

## Military Department

### MIL36000

#### Permanent Full-Time Positions

Fund	Actual FY 14	Actual FY 15	Governor Estimated FY 16	Original Appropriation FY 17	Governor Revised FY 17	Final FY 17	Difference Fin-Gov FY 17
General Fund	42	42	42	42	42	42	-

#### Budget Summary

Account	Actual FY 14	Actual FY 15	Governor Estimated FY 16	Original Appropriation FY 17	Governor Revised FY 17	Final FY 17	Difference Fin-Gov FY 17
Personal Services	2,656,356	2,937,354	3,146,928	3,179,977	-	2,863,407	2,863,407
Other Expenses	2,629,373	2,693,559	2,595,180	2,603,340	-	2,242,356	2,242,356
<b>Other Current Expenses</b>							
Honor Guards	464,550	476,700	350,000	350,000	-	326,329	326,329
Veteran's Service Bonuses	154,900	26,500	72,000	50,000	-	46,759	46,759
Agency Operations	-	-	-	-	6,692,644	-	(6,692,644)
<b>Nonfunctional - Change to Accruals</b>	32,838	19,000	-	-	-	-	-
<b>Agency Total - General Fund</b>	<b>5,938,017</b>	<b>6,153,113</b>	<b>6,164,108</b>	<b>6,183,317</b>	<b>6,692,644</b>	<b>5,478,851</b>	<b>(1,213,793)</b>

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
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## *Policy Revisions*

### Distribute Lapses

Personal Services	(76,016)	(76,016)	-
Other Expenses	(46,698)	(46,698)	-
Honor Guards	(1,048)	(1,048)	-
<b>Total - General Fund</b>	<b>(123,762)</b>	<b>(123,762)</b>	<b>-</b>

#### Background

The Original FY 16 - 17 Biennial Budget included bottom line savings targets (lapses) totaling \$95,110,616 in FY 16 and \$100,816,745 in FY 17. These savings targets were allocated to agencies via holdbacks in FY 16.

#### Governor

Reduce funding by \$123,762 to reflect the allocation of these lapses in the FY 17 revised budget.

#### Final

Same as Governor

### Rollout of FY 16 DMP

Other Expenses	(51,904)	(51,904)	-
<b>Total - General Fund</b>	<b>(51,904)</b>	<b>(51,904)</b>	<b>-</b>

#### Background

PA 15-1 December Special Session (AA Making Certain Structural Changes to the State Budget and Adjustments to the State Budget for the Biennium Ending June 30, 2017) made FY 16 General Fund expenditure modifications of \$195.8 million in various agencies and accounts. The Governor's FY 17 budget includes the rollout of \$90.5 million of the FY 16 DMP across various agencies.

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
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**Governor**

Reduce funding by \$51,904 in FY 17 to reflect the rollout of expenditure reductions in PA 15-1 DSS.

**Final**

Same as Governor

**Consolidate Appropriations for Agency Operations**

Personal Services	(3,003,961)	-	3,003,961
Other Expenses	(2,504,738)	-	2,504,738
Honor Guards	(348,952)	-	348,952
Veteran's Service Bonuses	(50,000)	-	50,000
Agency Operations	5,907,651	-	(5,907,651)
<b>Total - General Fund</b>	-	-	-

**Background**

Currently, state agency appropriations are distributed between multiple line items. The Governor's Revised FY 17 budget consolidates funding by collapsing most or all appropriations into a new "Agency Operations" line item. Certain major line items such as Education Cost Sharing (ECS) grants, entitlements, pension and debt service payments, remain as separate line items within their respective agencies and are not consolidated.

**Governor**

Consolidate all agency appropriations into one account.

**Final**

Maintain existing appropriated accounts.

**Transfer Funding to Agencies for Fringe Benefits**

Agency Operations	1,124,683	-	(1,124,683)
<b>Total - General Fund</b>	<b>1,124,683</b>	-	<b>(1,124,683)</b>

**Background**

Funding for fringe benefits for General Fund and Special Transportation Fund supported employees is budgeted centrally in the State Comptroller-Fringe Benefit accounts.

**Governor**

Transfer funding of \$1,124,683 from the Office of the State Comptroller to the Agency Operations account to support fringe benefit costs for employers' social security and Medicare taxes, active employee health, and the normal retirement costs for employees whose earnings are supported by the General Fund and the Special Transportation Fund.

**Final**

Maintain funding for fringe benefits within the Office of the State Comptroller.

**Reduce Funding for Various Accounts**

Personal Services	-	(140,554)	(140,554)
Other Expenses	-	(262,382)	(262,382)
Honor Guards	-	(22,623)	(22,623)
Veteran's Service Bonuses	-	(3,241)	(3,241)
Agency Operations	(339,690)	-	339,690
<b>Total - General Fund</b>	<b>(339,690)</b>	<b>(428,800)</b>	<b>(89,110)</b>

**Background**

The Governor reduces funding in the new Agency Operations accounts across state agencies by \$267.9 million.

**Governor**

Reduce funding by \$339,690 to reflect a 5.75% reduction.

**Final**

Reduce various accounts by \$428,800.

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
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**Reduce Funding for State Active Duty**

Personal Services	(45,000)	(45,000)	-
<b>Total - General Fund</b>	<b>(45,000)</b>	<b>(45,000)</b>	<b>-</b>

**Governor**

Reduce funding by \$45,000 to reflect limiting state active duty personnel to only emergency activations ordered by the Governor.

**Final**

Same as Governor

**Reduce Funding to Refill Vacant Positions**

Personal Services	(25,000)	(25,000)	-
<b>Total - General Fund</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>-</b>

**Governor**

Reduce funding by \$25,000 to reflect filling current vacancies at lower steps.

**Final**

Same as Governor

**Reduce Funding for Overtime**

Personal Services	(30,000)	(30,000)	-
<b>Total - General Fund</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>-</b>

**Background**

In FY 15, the Military Department's overtime expenditures out of the General Fund were approximately \$104,000.

**Governor**

Reduce funding of \$30,000 to reflect the implementation of overtime saving initiatives.

**Final**

Same as Governor

**Totals**

Budget Components	Governor Revised FY 17	Final FY 17	Difference from Governor
Original Appropriation - GF	6,183,317	6,183,317	-
Policy Revisions	509,327	(704,466)	(1,213,793)
<b>Total Recommended - GF</b>	<b>6,692,644</b>	<b>5,478,851</b>	<b>(1,213,793)</b>

Positions	Governor Revised FY 17	Final FY 17	Difference from Governor
Original Appropriation - GF	42	42	-
<b>Total Recommended - GF</b>	<b>42</b>	<b>42</b>	<b>-</b>

## Other Significant Legislation

### PA 16-2, An Act Adjusting the State Budget for the Biennium Ending June 30, 2017

Sections 26, 34, 35, and 36 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 17 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 16-2. This includes an Unallocated Lapse of \$54,787 and a Targeted Lapse of \$109,577. See the FY 17 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	2,863,407	(131,684)	2,731,723	4.60%
Other Expenses	2,242,356	(22,423)	2,219,933	1.00%
Honor Guards	326,329	(9,790)	316,539	3.00%
Veteran's Service Bonuses	46,759	(467)	46,292	1.00%