appropriation authority. Federal funds are used for the National Guard Bureau Cooperative Agreement Centralized Personnel Plan (CPP). The CPP provides human resources and financial staff payroll in the Director's Office to support the federal cooperative agreements.

**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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	777,779	777,779	1,555,558	68.43 %	1,320,804	1,320,804	2,641,608	64.82 %
SWPL Adjustments	92,140	85,483	177,623	7.81 %	125,183	120,295	245,478	6.02 %
PL Adjustments	(277)	(302)	(579)	(0.03)%	(277)	(302)	(579)	(0.01)%
New Proposals	278,914	261,695	540,609	23.78 %	574,649	614,420	1,189,069	29.18 %
<b>Total Budget</b>	<b>\$1,148,556</b>	<b>\$1,124,655</b>	<b>\$2,273,211</b>		<b>\$2,020,359</b>	<b>\$2,055,217</b>	<b>\$4,075,576</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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	51,683	0	33,043	84,726	0.00	54,449	0	34,812	89,261
DP 2 - Fixed Costs	0.00	31,237	0	0	31,237	0.00	20,669	0	0	20,669
DP 3 - Inflation Deflation	0.00	9,220	0	0	9,220	0.00	10,365	0	0	10,365
DP 20 - SABHRS Rate Adjustment	0.00	(266)	0	0	(266)	0.00	(291)	0	0	(291)
DP 30 - Motor Pool Rate Adjustment	0.00	(11)	0	0	(11)	0.00	(11)	0	0	(11)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$91,863</b>	<b>\$0</b>	<b>\$33,043</b>	<b>\$124,906</b>	<b>0.00</b>	<b>\$85,181</b>	<b>\$0</b>	<b>\$34,812</b>	<b>\$119,993</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

**New Proposals**

The "New Proposals" table shows new changes to spending.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	200	0	0	200	0.00	200	0	0	200
DP 101 - DO Restore Operating Funds	0.00	49,582	0	0	49,582	0.00	49,582	0	0	49,582
DP 102 - DO IT Staffing	1.00	135,112	0	0	135,112	1.00	136,560	0	0	136,560
DP 104 - DO Server Replacements (RST/OTO)	0.00	25,000	0	0	25,000	0.00	0	0	0	0
DP 105 - DO Finance FTE	1.00	25,377	0	65,254	90,631	1.00	24,981	0	64,236	89,217
DP 333 - Adjustment to Inflation	0.00	(3,519)	0	0	(3,519)	0.00	(4,201)	0	0	(4,201)
DP 555 - Additional Vacancy Savings	0.00	(8,654)	0	(5,533)	(14,187)	0.00	(8,673)	0	(5,545)	(14,218)
DP 3333 - Additional Adjustment to Inflation	0.00	55,816	0	236,014	291,830	0.00	63,246	0	294,034	357,280
<b>Total</b>	<b>2.00</b>	<b>\$278,914</b>	<b>\$0</b>	<b>\$295,735</b>	<b>\$574,649</b>	<b>2.00</b>	<b>\$261,695</b>	<b>\$0</b>	<b>\$352,725</b>	<b>\$614,420</b>

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

DP 99 - New Fixed Costs -

The legislature adopted general fund appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. Additionally, the legislature adopted appropriations of \$500 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 101 - DO Restore Operating Funds -

The legislature adopted general fund appropriations to re-establish Director's Office operating funds that were designated as one-time-only (OTO) funding in the 2021 Legislative Session. Agency costs were reduced during the pandemic but have returned to normal operations.

DP 102 - DO IT Staffing -

The legislature adopted general fund appropriations for 1.00 FTE for an information technology (IT) staff and a funding switch for an existing 0.50 FTE. The current IT staff has 2.00 permanent FTE and 1.00 modified FTE. This change package makes the modified FTE permanent. Additionally, this will provide a funding switch for 0.50 FTE. Half of this position was previously funded by federal Disaster and Emergency Services (DES) funds that are no longer available. This change includes 100.0% of the funding for this 0.50 FTE in the Director's Office. IT positions in DMA are necessary as the agency manages several of its own networks and servers that cannot be managed by the State Information Technology Services Division (SITSD) due to the federal requirements for security of federal information.

DP 104 - DO Server Replacements (RST/OTO) -

The legislature adopted a one-time-only restricted general fund appropriation for the purchase of two servers to replace aging and legacy equipment. These servers are not hosted on the state network.

DP 105 - DO Finance FTE -

The legislature adopted general fund and federal special revenue appropriations for an additional 1.00 FTE financial staff in the Director's Office. The agency has received recommendations from Legislative Audit Division, as well as recommendations from the United States Property and Fiscal Officer (USPFO) for additional internal controls regarding the tracking and usage of federal funding received by the agency. The legislature adopted additional staff and associated operating costs to implement these recommendations. This position will be funded with approximately 70.0% with federal special revenue and the remaining balance with general fund.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	6,948,753	7,284,787	336,034	4.84 %
Operating Expenses	3,464,872	3,540,335	75,463	2.18 %
<b>Total Expenditures</b>	<b>\$10,413,625</b>	<b>\$10,825,122</b>	<b>\$411,497</b>	<b>3.95 %</b>
General Fund	2,415,777	2,621,459	205,682	8.51 %
Federal Spec. Rev. Funds	7,997,848	8,203,663	205,815	2.57 %
<b>Total Funds</b>	<b>\$10,413,625</b>	<b>\$10,825,122</b>	<b>\$411,497</b>	<b>3.95 %</b>
<b>Total Ongoing</b>	<b>\$10,413,625</b>	<b>\$10,890,634</b>	<b>\$477,009</b>	<b>4.58 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$65,512)</b>	<b>(\$65,512)</b>	<b>100.00 %</b>

**Program Description**

The Montana National Guard Youth ChalleNGe Program is a program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary, two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills and increase their educational levels and employment potential. Phase I of the program is a 22-week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

**Program Highlights**

<b>ChalleNGe Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the ChalleNGe Program's 2025 biennium budget of approximately \$411,000 or 4.0% compared to the 2023 biennium budget. Changes included:                             <ul style="list-style-type: none"> <li>◦ Statewide present law adjustments for personal services, fixed costs, and inflation</li> <li>◦ An increase in general fund and federal special revenue for trainings and supplies</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	54.15	54.15	54.15	54.15
Personal Services	3,381,221	3,508,276	3,440,477	3,633,847	3,650,940
Operating Expenses	1,528,879	1,832,064	1,632,808	1,764,062	1,776,273
<b>Total Expenditures</b>	<b>\$4,910,100</b>	<b>\$5,340,340</b>	<b>\$5,073,285</b>	<b>\$5,397,909</b>	<b>\$5,427,213</b>
General Fund	1,163,931	1,189,867	1,225,910	1,307,067	1,314,392
Federal Spec. Rev. Funds	3,746,169	4,150,473	3,847,375	4,090,842	4,112,821
<b>Total Funds</b>	<b>\$4,910,100</b>	<b>\$5,340,340</b>	<b>\$5,073,285</b>	<b>\$5,397,909</b>	<b>\$5,427,213</b>
<b>Total Ongoing</b>	<b>\$4,910,100</b>	<b>\$5,340,340</b>	<b>\$5,073,285</b>	<b>\$5,430,665</b>	<b>\$5,459,969</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$32,756)</b>	<b>(\$32,756)</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 02-Challenge Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,621,459	0	0	2,621,459	24.22 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03132 National Guard	7,873,663	0	0	7,873,663	95.98 %
03421 OPI Federal Funds-10.533;10.55	330,000	0	0	330,000	4.02 %
<b>Federal Special Total</b>	<b>\$8,203,663</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,203,663</b>	<b>75.78 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$10,825,122</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,825,122</b>	

*HB 2 Authority*

General Fund

Funding for the Youth ChalleNge Program comes from federal/state cooperative agreements which require a 25.0% state match. General fund is used to meet that state match requirement.

