

Agency Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	234.66	249.66	249.66	15.00	3.2%
General Fund	9,113,675	11,151,139	11,156,970	4,080,759	22.4%
State/Other Special Rev. Funds	1,175,587	1,551,171	1,504,993	704,990	30.0%
Federal Spec. Rev. Funds	48,822,301	49,995,595	50,130,331	2,481,324	2.5%
<b>Total Funds</b>	<b>59,111,563</b>	<b>62,697,905</b>	<b>62,792,294</b>	<b>7,267,073</b>	<b>6.1%</b>
Personal Services	21,514,133	23,163,901	23,350,077	3,485,712	8.1%
Operating Expenses	22,174,153	23,706,227	23,613,440	2,971,361	6.7%
Equipment & Intangible Assets	150,536	225,536	225,536	150,000	49.8%
Grants	13,240,681	13,296,181	13,296,181	111,000	0.4%
Benefits & Claims	800	800	800	0	0.0%
Transfers	1,617,260	1,867,260	1,867,260	500,000	15.5%
Debt Service	414,000	438,000	439,000	49,000	5.9%
<b>Total Expenditures</b>	<b>59,111,563</b>	<b>62,697,905</b>	<b>62,792,294</b>	<b>7,267,073</b>	<b>6.1%</b>
<b>Total Ongoing</b>	<b>59,111,563</b>	<b>62,697,905</b>	<b>62,792,294</b>	<b>7,267,073</b>	<b>6.1%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

Agency Highlights

Department of Military Affairs Major Budget Highlights
<ul style="list-style-type: none"> <li>• The Department of Military Affairs' 2027 biennium requested appropriations are approximately \$7.3 million or 6.1% higher than the FY 2025 base budget. Significant requested changes include:                             <ul style="list-style-type: none"> <li>◦ An increase in general fund appropriations of \$3.5 million in the Veterans' Affairs Division to support 11.00 PB in converting these previously modified positions into HB 2 permanent, as well as associated operating expenses</li> <li>◦ Appropriations of \$190,000 to support 1.00 PB within the Director's Office for a human resources position</li> <li>◦ Federal special revenue appropriations of \$428,000, funding 3.00 PB, for case managers within the Youth ChalleNGe Program</li> <li>◦ Increase of \$1.4 million to be used towards firefighter overtime pay within the Air National Guard Program</li> <li>◦ An increase of \$136,000 in funding to aid county search and rescue missions and training in the Disaster and Emergency Services Program</li> <li>◦ An increase of \$685,000 in state special revenue in the Veterans' Affairs Division for Veteran Service Office and Veterans' Affairs Cemetery operational costs</li> </ul> </li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Department of Military Affairs 2027 Biennium Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>9,113,675</b>	<b>1,175,587</b>	<b>48,822,301</b>	<b>59,111,563</b>	<b>94.3%</b>	<b>9,113,675</b>	<b>1,175,587</b>	<b>48,822,301</b>	<b>59,111,563</b>	<b>94.1%</b>
Statewide PL										
Personal Services	113,162	(67,649)	(273,665)	(228,152)	(0.4%)	127,951	(63,613)	(225,344)	(161,006)	(0.3%)
Fixed Costs	45,878	4,809	2,826	53,513	0.1%	10,661	4,408	(52,658)	(37,589)	(0.1%)
Inflation Deflation	(3,428)	(576)	(3,630)	(7,634)	(0.0%)	(2,320)	(389)	(2,451)	(5,160)	(0.0%)
<b>Total Statewide PL</b>	<b>155,612</b>	<b>(63,416)</b>	<b>(274,469)</b>	<b>(182,273)</b>	<b>(0.3%)</b>	<b>136,292</b>	<b>(59,594)</b>	<b>(280,453)</b>	<b>(203,755)</b>	<b>(0.3%)</b>
Present Law (PL)	0	439,000	687,091	1,126,091	1.8%	0	389,000	702,978	1,091,978	1.7%
New Proposals	1,881,852	0	760,672	2,642,524	4.2%	1,907,003	0	885,505	2,792,508	4.4%
<b>Total HB 2 Adjustments</b>	<b>2,037,464</b>	<b>375,584</b>	<b>1,173,294</b>	<b>3,586,342</b>	<b>5.7%</b>	<b>2,043,295</b>	<b>329,406</b>	<b>1,308,030</b>	<b>3,680,731</b>	<b>5.9%</b>
<b>Total Requested Budget</b>	<b>11,151,139</b>	<b>1,551,171</b>	<b>49,995,595</b>	<b>62,697,905</b>		<b>11,156,970</b>	<b>1,504,993</b>	<b>50,130,331</b>	<b>62,792,294</b>	

*Statewide Present Law Adjustment for Personal Services*

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP1) has been broken down into three categories, as follows:

- Legislative changes - This category includes adjustments explicitly approved by the legislature, such as, changes to benefit rates, longevity adjustments required by statute, and changes in rates for workers' compensation and unemployment insurance
- Management changes - This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring positions budgeted (PB) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications - This category includes other modifications to the FY 2025 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or movement of personal services funding to or from another expenditure category (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program.

