

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	29.00	29.00	24.00	24.00	29.00	24.00	(5.00)	(17.24%)
Personal Services	1,461,475	1,478,435	1,303,233	1,304,418	2,939,910	2,607,651	(332,259)	(11.30%)
Operating Expenses	278,465	347,920	447,380	344,256	626,385	791,636	165,251	26.38%
Grants	0	0	180,000	180,000	0	360,000	360,000	n/a
Total Costs	\$1,739,940	\$1,826,355	\$1,930,613	\$1,828,674	\$3,566,295	\$3,759,287	\$192,992	5.41%
General Fund	884,803	884,510	1,065,662	1,065,664	1,769,313	2,131,326	362,013	20.46%
State Special	855,137	941,845	864,951	763,010	1,796,982	1,627,961	(169,021)	(9.41%)
Total Funds	\$1,739,940	\$1,826,355	\$1,930,613	\$1,828,674	\$3,566,295	\$3,759,287	\$192,992	5.41%

Program Description

The Veterans 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 Veterans' 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

Veterans' Affairs Major Budget Highlights
<ul style="list-style-type: none"> ◆ The majority of the changes approved for the program's budget are based on changes recommended by the Legislative Finance Committee (LFC). The legislature approved the LFC recommendation that the program reduce HB 2 appropriations that were also considered statutory appropriations ◆ The legislature also approved a new grant program to provide veterans' outreach services ◆ HB 626 increases the percentage, from .064% to 0.81%, of vehicle fees allocated to the: <ul style="list-style-type: none"> ● State Veterans' Cemetery Account ● Veterans' Services Account

Program Narrative

The Legislative Finance Committee (LFC) reviewed statutory appropriations for the Veterans' Affairs Program and determined that the money for the Veterans' Cemetery Program was appropriated twice, once in HB 2 and again in statute. The LFC recommended that the funding included in HB 2 be eliminated, allowing the statutory appropriation for the program to continue to provide support. As a result of the recommendation, the legislature eliminated the statutorily appropriated funds from HB 2, reducing personal services associated with 5.00 FTE and \$180,500 in operating expenses.

In addition, the legislature determined that the statutory appropriation should be assigned to the Department of Military Affairs. The legislature approved HB 21 to address this issue.

The legislature provided additional support for the Veterans’ Affairs Program by:

- Increasing spending authority for patriotic plates by \$100,000 over the biennium
- Providing \$180,000 in grant authority for outreach services to veterans
- Providing an additional \$0.3 million in state special revenue by changing the percentage of motor vehicle revenues that are transferred from the general fund to state special revenue accounts supporting veterans’ services and cemetery programs.

HB 626 Includes Provisions to Implement HB 2

The legislature approved HB 626, a bill to implement provisions of HB 2, to include changes to the percentage of motor vehicle revenues that are deposited into the general fund each fiscal year and then transferred to two accounts within the Veterans’ Affairs Program:

- State Veterans’ Cemetery Account
- Veterans’ Services Account

The increase in the percentage, from 0.64% to 0.81% is estimated to restore the funding provided by the allocation to the levels previously provided prior to the adoption of a percentage.

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Military Affairs Funding by Source of Authority 2015 Biennium Budget - Veterans Affairs Program							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$2,131,326	\$0	\$0	\$2,131,326	49.6%		
State Special Total	\$1,627,961	\$0	\$533,623	\$2,161,584	50.4%		
02214 Veterans Affairs Cemeteries	\$0	\$0	\$533,623	\$533,623	12.4%	10-2-603	Direct
02548 Veterans Affairs Sb401	\$1,527,961	\$0	\$0	\$1,527,961	35.6%		
Total All Funds	\$3,759,287	\$0	\$533,623	\$4,292,910	100.0%		
Percent - Total All Sources	87.6%	0.0%	12.4%				

The Veterans’ Affairs Division is funded with both general fund and state special revenues. General fund is used to support functions throughout the division.

State special revenue is the largest funding source for the division when both HB 2 and statutory appropriations are considered. The primary state special revenue account, the veterans’ services account, was created by the legislature during the 2003 regular session in SB 401, which allocated proceeds from the sale of veterans’ specialty license plates to the account. In addition to the revenues received from the license plates, this account and the state veterans’ cemetery account receive a portion of all of the motor vehicle registration revenue that is deposited into the general fund each year.

The State Veterans’ Cemeteries Program is statutorily funded including revenues derived from cemetery donations and plot allowances as well as a percentage of the license plate funding.