Federal Special Revenue

The remaining funding comes from federal special revenue sources. Some travel and special projects required from the federal/state cooperative agreements are funded entirely with federal funds.

**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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,225,910	1,225,910	2,451,820	93.53 %	5,073,285	5,073,285	10,146,570	93.73 %
SWPL Adjustments	81,414	88,734	170,148	6.49 %	325,651	354,937	680,588	6.29 %
PL Adjustments	(257)	(252)	(509)	(0.02)%	(1,027)	(1,009)	(2,036)	(0.02)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$1,307,067</b>	<b>\$1,314,392</b>	<b>\$2,621,459</b>		<b>\$5,397,909</b>	<b>\$5,427,213</b>	<b>\$10,825,122</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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	57,768	0	173,302	231,070	0.00	62,086	0	186,257	248,343
DP 2 - Fixed Costs	0.00	(3,226)	0	(9,680)	(12,906)	0.00	(5,602)	0	(16,805)	(22,407)
DP 3 - Inflation Deflation	0.00	26,872	0	80,615	107,487	0.00	32,250	0	96,751	129,001
DP 20 - SABHRS Rate Adjustment	0.00	62	0	185	247	0.00	46	0	136	182
DP 30 - Motor Pool Rate Adjustment	0.00	(319)	0	(955)	(1,274)	0.00	(298)	0	(893)	(1,191)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$81,157</b>	<b>\$0</b>	<b>\$243,467</b>	<b>\$324,624</b>	<b>0.00</b>	<b>\$88,482</b>	<b>\$0</b>	<b>\$265,446</b>	<b>\$353,928</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

**New Proposals**

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 201 - Youth Challenge Trainings and Supplies	0.00	16,805	0	50,415	67,220	0.00	18,415	0	55,244	73,659
DP 333 - Adjustment to Inflation	0.00	(7,380)	0	(22,140)	(29,520)	0.00	(8,945)	0	(26,834)	(35,779)
DP 555 - Additional Vacancy Savings	0.00	(9,425)	0	(28,275)	(37,700)	0.00	(9,470)	0	(28,410)	(37,880)
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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 201 - Youth Challenge Trainings and Supplies -

The legislature adopted an increase in general fund and federal special revenue for trainings and supplies.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Operating Expenses	452,333	500,000	47,667	10.54 %
<b>Total Expenditures</b>	<b>\$452,333</b>	<b>\$500,000</b>	<b>\$47,667</b>	<b>10.54 %</b>
General Fund	452,333	500,000	47,667	10.54 %
<b>Total Funds</b>	<b>\$452,333</b>	<b>\$500,000</b>	<b>\$47,667</b>	<b>10.54 %</b>
<b>Total Ongoing</b>	<b>\$452,333</b>	<b>\$500,000</b>	<b>\$47,667</b>	<b>10.54 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Montana National Guard (NG) Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active-duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

**Program Highlights**

<b>National Guard Scholarship Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the NG Scholarship Program’s 2025 biennium budget of approximately \$48,000 or 10.5% compared to the 2023 biennium budget. Changes included:                             <ul style="list-style-type: none"> <li>◦ An increase in general fund due to increased demand for the program</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
Operating Expenses	244,971	244,971	207,362	250,000	250,000
<b>Total Expenditures</b>	<b>\$244,971</b>	<b>\$244,971</b>	<b>\$207,362</b>	<b>\$250,000</b>	<b>\$250,000</b>
General Fund	244,971	244,971	207,362	250,000	250,000
<b>Total Funds</b>	<b>\$244,971</b>	<b>\$244,971</b>	<b>\$207,362</b>	<b>\$250,000</b>	<b>\$250,000</b>
<b>Total Ongoing</b>	<b>\$244,971</b>	<b>\$244,971</b>	<b>\$207,362</b>	<b>\$250,000</b>	<b>\$250,000</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 03-Scholarship Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	500,000	0	0	500,000	100.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>		

*HB 2 Authority*

General Fund

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

**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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	207,362	207,362	414,724	82.94 %	207,362	207,362	414,724	82.94 %
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	42,638	42,638	85,276	17.06 %	42,638	42,638	85,276	17.06 %
<b>Total Budget</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$500,000</b>		<b>\$250,000</b>	<b>\$250,000</b>	<b>\$500,000</b>	

**New Proposals**

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 301 - National Guard Scholarships Increase (BIEN)	0.00	42,638	0	0	42,638	0.00	42,638	0	0	42,638
<b>Total</b>	<b>0.00</b>	<b>\$42,638</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,638</b>	<b>0.00</b>	<b>\$42,638</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,638</b>

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

DP 301 - National Guard Scholarships Increase (BIEN) -

The legislature adopted a biennial increase in general fund for the National Guard Scholarship Program. The program provides tuition assistance to Montana college students that join the Montana National Guard. This increase is due to growth in the usage of this recruitment incentive over the past biennium.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	446,589	1,102,263	655,674	146.82 %
Operating Expenses	977,829	1,210,664	232,835	23.81 %
<b>Total Expenditures</b>	<b>\$1,424,418</b>	<b>\$2,312,927</b>	<b>\$888,509</b>	<b>62.38 %</b>
Federal Spec. Rev. Funds	1,424,418	2,312,927	888,509	62.38 %
<b>Total Funds</b>	<b>\$1,424,418</b>	<b>\$2,312,927</b>	<b>\$888,509</b>	<b>62.38 %</b>
<b>Total Ongoing</b>	<b>\$1,424,418</b>	<b>\$2,315,883</b>	<b>\$891,465</b>	<b>62.58 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$2,956)</b>	<b>(\$2,956)</b>	<b>100.00 %</b>

**Program Description**

The Montana STARBASE “Big Sky” Program is a program for elementary school aged children to raise the interest and improve the knowledge and skills of at-risk youth in math, science, and technology. This program exposes children and their teachers to real world applications of math and science through experimental learning, simulations, experiments in aviation and space-related fields as it deals with a technological environment, and by utilizing the positive role models found on military bases and installations. The program also addresses drug use prevention, health, self-esteem, and life skills with a math and science-based program.