Department of Military Affairs				
FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)				
Program	Legislative Changes	Management Changes	Budget Modifications	Total DP1
01 Directors Office	\$ (2,381)	28,303	80,160	106,082
02 Challenge Program	\$ 94,320	82,638	-	176,958
03 Scholarship Program*	-	-	-	-
04 STARBASE	\$ 1,723	(7,140)	-	(5,417)
12 Army National Guard Program	\$ 52,406	190,453	(429,004)	(186,145)
13 Air National Guard Program	\$(418,733)	(51,344)	-	(470,077)
21 Disaster and Emergency Services Program	\$ 41,792	277,778	-	319,570
31 Veterans Affairs Program	\$ (79,163)	(89,960)	-	(169,123)
<b>Agency Total</b>	<b>\$(310,036)</b>	<b>430,728</b>	<b>(348,844)</b>	<b>\$ (228,152)</b>

\*The Scholarship Program does not have any personal services funding as all of their funding is within transfers

In the table above, the requested change in personal services funding is broken out by each program within the department as well as showing the agency as a whole. Further detail is provided at the program level.

**Funding**

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

Total Department of Military Affairs Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>22,308,109</b>			<b>90,000</b>	<b>22,398,109</b>	<b>17.7%</b>
02548 Veterans Affairs SB401	1,406,868				1,406,868	1.1%
02214 Veterans Affairs Cemeteries				1,182,419	1,182,419	0.9%
02457 Veterans Affairs HB701 SSR	1,046,096				1,046,096	0.8%
02170 SAR DES Off Road Vehicle	400,308				400,308	0.3%
02222 Patriotic License Plate Fees	160,848				160,848	0.1%
Other State Special Revenue	42,044			80,000	122,044	0.1%
<b>State Special Revenue Total</b>	<b>3,056,164</b>			<b>1,262,419</b>	<b>4,318,583</b>	<b>3.4%</b>
03132 National Guard	40,360,526				40,360,526	31.8%
03143 DES Homeland Security 97.067	15,302,576				15,302,576	12.1%
03453 Air National Guard	13,028,437				13,028,437	10.3%
03134 DES Emergency Mgmt Perf 97.042	10,947,247				10,947,247	8.6%
03410 Challenge NG Funding (4001)	9,648,094				9,648,094	7.6%
Other Federal Special Revenue	10,839,046				10,839,046	8.5%
<b>Federal Special Revenue Total</b>	<b>100,125,926</b>				<b>100,125,926</b>	<b>78.9%</b>
<b>Proprietary Fund Total</b>						<b>0.0%</b>
<b>Total of All Funds</b>	<b>125,490,199</b>			<b>1,352,419</b>	<b>126,842,618</b>	
<b>Percent of All Sources of Authority</b>	<b>98.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.1%</b>		

*HB 2 Appropriations*

General Fund

General fund supports most programs within the agency, while also funding all of the National Guard Scholarship Program.

State Special Revenue

State special revenue funding provides a smaller piece of the total appropriation authority for the agency. This funding is mainly within the Disaster and Emergency Services and Veterans' Affairs programs. Further detail on each of these funds is provided at the program level.

Federal Special Revenue

When considering HB 2 appropriations, federal special revenue incorporates the largest amount of funding within the Department of Military Affairs. Funding requirements for federal special revenue are guided by federal government initiatives, programs, and objectives within the agency. Individual details on this can be found at the program level.

*Statutory Appropriations*General Fund

Appropriations within general fund that are classified as statutory are for the civil air patrol within the Disaster and Emergency Services Program.

State Special Revenue Funds

State special revenues are the majority of statutory appropriations. This funding is primarily within the Veterans' Affairs Program, with the largest portion going towards veterans' affairs cemeteries. More detail on this funding can be found at the program level.

*Notable Statutory Appropriations Not Included in the Above Chart*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.

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.

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 with 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.