Finally, the patriotic license plate account receives revenue from a \$15 surcharge on original and renewal patriotic license plates issued in Montana.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	884,803	884,803	1,769,606	83.03%	1,739,940	1,739,940	3,479,880	92.57%
Statewide PL Adjustments	859	861	1,720	0.08%	48,877	47,126	96,003	2.55%
Other PL Adjustments	0	0	0	0.00%	(188,623)	(288,820)	(477,443)	(12.70%)
New Proposals	180,000	180,000	360,000	16.89%	330,419	330,428	660,847	17.58%
Total Budget	\$1,065,662	\$1,065,664	\$2,131,326		\$1,930,613	\$1,828,674	\$3,759,287	

Statewide present law adjustments include increases for personal services and fixed costs as well as a funding shift that decreased general fund and increased state special revenue. Other present law adjustments include the reductions in HB 2 appropriations for the statutorily appropriated activities related to veterans' cemeteries. New proposals include general fund for veterans' outreach services and additional support provided by HB 626.

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					102,934					103,898
Vacancy Savings					(62,579)					(62,614)
Inflation/Deflation					(2,930)					(1,664)
Fixed Costs					11,452					7,506
Total Statewide Present Law Adjustments		\$859	\$48,018	\$0	\$48,877		\$861	\$46,265	\$0	\$47,126
DP 50 - Initial Motion to FY 2012 Base	0.00	(859)	(48,018)	0	(48,877)	0.00	(861)	(46,265)	0	(47,126)
DP 51 - Adjustment for Statewide Personal Services	0.00	50,893	(10,538)	0	40,355	0.00	51,639	(10,355)	0	41,284
DP 52 - Adjustment for Statewide Operations	0.00	8,078	444	0	8,522	0.00	6,107	(265)	0	5,842
DP 53 - Base Funding Switch	0.00	(58,112)	58,112	0	0	0.00	(56,885)	56,885	0	0
DP 3101 - Move Cemetery Positions and Expenses to SA	(5.00)	0	(288,623)	0	(288,623)	(5.00)	0	(288,820)	0	(288,820)
DP 3102 - Spending Authority for Patriotic Plates (Biennial)	0.00	0	100,000	0	100,000	0.00	0	0	0	0
Total Other Present Law Adjustments	(5.00)	\$0	(\$188,623)	\$0	(\$188,623)	(5.00)	\$0	(\$288,820)	\$0	(\$288,820)
Grand Total All Present Law Adjustments	(5.00)	\$859	(\$140,605)	\$0	(\$139,746)	(5.00)	\$861	(\$242,555)	\$0	(\$241,694)

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 3101 - Move Cemetery Positions and Expenses to SA - This adjustment moves the State Veterans' Cemetery Program from HB 2 to a statutory appropriation, as recommended by the Legislative Finance Committee. This adjustment removes the personal services budget for 5.0 FTE and related expenses of the program.

DP 3102 - Spending Authority for Patriotic Plates (Biennial) - The legislature approved biennial spending authority of \$100,000 from the patriot license plate state special revenue account. The funding is to be used for staff training, operational support, and state veterans service organization projects of mutual support such as homeless veteran stand downs and outreach programs. The authority is provided as a biennial appropriation.

New Proposals

New Proposals											
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 3103 - Veterans Outreach Servcs-(Restricted/Biennial/OTO)	31	0.00	180,000	0	0	180,000	0.00	180,000	0	0	180,000
DP 3104 - Realignment of Veterans Affairs Funding	31	0.00	0	150,419	0	150,419	0.00	0	150,428	0	150,428
Total	0.00	\$180,000	\$150,419	\$0	\$330,419	0.00	\$180,000	\$150,428	\$0	\$330,428	

DP 3103 - Veterans Outreach Servcs-(Restricted/Biennial/OTO) - The legislature approved funding to provide grants for outreach services to veterans in Montana including initial contact with veterans in communities, assistance with applications and claims, volunteer training, and equipment purchases for transporting disabled veterans to services.

DP 3104 - Realignment of Veterans Affairs Funding - The General Government Joint Appropriations Subcommittee recommended and the legislature approved a realignment in the allocation of motor vehicle revenues by increasing the percentage allocated to the Veteran's Affairs Program from 0.64% to 0.81%. HB 626, which was approved by the legislature, brings the funding in the two state special revenue accounts supporting the program to the levels previously provided through two separate allocation methods, \$10 for each military plate sold and \$0.50 for each light vehicle registration.