STARBASE is a federally funded program with classrooms at Fort Harrison in Helena and the 120th Air Wing in Great Falls. STARBASE locations are limited to existing military installations, allowing students the opportunity to interact with military personnel, exploring careers and real-world science, technology, engineering, and math (STEM) applications. Each STARBASE classroom provides 25 hours of free STEM instruction to all fifth-grade classes within the Helena and Great Falls school districts, as well as afterschool programs and summer camps.

**Program Highlights**

<b>STARBASE Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the STARBASE Program’s 2025 biennium budget of approximately \$889,000 or 62.4% compared to the 2023 biennium budget. Changes included:                             <ul style="list-style-type: none"> <li>◦ Statewide present law adjustments for personal services, fixed costs, and inflation</li> <li>◦ A federal special revenue increase for 4.00 FTE to establish a STARBASE Program in Malta, Montana</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	3.00	3.00	7.00	7.00
Personal Services	255,847	257,016	189,573	548,063	554,200
Operating Expenses	511,366	513,541	464,288	604,132	606,532
<b>Total Expenditures</b>	<b>\$767,213</b>	<b>\$770,557</b>	<b>\$653,861</b>	<b>\$1,152,195</b>	<b>\$1,160,732</b>
Federal Spec. Rev. Funds	767,213	770,557	653,861	1,152,195	1,160,732
<b>Total Funds</b>	<b>\$767,213</b>	<b>\$770,557</b>	<b>\$653,861</b>	<b>\$1,152,195</b>	<b>\$1,160,732</b>
<b>Total Ongoing</b>	<b>\$767,213</b>	<b>\$770,557</b>	<b>\$653,861</b>	<b>\$1,153,673</b>	<b>\$1,162,210</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,478)</b>	<b>(\$1,478)</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 04-Starbase Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03453 Air National Guard	2,312,927	0	0	2,312,927	100.00 %
<b>Federal Special Total</b>	<b>\$2,312,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,312,927</b>	<b>100.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$2,312,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,312,927</b>	

*HB 2 Authority*

Federal Special Revenue

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

**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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	653,861	653,861	1,307,722	56.54 %
SWPL Adjustments	0	0	0	0.00 %	115,784	121,619	237,403	10.26 %
PL Adjustments	0	0	0	0.00 %	(89)	(97)	(186)	(0.01)%
New Proposals	0	0	0	0.00 %	382,639	385,349	767,988	33.20 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$1,152,195</b>	<b>\$1,160,732</b>	<b>\$2,312,927</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.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	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	78,239	78,239	0.00	0	0	80,124	80,124
DP 2 - Fixed Costs	0.00	0	0	3,894	3,894	0.00	0	0	1,943	1,943
DP 3 - Inflation Deflation	0.00	0	0	33,651	33,651	0.00	0	0	39,552	39,552
DP 20 - SABHRS Rate Adjustment	0.00	0	0	(89)	(89)	0.00	0	0	(97)	(97)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,695</b>	<b>\$115,695</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,522</b>	<b>\$121,522</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

**New Proposals**

The "New Proposals" table shows new changes to spending.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	0	(8,612)	(8,612)	0.00	0	0	(10,154)	(10,154)
DP 401 - STARBASE Malta Staff and Program Authority	4.00	0	0	397,020	397,020	4.00	0	0	401,322	401,322
DP 555 - Additional Vacancy Savings	0.00	0	0	(5,769)	(5,769)	0.00	0	0	(5,819)	(5,819)
<b>Total</b>	<b>4.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$382,639</b>	<b>\$382,639</b>	<b>4.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$385,349</b>	<b>\$385,349</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 401 - STARBASE Malta Staff and Program Authority -

The legislature adopted an increase in federal special revenue for 4.00 FTE to create a STARBASE program in Malta, Montana to be located at the new Malta Readiness Center. STARBASE is a 100.0% federally funded program with classrooms at Fort Harrison in Helena and the 120th Air Wing in Great Falls. STARBASE locations are limited to existing military installations, allowing students the opportunity to interact with military personnel, exploring careers and real-world science, technology, engineering, and math (STEM) applications. Each STARBASE classroom provides 25 hours of free STEM instruction to all fifth-grade classes within the Helena and Great Falls school districts as well as afterschool programs and summer camps. This program will serve rural communities across the Hi-Line specifically targeting students who are historically under-represented in STEM, socio-economically disadvantaged groups, Title 1 schools, low academic performance, and students with disabilities. The federal funding will be used to create the new program in Malta and add staff which includes one program director, one office manager, and two instructors.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	8,907,102	9,867,356	960,254	10.78 %
Operating Expenses	28,989,055	31,088,905	2,099,850	7.24 %
Equipment & Intangible Assets	301,072	301,072	0	0.00 %
Benefits & Claims	251	0	(251)	(100.00)%
Transfers	53,400	50,000	(3,400)	(6.37)%
Debt Service	770,000	780,000	10,000	1.30 %
<b>Total Expenditures</b>	<b>\$39,020,880</b>	<b>\$42,087,333</b>	<b>\$3,066,453</b>	<b>7.86 %</b>
General Fund	3,501,222	4,055,753	554,531	15.84 %
State/Other Special Rev. Funds	1,990	840	(1,150)	(57.79)%
Federal Spec. Rev. Funds	35,517,668	38,030,740	2,513,072	7.08 %
<b>Total Funds</b>	<b>\$39,020,880</b>	<b>\$42,087,333</b>	<b>\$3,066,453</b>	<b>7.86 %</b>
<b>Total Ongoing</b>	<b>\$39,020,880</b>	<b>\$42,552,197</b>	<b>\$3,531,317</b>	<b>9.05 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$464,864)</b>	<b>(\$464,864)</b>	<b>100.00 %</b>

**Program Description**

The Army National Guard (ARNG), until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming, contracting, and professional and skilled administration, planning and execution for construction; 3) ensuring all activities and facilities comply with environmental regulations, state regulations and federal regulations; and 4) providing statewide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana Constitutions and Title 10, Chapters 1-3, MCA.