**Agency Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	234.66	234.66	249.66	249.66
Personal Services	19,923,538	20,625,097	21,514,133	23,163,901	23,350,077
Operating Expenses	19,791,109	21,395,184	22,174,153	23,706,227	23,613,440
Equipment & Intangible Assets	296,563	348,764	150,536	225,536	225,536
Grants	12,746,019	13,192,933	13,240,681	13,296,181	13,296,181
Benefits & Claims	1,501	2,953	800	800	800
Transfers	1,039,252	1,233,176	1,617,260	1,867,260	1,867,260
Debt Service	342,219	414,000	414,000	438,000	439,000
<b>Total Expenditures</b>	<b>\$54,140,201</b>	<b>\$57,212,107</b>	<b>\$59,111,563</b>	<b>\$62,697,905</b>	<b>\$62,792,294</b>
General Fund	8,192,118	8,688,043	9,113,675	11,151,139	11,156,970
State/Other Special Rev. Funds	984,594	1,008,218	1,175,587	1,551,171	1,504,993
Federal Spec. Rev. Funds	44,963,489	47,515,846	48,822,301	49,995,595	50,130,331
<b>Total Funds</b>	<b>\$54,140,201</b>	<b>\$57,212,107</b>	<b>\$59,111,563</b>	<b>\$62,697,905</b>	<b>\$62,792,294</b>
<b>Total Ongoing</b>	<b>\$54,115,330</b>	<b>\$57,187,107</b>	<b>\$59,111,563</b>	<b>\$62,697,905</b>	<b>\$62,792,294</b>
<b>Total OTO</b>	<b>\$24,871</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

#### Agency Description

The Department of Military Affairs oversees all activities of the Army and Air National Guard, Disaster and Emergency Services Division, and provides administrative support to the Veterans' Affairs Division, which is administratively attached to the department.

Please refer to the agency profile [here](#) for additional information about the agency's organization structure, historical expenditures, goals and objectives, and recent studies and audits.

#### FY 2024 Appropriations Compared to FY 2024 Actual Expenditures

The agency expended 94.6% of its \$57.2 million HB 2 modified budget as of fiscal year-end 2024. This closely aligns with their anticipated expenditures as of the end of the fiscal year.

#### FY 2024 Appropriations Compared to FY 2025 Appropriations

The FY 2025 appropriations are 3.3% higher, or \$1.9 million, than the FY 2024. The minor differences in the appropriations across the fiscal years come mainly from the HB 13 pay plan as well as minor changes between accounts. These will be discussed in more detail within the respective program.

#### Comparison of FY 2025 Legislative Budget to FY 2025 Base

The figure below illustrates the beginning FY 2025 budget as adopted by the 2023 Legislature compared to the FY 2025 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2025 base budget was agreed upon by the Office of Budget and Program Planning and the Fiscal Division to be the point from which any changes would be recorded for the 2027 biennium budgeting process.

Department of Military Affairs				
Comparison of the FY 2025 Legislative Budget to the FY 2025 Base Budget				
	Legislative Budget	Executive Modifications	Base Budget	% Change
<b>01 DIRECTORS OFFICE</b>				
61000 Personal Services	\$ 1,501,277	\$ -	\$ 1,501,277	0.0%
62000 Operating Expenses	259,192	(100)	259,092	0.0%
67000 Benefits & Claims		100	100	100.0%
68000 Transfers	50,655		50,655	0.0%
<b>Total</b>	<b>1,811,124</b>	<b>-</b>	<b>1,811,124</b>	<b>0.0%</b>
<b>02 CHALLENGE PROGRAM</b>				0.0%
61000 Personal Services	4,010,866	-	4,010,866	0.0%
62000 Operating Expenses	1,809,776	(100)	1,809,676	0.0%
67000 Benefits & Claims		100	100	100.0%
<b>Total</b>	<b>5,820,642</b>	<b>-</b>	<b>5,820,642</b>	<b>0.0%</b>
<b>03 SCHOLARSHIP PROGRAM</b>				0.0%
62000 Operating Expenses	250,000		250,000	0.0%
<b>Total</b>	<b>250,000</b>		<b>250,000</b>	<b>0.0%</b>
<b>04 STARBASE</b>				0.0%
61000 Personal Services	602,930	-	602,930	0.0%
62000 Operating Expenses	618,194	(100)	618,094	0.0%
67000 Benefits & Claims		100	100	100.0%
<b>Total</b>	<b>1,221,124</b>	<b>-</b>	<b>1,221,124</b>	<b>0.0%</b>
<b>12 ARMY NATIONAL GUARD PGM</b>				0.0%
61000 Personal Services	5,340,785	321,555	5,662,340	6.0%
62000 Operating Expenses	16,241,642	(321,755)	15,919,887	-2.0%
63000 Equipment & Intangible Assets	150,536		150,536	0.0%
67000 Benefits & Claims		200	200	100.0%
68000 Transfers	25,000		25,000	0.0%
69000 Debt Service	390,000		390,000	0.0%
<b>Total</b>	<b>22,147,963</b>	<b>-</b>	<b>22,147,963</b>	<b>0.0%</b>
<b>13 AIR NATIONAL GUARD PGM</b>				0.0%
61000 Personal Services	4,201,364		4,201,364	0.0%
62000 Operating Expenses	2,159,423	(100)	2,159,323	0.0%
67000 Benefits & Claims		100	100	100.0%
<b>Total</b>	<b>6,360,787</b>	<b>-</b>	<b>6,360,787</b>	<b>0.0%</b>
<b>21 DISASTER &amp; EMERGENCY SERVICES</b>				0.0%
61000 Personal Services	3,077,190	-	3,077,190	0.0%
62000 Operating Expenses	863,985	(100)	863,885	0.0%
66000 Grants	13,205,681		13,205,681	0.0%
67000 Benefits & Claims		100	100	100.0%
68000 Transfers	1,521,605		1,521,605	0.0%
<b>Total</b>	<b>18,668,461</b>	<b>-</b>	<b>18,668,461</b>	<b>0.0%</b>
<b>31 VETERANS AFFAIRS PROGRAM</b>				0.0%
61000 Personal Services	2,458,166		2,458,166	0.0%
62000 Operating Expenses	294,296	(100)	294,196	0.0%
66000 Grants	35,000		35,000	0.0%