**Program Highlights**

<b>Army National Guard Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the Army National Guard Program’s 2025 biennium budget of approximately \$3.1 million or 7.9% compared to the 2023 biennium budget. Changes included:                             <ul style="list-style-type: none"> <li>◦ Increased general fund and federal special revenue for operations and maintenance costs in the Butte-Silver Bow Readiness Center and Fort Harrison</li> <li>◦ Increased general fund and federal special revenue for increased service contract costs</li> <li>◦ Increased federal special revenue in FY 2025 for operation and maintenance costs associated with the Billings Limited Army Aviation Support Facility</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	56.30	56.30	56.30	56.30
Personal Services	4,176,227	4,326,272	4,580,830	4,919,974	4,947,382
Operating Expenses	14,341,483	14,516,802	14,472,253	15,367,865	15,721,040
Equipment & Intangible Assets	310,266	150,536	150,536	150,536	150,536
Benefits & Claims	251	251	0	0	0
Transfers	0	28,400	25,000	25,000	25,000
Debt Service	373,151	380,000	390,000	390,000	390,000
<b>Total Expenditures</b>	<b>\$19,201,378</b>	<b>\$19,402,261</b>	<b>\$19,618,619</b>	<b>\$20,853,375</b>	<b>\$21,233,958</b>
General Fund	1,736,360	1,738,974	1,762,248	2,000,585	2,055,168
State/Other Special Rev. Funds	965	1,570	420	420	420
Federal Spec. Rev. Funds	17,464,053	17,661,717	17,855,951	18,852,370	19,178,370
<b>Total Funds</b>	<b>\$19,201,378</b>	<b>\$19,402,261</b>	<b>\$19,618,619</b>	<b>\$20,853,375</b>	<b>\$21,233,958</b>
<b>Total Ongoing</b>	<b>\$19,201,378</b>	<b>\$19,402,261</b>	<b>\$19,618,619</b>	<b>\$21,085,807</b>	<b>\$21,466,390</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$232,432)</b>	<b>(\$232,432)</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 12-Army National Guard Pgm Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,055,753	0	0	4,055,753	9.64 %
02343 Armory Rental Funds	840	0	0	840	100.00 %
<b>State Special Total</b>	<b>\$840</b>	<b>\$0</b>	<b>\$0</b>	<b>\$840</b>	<b>0.00 %</b>
03132 National Guard	38,030,740	0	0	38,030,740	100.00 %
<b>Federal Special Total</b>	<b>\$38,030,740</b>	<b>\$0</b>	<b>\$0</b>	<b>\$38,030,740</b>	<b>90.36 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$42,087,333</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,087,333</b>	

*HB 2 Authority*

General Fund

General fund is used to meet the federal/state match requirement for federal funds which are described in detail in the federal special revenue section of this narrative.

State Special Revenue

State special revenue accounts for less than 1.0% of the Army National Guard Program's total appropriation authority. This funding is for armory rentals. 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.

Federal Special Revenue

Federal special revenue accounts for the majority of the program’s total appropriation authority. Funding is for the following functions:

- Facilities that are owned by the state and located on state land qualify to have their maintenance and utility costs covered 50.0% by federal special revenue and 50.0% by state funds
- Facilities that are state owned but located on federal land qualify to have their maintenance and utility costs covered 75.0% by federal special revenue and 25.0% by state funds
- A facility classified as a logistics facility receives 100.0% funding from federal special revenue
- Facilities that are owned federally, located on federal lands, and serve as a facility for training missions are 100.0% funded with federal special revenue unless the building is used as an armory
- Armories that are constructed with federal funds and located on federal land qualify for their maintenance and utility costs to be covered by 75.0% federal funds and 25.0% state funds

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,762,248	1,762,248	3,524,496	86.90 %	19,618,619	19,618,619	39,237,238	93.23 %
SWPL Adjustments	105,393	114,361	219,754	5.42 %	1,170,962	1,343,390	2,514,352	5.97 %
PL Adjustments	(133)	(166)	(299)	(0.01)%	3,030	2,819	5,849	0.01 %
New Proposals	133,077	178,725	311,802	7.69 %	60,764	269,130	329,894	0.78 %
<b>Total Budget</b>	<b>\$2,000,585</b>	<b>\$2,055,168</b>	<b>\$4,055,753</b>		<b>\$20,853,375</b>	<b>\$21,233,958</b>	<b>\$42,087,333</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.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	11,728	0	379,206	390,934	0.00	12,559	0	406,070	418,629
DP 2 - Fixed Costs	0.00	4,586	0	(115,347)	(110,761)	0.00	9,276	0	(173,059)	(163,783)
DP 3 - Inflation Deflation	0.00	89,079	0	801,710	890,789	0.00	92,526	0	996,018	1,088,544
DP 20 - SABHRS Rate Adjustment	0.00	(128)	0	3,210	3,082	0.00	(162)	0	3,030	2,868
DP 30 - Motor Pool Rate Adjustment	0.00	(5)	0	(47)	(52)	0.00	(4)	0	(45)	(49)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$105,260</b>	<b>\$0</b>	<b>\$1,068,732</b>	<b>\$1,173,992</b>	<b>0.00</b>	<b>\$114,195</b>	<b>\$0</b>	<b>\$1,232,014</b>	<b>\$1,346,209</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

**New Proposals**

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	0	1,310	1,310	0.00	0	0	1,310	1,310
DP 333 - Adjustment to Inflation	0.00	(23,351)	0	(210,157)	(233,508)	0.00	(24,355)	0	(262,174)	(286,529)
DP 555 - Additional Vacancy Savings	0.00	(1,554)	0	(50,236)	(51,790)	0.00	(1,562)	0	(50,515)	(52,077)
DP 1201 - ARNG Operating Costs New Facilities	0.00	22,982	0	51,770	74,752	0.00	69,642	0	99,108	168,750
DP 1202 - ARNG Contract Service Cost Increase (RST)	0.00	135,000	0	135,000	270,000	0.00	135,000	0	135,000	270,000
DP 1203 - ARNG Billings New Facility Operating Cost	0.00	0	0	0	0	0.00	0	0	167,676	167,676
<b>Total</b>	<b>0.00</b>	<b>\$133,077</b>	<b>\$0</b>	<b>(\$72,313)</b>	<b>\$60,764</b>	<b>0.00</b>	<b>\$178,725</b>	<b>\$0</b>	<b>\$90,405</b>	<b>\$269,130</b>

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

DP 99 - New Fixed Costs -

The legislature adopted appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. Additionally, the legislature adopted appropriations of \$5,614 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1201 - ARNG Operating Costs New Facilities -

The legislature adopted general fund and federal special revenue appropriations for increased operational and maintenance (O&M) costs for new facilities funded through HB5 in prior legislative sessions. The funding will support the O&M for the new Butte-Silver Bow Readiness Center, which will be funded with both general fund and federal funds. This funding will also support seven other facilities located at Fort Harrison that would be 100.0% federally funded. The other facilities consist of the Unit Training Equipment Shop (UTES), the weapons cleaning building, the post engineer equipment shop, the hazmat facility, the Combine Support Maintenance Shop (CSMS) addition, transient barracks, and vehicle storage.

DP 1202 - ARNG Contract Service Cost Increase (RST) -

The legislature adopted adjustments for increased service contract costs including janitorial work, grounds keeping, and snow removal. The total appropriation is a 50/50 split between general fund and federal special revenue.