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67000 Benefits & Claims		100	100	100.0%
68000 Transfers	20,000		20,000	0.0%
69000 Debt Service	24,000		24,000	0.0%
<b>Total</b>	<b>2,831,462</b>	<b>-</b>	<b>2,831,462</b>	<b>0.0%</b>
<b>Agency Total</b>	<b>\$ 59,111,563</b>	<b>\$ -</b>	<b>\$ 59,111,563</b>	<b>0.0%</b>

In comparing the FY 2025 legislative budget to the FY 2025 base budget, there were few executive modifications. The largest modification shown in the chart above is a transfer of funding from operating expenses to personal services, which allowed for 3.00 modified PB. The other modification, which is across all divisions, is the movement of appropriations from operating expenses into benefits and claims to account for anticipated Risk Management and Tort Defense deductibles.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
General Fund	250,000	250,000	250,000		0.0%
<b>Total Funds</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>		<b>0.0%</b>
Operating Expenses	250,000			(500,000)	(100.0%)
Transfers		250,000	250,000	500,000	0.0%
<b>Total Expenditures</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>		<b>0.0%</b>
<b>Total Ongoing</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>		<b>0.0%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

**Program Highlights**

<b>Scholarship Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>The National Guard Scholarship Program's 2027 biennium requested appropriations are the same as the FY 2025 base budget with the one request made by the executive being to change the appropriations from operating expenses to transfers</li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Scholarship Program 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>100.0%</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>100.0%</b>
Statewide PL										
Personal Services	0	0	0	0	0.0%	0	0	0	0	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	0	0	0	0.0%	0	0	0	0	0.0%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requested Budget</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>		<b>250,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	

**Funding**



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

Department of Military Affairs, 03-Scholarship Program Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	500,000	0	0	0	500,000	100.0%
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total All Funds</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>	

*HB 2 Appropriations*

General Fund

The Scholarship Program is entirely funded through general fund. This funding is centralized within operating expenses for the upcoming biennium. A brochure, published in June 2024, containing additional information on this, can be found [here](#).

<b>LFD COMMENT</b>	The agency has executed a budget modification to move this appropriation authority to transfers to provide to the Office of the Commissioner of Higher Education. In the November 15 budget, appropriation authority was in operating expenses. The executive will include a request to move this authority from operating expenses to transfer authority in the December 15 budget submission.
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**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
Operating Expenses	0	0	250,000	0	0
Transfers	250,000	250,000	0	250,000	250,000
<b>Total Expenditures</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>
General Fund	250,000	250,000	250,000	250,000	250,000
<b>Total Funds</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>
<b>Total Ongoing</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</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>

*Program Description*

The Montana National Guard 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.

*FY 2024 Appropriations Compared to FY 2024 Expenditures*

The Scholarship Program in FY 2024 utilized 100.0% of the program appropriations. This is in line with anticipated expenditures at the end of the fiscal year. The Scholarship Program operates in conjunction with the Office of the Commissioner of Higher Education in administering the scholarship. This scholarship is applied as a tuition waiver for eligible recipients. Below is a chart which depicts the program expenditures, and additional tuition waived by the Montana University System (MUS).

National Guard Scholarship Financial Summary				
	FY 2021	FY 2022	FY 2023	FY 2024
Numbers of Awards	58	166	325	480
Total Tuition to be Waived	\$ 26,848	\$ 244,971	\$ 475,667	\$ 585,161
HB 2 Scholarship Program Appropriation	207,362	244,971	250,001	250,000
Funding Applied to Tuition	26,848	244,971	475,667	585,161
Funding Sent to MUS to be Held in Reserve	180,514	-	-	-
Reserve Funding Used	-	-	180,514	-
Tuition Waived by MUS	-	-	\$ 45,152	\$ 335,161

*FY 2024 Appropriation Compared to FY 2025 Appropriation*

Appropriations for FY 2025 are exactly the same as FY 2024 appropriations for the Scholarship Program.

**New Proposals**

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 3001 - NG Scholarship Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
<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 3001 - NG Scholarship Adjustment -

The executive requests the movement of appropriations from operating expenses into transfers expenditure authority. This request would serve to properly record the transfer of this authority to the Office of the Commissioner of Higher Education.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	7.00	7.00	7.00	0.00	0.0%	
Federal Spec. Rev. Funds	1,221,124	1,665,420	1,694,785	917,957	37.6%	
<b>Total Funds</b>	<b>1,221,124</b>	<b>1,665,420</b>	<b>1,694,785</b>	<b>917,957</b>	<b>37.6%</b>	
Personal Services	602,930	597,513	599,031	(9,316)	(0.8%)	
Operating Expenses	618,094	1,067,807	1,095,654	927,273	75.0%	
Benefits & Claims	100	100	100		0.0%	
<b>Total Expenditures</b>	<b>1,221,124</b>	<b>1,665,420</b>	<b>1,694,785</b>	<b>917,957</b>	<b>37.6%</b>	
<b>Total Ongoing</b>	<b>1,221,124</b>	<b>1,665,420</b>	<b>1,694,785</b>	<b>917,957</b>	<b>37.6%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Program Highlights**

<b>STARBASE Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The STARBASE Program's 2027 biennium requested appropriations are approximately \$918,000 or 37.6% higher than the FY 2025 base budget. Significant changes include:                             <ul style="list-style-type: none"> <li>◦ An increase in operating expense authority of \$927,000 with notable requested changes being:                                     <ul style="list-style-type: none"> <li>▪ An increase of \$913,000 to accommodate a proposed STARBASE location in Billings, as well as additional outreach for the program</li> </ul> </li> </ul> </li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Starbase 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>0</b>	<b>0</b>	<b>1,221,124</b>	<b>1,221,124</b>	<b>73.3%</b>	<b>0</b>	<b>0</b>	<b>1,221,124</b>	<b>1,221,124</b>	<b>72.1%</b>
Statewide PL										
Personal Services	0	0	(5,417)	(5,417)	(0.3%)	0	0	(3,899)	(3,899)	(0.2%)
Fixed Costs	0	0	7,359	7,359	0.4%	0	0	7,206	7,206	0.4%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	0	1,942	1,942	0.1%	0	0	3,307	3,307	0.2%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	442,354	442,354	26.6%	0	0	470,354	470,354	27.8%
<b>Total HB 2 Adjustments</b>	<b>0</b>	<b>0</b>	<b>444,296</b>	<b>444,296</b>	<b>26.7%</b>	<b>0</b>	<b>0</b>	<b>473,661</b>	<b>473,661</b>	<b>27.9%</b>
<b>Total Requested Budget</b>	<b>0</b>	<b>0</b>	<b>1,665,420</b>	<b>1,665,420</b>		<b>0</b>	<b>0</b>	<b>1,694,785</b>	<b>1,694,785</b>	

**Funding**

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

Department of Military Affairs, 04-Starbase Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0	0.0%
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
03411 Starbase NG Funding (4002)	3,357,249	0	0	0	3,357,249	99.9%
03453 Air National Guard	2,956	0	0	0	2,956	0.1%
<b>Federal Special Total</b>	<b>\$3,360,205</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,360,205</b>	<b>100.0%</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total All Funds</b>	<b>\$3,360,205</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,360,205</b>	

*HB 2 Appropriations*

Federal Special Revenue

The STARBASE Program is entirely funded through federal special revenue funds. Appropriations are within two different funds. This funding supports all of the STARBASE operations and personnel as this division is entirely funded by federal special revenue.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	7.00	7.00	7.00	7.00
Personal Services	322,949	397,507	602,930	597,513	599,031
Operating Expenses	786,967	790,674	618,094	1,067,807	1,095,654
Benefits & Claims	0	100	100	100	100
<b>Total Expenditures</b>	<b>\$1,109,916</b>	<b>\$1,188,281</b>	<b>\$1,221,124</b>	<b>\$1,665,420</b>	<b>\$1,694,785</b>
Federal Spec. Rev. Funds	1,109,916	1,188,281	1,221,124	1,665,420	1,694,785
<b>Total Funds</b>	<b>\$1,109,916</b>	<b>\$1,188,281</b>	<b>\$1,221,124</b>	<b>\$1,665,420</b>	<b>\$1,694,785</b>
<b>Total Ongoing</b>	<b>\$1,109,916</b>	<b>\$1,188,281</b>	<b>\$1,221,124</b>	<b>\$1,665,420</b>	<b>\$1,694,785</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*Program Description*