DP 1203 - ARNG Billings New Facility Operating Cost -

The legislature adopted increased federal special revenue appropriations in FY 2025 for the operation and maintenance (O&M) of the new Billings Limited Army Aviation Support Facility. The construction of the facility was funded by American Rescue Plan Act (ARPA) funding.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	7,762,283	7,758,113	(4,170)	(0.05)%
Operating Expenses	3,887,703	4,207,663	319,960	8.23 %
<b>Total Expenditures</b>	<b>\$11,649,986</b>	<b>\$11,965,776</b>	<b>\$315,790</b>	<b>2.71 %</b>
General Fund	762,005	805,397	43,392	5.69 %
Federal Spec. Rev. Funds	10,887,981	11,160,379	272,398	2.50 %
<b>Total Funds</b>	<b>\$11,649,986</b>	<b>\$11,965,776</b>	<b>\$315,790</b>	<b>2.71 %</b>
<b>Total Ongoing</b>	<b>\$11,649,986</b>	<b>\$12,011,112</b>	<b>\$361,126</b>	<b>3.10 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$45,336)</b>	<b>(\$45,336)</b>	<b>100.00 %</b>

**Program Description**

The Air National Guard, until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

**Program Highlights**

<b>Air National Guard Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the Air National Guard Program’s 2025 biennium budget of approximately \$316,000 or 2.7% compared to the 2023 biennium budget. Changes included:                             <ul style="list-style-type: none"> <li>◦ Increased federal authority for:                                     <ul style="list-style-type: none"> <li>▪ Overtime costs for firefighters</li> <li>▪ Oversight costs for remediation work paid to the Department of Environmental Quality</li> </ul> </li> <li>◦ Increased general fund and federal authority for:                                     <ul style="list-style-type: none"> <li>▪ Facility and maintenance costs at the Malmstrom Air Force Base</li> <li>▪ 1.00 FTE for a Computer Aided Design Software (CADD) position</li> </ul> </li> <li>◦ These increases were partially offset by decreases in present law adjustments for personal services and fixed costs</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	45.00	45.00	46.00	46.00
Personal Services	3,330,215	3,665,579	4,096,704	3,866,423	3,891,690
Operating Expenses	1,902,276	1,943,514	1,944,189	2,100,177	2,107,486
<b>Total Expenditures</b>	<b>\$5,232,491</b>	<b>\$5,609,093</b>	<b>\$6,040,893</b>	<b>\$5,966,600</b>	<b>\$5,999,176</b>
General Fund	368,563	371,815	390,190	401,339	404,058
Federal Spec. Rev. Funds	4,863,928	5,237,278	5,650,703	5,565,261	5,595,118
<b>Total Funds</b>	<b>\$5,232,491</b>	<b>\$5,609,093</b>	<b>\$6,040,893</b>	<b>\$5,966,600</b>	<b>\$5,999,176</b>
<b>Total Ongoing</b>	<b>\$5,232,491</b>	<b>\$5,609,093</b>	<b>\$6,040,893</b>	<b>\$5,989,268</b>	<b>\$6,021,844</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$22,668)</b>	<b>(\$22,668)</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 13-Air National Guard Pgm Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	805,397	0	0	805,397	6.73 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03132 National Guard	99,000	0	0	99,000	0.89 %
03453 Air National Guard	11,061,379	0	0	11,061,379	99.11 %
<b>Federal Special Total</b>	<b>\$11,160,379</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,160,379</b>	<b>93.27 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$11,965,776</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,965,776</b>	

*HB 2 Authority*

General Fund

General fund supports the federal/state match requirements for federal grants and is used primarily for building and ground maintenance activities, administrative expenses, and some personal service costs.

Federal Special Revenue

The majority of the Air National Guard Program's funding comes from federal funds.

**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**

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	390,190	390,190	780,380	96.89 %	6,040,893	6,040,893	12,081,786	100.97 %
SWPL Adjustments	(18,004)	(13,848)	(31,852)	(3.95)%	(663,434)	(633,473)	(1,296,907)	(10.84)%
PL Adjustments	(216)	(223)	(439)	(0.05)%	495,293	503,749	999,042	8.35 %
New Proposals	29,369	27,939	57,308	7.12 %	93,848	88,007	181,855	1.52 %
<b>Total Budget</b>	<b>\$401,339</b>	<b>\$404,058</b>	<b>\$805,397</b>		<b>\$5,966,600</b>	<b>\$5,999,176</b>	<b>\$11,965,776</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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(36,964)	0	(702,316)	(739,280)	0.00	(36,130)	0	(686,471)	(722,601)
DP 2 - Fixed Costs	0.00	(2,092)	0	(6,273)	(8,365)	0.00	(4,074)	0	(12,222)	(16,296)
DP 3 - Inflation Deflation	0.00	21,052	0	63,159	84,211	0.00	26,356	0	79,068	105,424
DP 20 - SABHRS Rate Adjustment	0.00	(216)	0	(649)	(865)	0.00	(223)	0	(667)	(890)
DP 1301 - ANG Re-Establish Firefighter FLSA Overtime	0.00	0	0	458,158	458,158	0.00	0	0	466,639	466,639
DP 1302 - ANG Funding for DEQ Oversight of Remediation	0.00	0	0	38,000	38,000	0.00	0	0	38,000	38,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$18,220)</b>	<b>\$0</b>	<b>(\$149,921)</b>	<b>(\$168,141)</b>	<b>0.00</b>	<b>(\$14,071)</b>	<b>\$0</b>	<b>(\$115,653)</b>	<b>(\$129,724)</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 1301 - ANG Re-Establish Firefighter FLSA Overtime -

The legislature adopted 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 service snapshot used for initial budget preparation.

DP 1302 - ANG Funding for DEQ Oversight of Remediation -

The legislature adopted increased federal spending authority to pay the Department of Environmental Quality for Polyfluoroalkyl substances (PFAS) contained in fire foam, remedial investigation and subsequent removal, and remediation activities. This is a cost recovery paid by the National Guard Bureau for expedited regulatory oversight services related to environmental cleanup activities resulting from contaminant releases from past Air National Guard activities at the Montana Air National Guard Base and Great Falls International Airport.

**New Proposals**

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(5,748)	0	(17,245)	(22,993)	0.00	(7,235)	0	(21,706)	(28,941)
DP 555 - Additional Vacancy Savings	0.00	(2,780)	0	(31,968)	(34,748)	0.00	(2,794)	0	(32,130)	(34,924)
DP 1303 - ANG Facilities and Maintenance Costs	0.00	16,500	0	49,500	66,000	0.00	16,500	0	49,500	66,000
DP 1304 - ANG CADD Operator FTE	1.00	21,397	0	64,192	85,589	1.00	21,468	0	64,404	85,872
<b>Total</b>	<b>1.00</b>	<b>\$29,369</b>	<b>\$0</b>	<b>\$64,479</b>	<b>\$93,848</b>	<b>1.00</b>	<b>\$27,939</b>	<b>\$0</b>	<b>\$60,068</b>	<b>\$88,007</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1303 - ANG Facilities and Maintenance Costs -

The legislature adopted increased spending authority as a 75/25 federal/state general fund split to allow the Montana Air National Guard (ANG) to take over the management, cost, supplies, and utilities of three buildings on Malmstrom Air Force Base. The ANG currently occupies this space and is in the process of finalizing the transfer of full operational control and maintenance of these properties from the Air Force and Department of Defense.

DP 1304 - ANG CADD Operator FTE -

The legislature adopted general fund and federal special revenue appropriations for 1.00 FTE to create, update, and maintain record drawings of DMA maintained facilities to ensure correctness and completeness. The federal government is requiring weekly updates from the Builder Assessment Management tool for each DMA building in order to continue receiving federal facility and division maintenance funding. This service has been historically contracted out. This change package makes this position permanent. This position will work closely with the City of Great Falls and Cascade County to provide GIS data, fire hydrant, domestic water, and sanitary sewer data for operation and emergency response.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,857,772	5,701,688	843,916	17.37 %
Operating Expenses	2,303,717	1,670,169	(633,548)	(27.50)%
Grants	26,315,072	26,411,362	96,290	0.37 %
Transfers	2,728,634	3,043,210	314,576	11.53 %
<b>Total Expenditures</b>	<b>\$36,205,195</b>	<b>\$36,826,429</b>	<b>\$621,234</b>	<b>1.72 %</b>
General Fund	2,986,337	3,697,663	711,326	23.82 %
State/Other Special Rev. Funds	512,210	273,512	(238,698)	(46.60)%
Federal Spec. Rev. Funds	32,706,648	32,855,254	148,606	0.45 %
<b>Total Funds</b>	<b>\$36,205,195</b>	<b>\$36,826,429</b>	<b>\$621,234</b>	<b>1.72 %</b>
<b>Total Ongoing</b>	<b>\$36,205,195</b>	<b>\$36,856,461</b>	<b>\$651,266</b>	<b>1.80 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$30,032)</b>	<b>(\$30,032)</b>	<b>100.00 %</b>

**Program Description**

The Disaster and Emergency Services Division (DES) duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of an incident, emergency, or disaster.

**Program Highlights**

<b>Disaster and Emergency Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the Disaster and Emergency Services Division’s 2025 biennium budget of approximately \$621,000 or 1.7% compared to the 2023 biennium budget. Changes included:                             <ul style="list-style-type: none"> <li>◦ Increased general fund and federal authority for disaster preparedness activities</li> <li>◦ A restricted general fund appropriation for personal service costs in the Duty Officer Program</li> <li>◦ A funding transfer to establish 5.00 FTE for increased workload in the DES</li> <li>◦ A transfer of 2.00 FTE and associated funding from the Department of Administration</li> <li>◦ A state special revenue reduction to align with anticipated funding for the 2025 biennium</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	25.00	25.00	32.00	32.00
Personal Services	2,455,052	2,519,024	2,338,748	2,842,665	2,859,023
Operating Expenses	1,275,844	1,401,980	901,737	842,239	827,930
Grants	11,028,318	12,989,467	13,325,605	13,205,681	13,205,681
Transfers	656,775	1,207,029	1,521,605	1,521,605	1,521,605
<b>Total Expenditures</b>	<b>\$15,415,989</b>	<b>\$18,117,500</b>	<b>\$18,087,695</b>	<b>\$18,412,190</b>	<b>\$18,414,239</b>
General Fund	1,459,776	1,488,787	1,497,550	1,850,959	1,846,704
State/Other Special Rev. Funds	71,524	255,530	256,680	136,756	136,756
Federal Spec. Rev. Funds	13,884,689	16,373,183	16,333,465	16,424,475	16,430,779
<b>Total Funds</b>	<b>\$15,415,989</b>	<b>\$18,117,500</b>	<b>\$18,087,695</b>	<b>\$18,412,190</b>	<b>\$18,414,239</b>
<b>Total Ongoing</b>	<b>\$15,415,989</b>	<b>\$18,117,500</b>	<b>\$18,087,695</b>	<b>\$18,427,206</b>	<b>\$18,429,255</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,016)</b>	<b>(\$15,016)</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 21-Disaster & Emergency Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	3,697,663	0	0	3,697,663	10.04 %
02170 SAR DES Off Road Vehicle	264,308	0	0	264,308	96.63 %
02335 DES Training Conference	9,204	0	0	9,204	3.37 %
<b>State Special Total</b>	<b>\$273,512</b>	<b>\$0</b>	<b>\$0</b>	<b>\$273,512</b>	<b>0.74 %</b>
03134 DES Emergency Mgmt Perf 97.042	10,327,720	0	0	10,327,720	31.43 %
03143 DES Homeland Security 97.067	15,212,304	0	0	15,212,304	46.30 %
03166 DES Hazard Mitigation 97.039	2,601,426	0	0	2,601,426	7.92 %
03191 DES Pre-Disaster Mit 97.047	3,377,082	0	0	3,377,082	10.28 %
03208 DES Hazardous Materials 20.703	360,136	0	0	360,136	1.10 %
03239 DES Flood Mitigation 97.029	862,326	0	0	862,326	2.62 %
03429 Disaster & Emergency Services	2,204	0	0	2,204	0.01 %
03267 Nonprofit Security 97.008	99,914	0	0	99,914	0.30 %
03717 Nat Earthquake Haz Red Prg	12,142	0	0	12,142	0.04 %
<b>Federal Special Total</b>	<b>\$32,855,254</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,855,254</b>	<b>89.22 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$36,826,429</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,826,429</b>	

*HB 2 Authority*

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

- Administration and coordination
- Search and rescue
- Grant programs

General Fund

Funding from the general fund is for administrative and coordination functions, which are primarily funded with 50.0% general fund.

State Special Revenue

Search and rescue activities are funded through state special revenue funds derived from surcharges on conservation licenses and off-road vehicle licenses.

Federal Special Revenue

Federal special revenue accounts for the majority of total appropriation authority. Federal funds are used to fund 50.0% of administrative and coordination functions and generally 100.0% of disaster coordination functions.

**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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,497,550	1,497,550	2,995,100	81.00 %	18,087,695	18,087,695	36,175,390	98.23 %
SWPL Adjustments	104,573	102,877	207,450	5.61 %	72,359	76,788	149,147	0.41 %
PL Adjustments	92,980	93,079	186,059	5.03 %	142,893	142,968	285,861	0.78 %
New Proposals	155,856	153,198	309,054	8.36 %	109,243	106,788	216,031	0.59 %
<b>Total Budget</b>	<b>\$1,850,959</b>	<b>\$1,846,704</b>	<b>\$3,697,663</b>		<b>\$18,412,190</b>	<b>\$18,414,239</b>	<b>\$36,826,429</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 2024-----					-----Fiscal 2025-----				
	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	(80,886)	(80,886)	0.00	0	0	(66,215)	(66,215)
DP 2 - Fixed Costs	0.00	48,672	0	48,672	97,344	0.00	40,126	0	40,126	80,252
DP 3 - Inflation Deflation	0.00	55,901	0	0	55,901	0.00	62,751	0	0	62,751
DP 20 - SABHRS Rate Adjustment	0.00	(87)	0	(87)	(174)	0.00	(112)	0	(111)	(223)
DP 30 - Motor Pool Rate Adjustment	0.00	(1,933)	0	0	(1,933)	0.00	(1,809)	0	0	(1,809)
DP 2104 - DES Disaster Preparedness Operating Adjustment (RST)	0.00	50,000	0	50,000	100,000	0.00	50,000	0	50,000	100,000
DP 2105 - DES 24/7 Duty Officer Program (RST)	0.00	45,000	0	0	45,000	0.00	45,000	0	0	45,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$197,553</b>	<b>\$0</b>	<b>\$17,699</b>	<b>\$215,252</b>	<b>0.00</b>	<b>\$195,956</b>	<b>\$0</b>	<b>\$23,800</b>	<b>\$219,756</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 2104 - DES Disaster Preparedness Operating Adjustment (RST) -

The legislature adopted a restricted general fund and federal special revenue appropriation for disaster preparedness activities. In 2022, the Montana Disaster Emergency Services (DES) gathered input from local emergency managers in communities across the state to determine program gaps. This increase will allow the DES and field staff to conduct additional in-person outreach and technical assistance, coordinate and deliver training, and help develop local emergency management programs.