STARBASE is the 100.0% federally funded youth outreach program of the Department of Defense. Currently, STARBASE has classrooms at Fort Harrison and the 120th Airlift Wing in Great Falls, providing 25 hours of hands-on science, technology, engineering, art, and math (STEAM) instruction to all fifth-grade classes within the Helena and Great Falls school districts, as well as afterschool programs and summer camps to students in grades 3-12 across Montana. STARBASE locations provide students the opportunity to interact with military personnel, foster familiarity with local military installations, nurture interest in STEAM careers, and empower Montana's youth for future success.

*FY 2024 Appropriations Compared to FY 2024 Expenditures*

Within the Department of Military Affairs, the STARBASE Program used 93.4%, or \$1.1 million, of its FY 2024 appropriation. Within this program, personal services were 81.2% expended for FY 2024. The STARBASE Program has

7.00 HB 2 PB with 4.00 PB being vacant for all of FY 2024; these positions were vacant as the Malta STARBASE location did not receiving federal approval. However, there were personal services expenditures in this program for modified PB. The program did expend 99.5% of its HB 2 operating expenses appropriation in FY 2024.

*FY 2024 Appropriation Compared to FY 2025 Appropriation*

Appropriations for the STARBASE Program are 2.7% higher for FY 2025 as compared to FY 2024. Personal services are 51.7%, or \$205,000, higher in FY 2025 than in FY 2024. This difference between fiscal years is due to a transfer of authority in FY 2024 to shift appropriations from personal services to operating expenses. The purpose of this budget modification was needed as the program served more students and provided further outreach than anticipated. Operating expenses within this program are 21.8% less in FY 2025 as compared to FY 2024, but this difference is due to the aforementioned change which increased FY 2024 appropriations for this expenditure account type.

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	(5,417)	(5,417)	0.00	0	0	(3,899)	(3,899)
DP 2 - Fixed Costs	0.00	0	0	7,359	7,359	0.00	0	0	7,206	7,206
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,942</b>	<b>\$1,942</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,307</b>	<b>\$3,307</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 executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Military Affairs STARBASE Program FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ 1,723
Management Changes	(7,140)
Total Budget Modifications	-
<b>Total</b>	<b>\$ (5,417)</b>

The executive requests a decrease in personal services authority for the upcoming biennium within this program. This is primarily due to management changes, mainly due to vacancy savings.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

**New Proposals**

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 4001 - STARBASE Budget Authority Increase	0.00	0	0	442,354	442,354	0.00	0	0	470,354	470,354
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$442,354</b>	<b>\$442,354</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$470,354</b>	<b>\$470,354</b>

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

DP 4001 - STARBASE Budget Authority Increase -

The executive requests an increase in federal budget authority within this program. STARBASE has programs in Great Falls and Fort Harrison, with additional outreach provided to HiLine Communities, there is also a proposed location in Billings. This increase in federal authority will be utilized towards staff and teacher salary increases, as well as costs associated with the proposed STARBASE location in Billings. As the teachers within this program are contracted, this requested appropriation for this are considered operating expenses. Regarding the outreach provided in the HiLine Communities, this is through multiple two-day summer camps to provide science, technology, engineering, art/design, and math (STEAM). These have been provided in numerous areas, including Hot Springs and Malta. With the proposed Billings location, the agency expects to provide these opportunities to both the Crow and North Cheyenne reservations as well.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	25.00	36.00	36.00	11.00	22.0%
General Fund	1,793,051	3,415,348	3,465,799	3,295,045	91.9%
State/Other Special Rev. Funds	1,038,411	1,342,495	1,296,317	561,990	27.1%
<b>Total Funds</b>	<b>2,831,462</b>	<b>4,757,843</b>	<b>4,762,116</b>	<b>3,857,035</b>	<b>68.1%</b>
Personal Services	2,458,166	3,021,976	3,032,067	1,137,711	23.1%
Operating Expenses	294,196	1,570,267	1,563,449	2,545,324	432.6%
Equipment & Intangible Assets		75,000	75,000	150,000	0.0%
Grants	35,000	22,500	22,500	(25,000)	(35.7%)
Benefits & Claims	100	100	100		0.0%
Transfers	20,000	20,000	20,000		0.0%
Debt Service	24,000	48,000	49,000	49,000	102.1%
<b>Total Expenditures</b>	<b>2,831,462</b>	<b>4,757,843</b>	<b>4,762,116</b>	<b>3,857,035</b>	<b>68.1%</b>
<b>Total Ongoing</b>	<b>2,831,462</b>	<b>4,757,843</b>	<b>4,762,116</b>	<b>3,857,035</b>	<b>68.1%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