DP 2105 - DES 24/7 Duty Officer Program (RST) -

The legislature adopted restricted general fund appropriations in the 2025 biennium for personal service costs in the Duty Officer Program. The Montana Disaster Emergency Services (DES) provides 24/7 duty officer coverage to assist with emerging incidents. Support for emerging incidents occur prior to a governor's declaration and often does not require issuing an emergency declaration. As a result, the disaster appropriation is not available to offset the cost of the Duty Officer Program.

**New Proposals**

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	300	0	300	600	0.00	300	0	300	600
DP 333 - Adjustment to Inflation	0.00	(17,455)	0	0	(17,455)	0.00	(20,316)	0	0	(20,316)
DP 555 - Additional Vacancy Savings	0.00	(14,356)	0	(14,356)	(28,712)	0.00	(14,442)	0	(14,442)	(28,884)
DP 2101 - DES Modified to Permanent FTE	5.00	0	0	0	0	5.00	0	0	0	0
DP 2102 - DES Continuity of Government Program Transfer	2.00	87,367	0	87,367	174,734	2.00	87,656	0	87,656	175,312
DP 2103 - DES Administrative Adjustments	0.00	0	(119,924)	0	(119,924)	0.00	0	(119,924)	0	(119,924)
DP 2106 - DES Warehouse & Logistics Operations	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
<b>Total</b>	<b>7.00</b>	<b>\$155,856</b>	<b>(\$119,924)</b>	<b>\$73,311</b>	<b>\$109,243</b>	<b>7.00</b>	<b>\$153,198</b>	<b>(\$119,924)</b>	<b>\$73,514</b>	<b>\$106,788</b>

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

DP 99 - New Fixed Costs -

The legislature adopted appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. Additionally, the legislature adopted appropriations of \$2,100 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 2101 - DES Modified to Permanent FTE -

The legislature approved 5.00 FTE be converted from modified to permanent. This change package transfers operating expenditure authority to personal services, leading to a net zero impact on the 2025 total biennium budget. In recent years the DES has experienced increased workload which has necessitated the use of modified FTE to complete the work. As a result of increased frequency, severity, and complexity of disasters, the number of projects managed by the division has grown from an average of 20 projects per emergency manager to over 100 per manager. Four of the permanent staff will provide disaster management and one staff person will be used to support disaster logistics and warehouse operations.

DP 2102 - DES Continuity of Government Program Transfer -

The legislature adopted 2.00 FTE and associated appropriations to be transferred from the Department of Administration to the Department of Military Affairs. The Department of Administration, State Continuity and Emergency Management Office (DOA/SCMO) and the Department of Military Affairs, Disaster and Emergency Services Division (DMA/DES) have a Memorandum of Understanding for the State Continuity Planning. DMA/DES assumed the responsibility to re-scale the scope of continuity planning to meet standards set forth by the Federal Emergency Management Agency (FEMA) and coordinate continuity planning functions with state agencies. This change package splits funding 50/50 federal funding/state general fund. A change package in the Department of Administration includes a reduction of 2.00 FTE.

DP 2103 - DES Administrative Adjustments -

The legislature adopted adjustments to appropriations for grants to reflect the amount of state special revenue funding projected to be available in the 2025 biennium. This funding was from the Department of Fish, Wildlife, and Parks for segregate search and rescue surcharges. On June 30, 2023, any unspent revenue must be transferred to the general license account established in 87-1-601(1), MCA. At that time, the funding will no longer be provided to Department of Military Affairs.

DP 2106 - DES Warehouse & Logistics Operations -

The legislature adopted \$100,000 in general fund appropriations each fiscal year of the 2025 biennium to continue the operations and management of an 8,000 square foot warehouse for disaster preparation and management to match federal grant funds.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,069,294	4,306,509	237,215	5.83 %
Operating Expenses	477,544	516,659	39,115	8.19 %
Grants	70,000	70,000	0	0.00 %
Benefits & Claims	1,000	0	(1,000)	(100.00)%
Transfers	40,000	40,000	0	0.00 %
Debt Service	26,000	48,000	22,000	84.62 %
<b>Total Expenditures</b>	<b>\$4,683,838</b>	<b>\$4,981,168</b>	<b>\$297,330</b>	<b>6.35 %</b>
General Fund	2,977,080	3,156,163	179,083	6.02 %
State/Other Special Rev. Funds	1,706,758	1,825,005	118,247	6.93 %
<b>Total Funds</b>	<b>\$4,683,838</b>	<b>\$4,981,168</b>	<b>\$297,330</b>	<b>6.35 %</b>
<b>Total Ongoing</b>	<b>\$4,683,838</b>	<b>\$5,014,118</b>	<b>\$330,280</b>	<b>7.05 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$32,950)</b>	<b>(\$32,950)</b>	<b>100.00 %</b>

**Program Description**

The Veteran's Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort Harrison in Helena, and Missoula. The Board of Veteran's Affairs is administratively attached to the Department of Military Affairs and operates under a state mandate provided in Title 10, Chapter 2, MCA.

**Program Highlights**

<b>Veteran's Affairs Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the Veteran's Affairs Division's 2025 biennium budget of approximately \$297,000 or 6.4% compared to the 2023 biennium budget. Changes included:                             <ul style="list-style-type: none"> <li>◦ Statewide present law adjustments for personal services, fixed costs, and inflation</li> <li>◦ State special revenue authority in FY 2025 for the veteran's cemetery in Columbia Falls</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	25.00	25.00	25.00	25.00
Personal Services	1,938,774	1,975,065	2,094,229	2,031,526	2,274,983
Operating Expenses	251,399	264,618	212,926	246,430	270,229
Grants	30,000	35,000	35,000	35,000	35,000
Benefits & Claims	750	1,000	0	0	0
Transfers	0	20,000	20,000	20,000	20,000
Debt Service	1,836	2,000	24,000	24,000	24,000
<b>Total Expenditures</b>	<b>\$2,222,759</b>	<b>\$2,297,683</b>	<b>\$2,386,155</b>	<b>\$2,356,956</b>	<b>\$2,624,212</b>
General Fund	1,429,421	1,450,512	1,526,568	1,514,221	1,641,942
State/Other Special Rev. Funds	793,338	847,171	859,587	842,735	982,270
<b>Total Funds</b>	<b>\$2,222,759</b>	<b>\$2,297,683</b>	<b>\$2,386,155</b>	<b>\$2,356,956</b>	<b>\$2,624,212</b>
<b>Total Ongoing</b>	<b>\$2,222,759</b>	<b>\$2,297,683</b>	<b>\$2,386,155</b>	<b>\$2,373,431</b>	<b>\$2,640,687</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$16,475)</b>	<b>(\$16,475)</b>