**Program Highlights**

<b>Veterans' Affairs Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Veterans' Affairs Program's 2027 biennium requested appropriations are approximately \$3.9 million or 68.1% higher than the FY 2025 base budget. Significant requested changes include:                             <ul style="list-style-type: none"> <li>◦ An increase in general fund of \$3.4 million for 11.00 PB to convert from modified HB 2 positions to permanent, as well as the associated operating expenses</li> <li>◦ An increase of \$685,000 in state special revenue to fund operating expenses in Veteran Service Offices as well as Veterans' Affairs Cemeteries</li> </ul> </li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.



Veterans' Affairs Program 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>1,793,051</b>	<b>1,038,411</b>	<b>0</b>	<b>2,831,462</b>	<b>59.5%</b>	<b>1,793,051</b>	<b>1,038,411</b>	<b>0</b>	<b>2,831,462</b>	<b>59.5%</b>
Statewide PL										
Personal Services	(101,474)	(67,649)	0	(169,123)	(3.6%)	(95,419)	(63,613)	0	(159,032)	(3.3%)
Fixed Costs	14,427	4,809	0	19,236	0.4%	13,222	4,408	0	17,630	0.4%
Inflation Deflation	(1,730)	(576)	0	(2,306)	(0.0%)	(1,170)	(389)	0	(1,559)	(0.0%)
Total Statewide PL	(88,777)	(63,416)	0	(152,193)	(3.2%)	(83,367)	(59,594)	0	(142,961)	(3.0%)
Present Law (PL)	0	367,500	0	367,500	7.7%	0	317,500	0	317,500	6.7%
New Proposals	1,711,074	0	0	1,711,074	36.0%	1,756,115	0	0	1,756,115	36.9%
<b>Total HB 2 Adjustments</b>	<b>1,622,297</b>	<b>304,084</b>	<b>0</b>	<b>1,926,381</b>	<b>40.5%</b>	<b>1,672,748</b>	<b>257,906</b>	<b>0</b>	<b>1,930,654</b>	<b>40.5%</b>
<b>Total Requested Budget</b>	<b>3,415,348</b>	<b>1,342,495</b>	<b>0</b>	<b>4,757,843</b>		<b>3,465,799</b>	<b>1,296,317</b>	<b>0</b>	<b>4,762,116</b>	

**Funding**

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

Department of Military Affairs, 31-Veterans' Affairs Program Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,881,147	0	0	0	6,881,147	64.3%
02002 Purple Heart & Higher Schlshp	25,000	0	0	0	25,000	0.7%
02214 Veterans Affairs Cemeteries	0	0	0	1,182,419	1,182,419	30.9%
02222 Patriotic License Plate Fees	160,848	0	0	0	160,848	4.2%
02457 Veterans Affairs HB701 SSR	1,046,096	0	0	0	1,046,096	27.4%
02548 Veterans Affairs SB401	1,406,868	0	0	0	1,406,868	36.8%
<b>State Special Total</b>	<b>\$2,638,812</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,182,419</b>	<b>\$3,821,231</b>	<b>35.7%</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total All Funds</b>	<b>\$9,519,959</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,182,419</b>	<b>\$10,702,378</b>	

*HB 2 Appropriations*

General Fund

General fund appropriations support general functions of the program, with the largest portion of appropriations going towards personal services.

State Special Revenue

State special revenue funds account for a portion of the total appropriations authority in the Veterans' Affairs Program. The state special revenue accounts provide various support, to include:

- 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
- Veteran’s affairs HB 701 is the state special revenue fund that was established to receive marijuana taxes in the 2021 Session. In this bill, the program is to receive 3.0%, or \$200,000, whichever is less. In the 2023 Session the appropriation for this fund was removed, but the funding source remained. With this, the program did not have the appropriation authority to spend the state special revenue funds