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Military Affairs, 31-Veterans Affairs Operations Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	3,156,163	0	0	3,156,163	47.65 %
02214 Veterans Affairs Cemeteries	0	0	1,642,195	1,642,195	47.36 %
02222 Patriotic License Plate Fees	200,848	0	0	200,848	5.79 %
02548 Veterans Affairs SB401	1,426,109	0	0	1,426,109	41.13 %
02002 Purple Heart & Higher Schishp	50,000	0	0	50,000	1.44 %
02260 Cigarette Tax Revenue	148,048	0	0	148,048	4.27 %
<b>State Special Total</b>	<b>\$1,825,005</b>	<b>\$0</b>	<b>\$1,642,195</b>	<b>\$3,467,200</b>	<b>52.35 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$4,981,168</b>	<b>\$0</b>	<b>\$1,642,195</b>	<b>\$6,623,363</b>	

HB 2 Authority

General Fund

General fund supports approximately 63.4% of the Veterans' Affairs Program functions, with state special revenues supporting the remainder.

State Special Revenue

State special revenue accounts for 36.6% of total appropriation authority in the Veteran's Affairs Division. The state special revenue accounts are as follows:

- Veteran's services account, enacted by the 2003 Legislature, allocated proceeds from the sale of veterans' specialty license 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 deposited 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 future biennia

Statutory Authority

The Veteran's Affairs Division has a statutory appropriation for the operation of the Montana Veteran's Cemetery Program. The state special revenue account is funded through a portion of motor vehicle registration fees, cemetery plot allowances, and donations.

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,526,568	1,526,568	3,053,136	96.74 %	2,386,155	2,386,155	4,772,310	95.81 %
SWPL Adjustments	(6,604)	122,513	115,909	3.67 %	1,081	122,513	123,594	2.48 %
PL Adjustments	0	0	0	0.00 %	(1,609)	(1,530)	(3,139)	(0.06)%
New Proposals	(5,743)	(7,139)	(12,882)	(0.41)%	(28,671)	117,074	88,403	1.77 %
<b>Total Budget</b>	<b>\$1,514,221</b>	<b>\$1,641,942</b>	<b>\$3,156,163</b>		<b>\$2,356,956</b>	<b>\$2,624,212</b>	<b>\$4,981,168</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.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(41,319)	0	0	(41,319)	0.00	84,997	0	0	84,997
DP 2 - Fixed Costs	0.00	19,642	7,685	0	27,327	0.00	19,450	0	0	19,450
DP 3 - Inflation Deflation	0.00	15,073	0	0	15,073	0.00	18,066	0	0	18,066
DP 20 - SABHRS Rate Adjustment	0.00	0	(193)	0	(193)	0.00	0	(206)	0	(206)
DP 30 - Motor Pool Rate Adjustment	0.00	0	(1,416)	0	(1,416)	0.00	0	(1,324)	0	(1,324)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$6,604)</b>	<b>\$6,076</b>	<b>\$0</b>	<b>(\$528)</b>	<b>0.00</b>	<b>\$122,513</b>	<b>(\$1,530)</b>	<b>\$0</b>	<b>\$120,983</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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 adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

**New Proposals**

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(5,743)	0	0	(5,743)	0.00	(7,139)	0	0	(7,139)
DP 555 - Additional Vacancy Savings	0.00	0	(21,384)	0	(21,384)	0.00	0	(22,291)	0	(22,291)
DP 1400 - HB 298	0.00	0	(1,544)	0	(1,544)	0.00	0	(1,544)	0	(1,544)
DP 1401 - SB 442	0.00	1,504,891	(2,716,991)	0	(1,212,100)	0.00	1,631,015	(2,607,815)	0	(976,800)
DP 3101 - VA Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
DP 3103 - VA Cemetery Program Funding and Staff	0.00	0	717,200	0	717,200	0.00	0	480,800	0	480,800
DP 3104 - VA Veteran Program Operating and Staff	0.00	0	494,900	0	494,900	0.00	0	496,000	0	496,000
DP 3108 - VA Cannabis Fund Switch	0.00	(1,504,891)	1,504,891	0	0	0.00	(1,631,015)	1,631,015	0	0
DP 3109 - VA Columbia Falls Cemetery Operations (RST)	0.00	0	0	0	0	0.00	0	148,048	0	148,048
<b>Total</b>	<b>0.00</b>	<b>(\$5,743)</b>	<b>(\$22,928)</b>	<b>\$0</b>	<b>(\$28,671)</b>	<b>0.00</b>	<b>(\$7,139)</b>	<b>\$124,213</b>	<b>\$0</b>	<b>\$117,074</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1400 - HB 298 -

The legislature adopted contingency language to increase appropriations if HB 298 was passed and approved, and this decision package implements this language. This bill reduces the size of the Montana Board of Veterans Affairs from 20 members to 14. The reduction in board size is estimated to have cost savings of approximately \$1,544 each fiscal year.

DP 1401 - SB 442 -

The legislature adopted contingency language to adjust appropriations if SB 442 was not passed and approved, and this decision package implements this language. Funding for DP 3103, DP 3104, and DP 3108 were contingent on the passage and approval of SB 442, and this change package removes the appropriation authority for these change packages.

DP 3101 - VA Adjustment -

This change package makes a correction to the fund source. There is no fiscal impact to this adjustment.

DP 3103 - VA Cemetery Program Funding and Staff -

The legislature adopted increased state special revenue appropriations for operating expenses, staff, and equipment needs for the Montana State Veterans Cemeteries, located at Fort Harrison in Helena, Miles City, and Missoula. The internment workload has increased at each of the sites, and the equipment used to manage the workload needs to be replaced. This change package was contingent upon funding provided in HB 462.

DP 3104 - VA Veteran Program Operating and Staff -

The legislature adopted increased state special revenue appropriations for staff and operating costs to support the increasing workload in the Veteran Service Offices which help Montana veterans access benefits such as health care, education, training, and employment services. This change package was contingent upon funding provided in HB 462.

DP 3108 - VA Cannabis Fund Switch -

The legislature adopted a fund switch from general fund to state special cannabis tax revenue for base program funding. This change package was contingent on passage and approval of HB 462.

DP 3109 - VA Columbia Falls Cemetery Operations (RST) -

The legislature adopted state special revenue authority in FY 2025 to provide staff and operations for the newly proposed Montana Veteran's Cemetery in Columbia Falls. This request was contingent on passage and approval of HB 81.