*Statutory Appropriations*

State Special Revenue

The Veterans' 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.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	25.00	25.00	36.00	36.00
Personal Services	2,112,112	2,116,309	2,458,166	3,021,976	3,032,067
Operating Expenses	241,105	246,226	294,196	1,570,267	1,563,449
Equipment & Intangible Assets	0	0	0	75,000	75,000
Grants	30,000	35,000	35,000	22,500	22,500
Benefits & Claims	0	100	100	100	100
Transfers	0	0	20,000	20,000	20,000
Debt Service	22,393	24,000	24,000	48,000	49,000
<b>Total Expenditures</b>	<b>\$2,405,610</b>	<b>\$2,421,635</b>	<b>\$2,831,462</b>	<b>\$4,757,843</b>	<b>\$4,762,116</b>
General Fund	1,570,156	1,570,593	1,793,051	3,415,348	3,465,799
State/Other Special Rev. Funds	835,454	851,042	1,038,411	1,342,495	1,296,317
<b>Total Funds</b>	<b>\$2,405,610</b>	<b>\$2,421,635</b>	<b>\$2,831,462</b>	<b>\$4,757,843</b>	<b>\$4,762,116</b>
<b>Total Ongoing</b>	<b>\$2,405,610</b>	<b>\$2,421,635</b>	<b>\$2,831,462</b>	<b>\$4,757,843</b>	<b>\$4,762,116</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*Program Description*

The Veterans' Affairs Program 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 Veterans' Affairs is administratively attached to the Department of Military Affairs and operates under a state mandate provided in Title 10, Chapter 2, MCA.

*FY 2024 Appropriations Compared to FY 2024 Expenditures*

Within the Department of Military Affairs, the Veterans' Affairs Program expended 99.3% of its FY 2024 HB 2 modified budget. This is in line with anticipated expenditures at the end of the fiscal year.

*FY 2024 Appropriations Compared to FY 2025 Appropriations*

Appropriations for this program in FY 2025 are 14.5% higher than FY 2024. This increase in authority is due to a variety of factors. The HB 13 pay plan accounts for 46.6% of the total increase in funding, specifically within personal services. The other large portion of this increase was the addition of \$85,000 in personal services as a statewide present law adjustment in FY 2025. These two actions played the largest role in the increase in FY 2025 appropriation authority as compared to FY 2024.

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed 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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(101,474)	(67,649)	0	(169,123)	0.00	(95,419)	(63,613)	0	(159,032)
DP 2 - Fixed Costs	0.00	14,427	4,809	0	19,236	0.00	13,222	4,408	0	17,630
DP 3 - Inflation Deflation	0.00	(1,730)	(576)	0	(2,306)	0.00	(1,170)	(389)	0	(1,559)
DP 3103 - Veteran Affairs State Special Revenue	0.00	0	367,500	0	367,500	0.00	0	317,500	0	317,500
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$88,777)</b>	<b>\$304,084</b>	<b>\$0</b>	<b>\$215,307</b>	<b>0.00</b>	<b>(\$83,367)</b>	<b>\$257,906</b>	<b>\$0</b>	<b>\$174,539</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 executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Military Affairs Veterans' Affairs Program FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ (79,163)
Management Changes	(89,960)
Total Budget Modifications	-
<b>Total</b>	<b>\$ (169,123)</b>

The executive requests a decrease in personal services funding in the upcoming biennium. This decrease is within both legislative and management changes. The decrease in legislative changes is due to the subtraction of a decision package from the 2023 Legislative Session. This decision package increased personal services funding for the Columbia Falls Veterans' Affairs Cemetery operations. As this personal services authority was not tied to specific PB, it is subtracted during

the calculation. In management changes, this decrease is partially due to vacancy savings and hiring positions at different rates throughout the interim.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, 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 executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 3103 - Veteran Affairs State Special Revenue -

The executive is requesting an increase in state special revenue authority within the Veterans' Affairs state special revenue fund in the upcoming biennium. Revenues in this fund are detailed in the state special revenue subsection of the funding section within this program. This increase in funding is to accommodate for operating expenses for the Veteran Service Office Program, and the Veterans' Affairs Cemetery Program, specifically equipment replacement within the Cemetery Program. These are existing services within the program.

**New Proposals**

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 3101 - Veteran Affairs Division Program Operations	11.00	1,711,074	0	0	1,711,074	11.00	1,756,115	0	0	1,756,115
<b>Total</b>	<b>11.00</b>	<b>\$1,711,074</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,711,074</b>	<b>11.00</b>	<b>\$1,756,115</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,756,115</b>

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

DP 3101 - Veteran Affairs Division Program Operations -

The executive requests an increase in general fund for 11.00 PB and operating expenses in FY 2026 associated with the requested PB. The increase in PB is a conversion of modified positions to permanent. This request is within personal services, operating expenses, and debt service with the operating expenses supporting the nine Veteran Service Offices. The portion of debt service expenditures within this request will be used towards rent. Other expenses include office supplies and equipment, outreach costs such as motor pool and advertising, and cemetery landscaping expenses.

<b>LFD COMMENT</b>	The executive has provided authority for these operations through the transfer of authority from interest earned on American Rescue Plan Act (ARPA) funds. This source of authority provided \$799,000 to the agency in FY 2024.
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