

Adjutant General: David P. Rataczak

JLBC Analyst: Jeremy Olsen

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
<b>PROGRAM BUDGET</b>				
Administration	1,880,500	1,951,200	2,002,000	1,948,900
Emergency Management	3,790,900	5,774,300	5,907,500 <sup>1/</sup>	5,922,400 <sup>1/</sup>
Military Affairs	4,716,200	6,801,300	6,804,800 <sup>1/</sup>	6,544,600 <sup>1/</sup>
<b>AGENCY TOTAL</b>	<b>10,387,600</b>	<b>14,526,800</b>	<b>14,714,300</b>	<b>14,415,900</b>

**OPERATING BUDGET**

	95.6	95.6	95.6 <sup>2/3/</sup>	95.6 <sup>2/3/</sup>
<i>Full Time Equivalent Positions</i>				
Personal Services	1,900,700	2,296,900	2,368,700	2,296,900
Employee Related Expenditures	630,100	801,100	893,300	799,400
Professional and Outside Services	130,400	89,900	89,900	89,900
Travel - In State	94,900	86,200	86,200	86,200
Travel - Out of State	15,400	28,100	28,100	28,100
Other Operating Expenditures	2,121,500	2,642,000	2,656,900	2,636,800
Food	35,000	0	0	0
Equipment	390,100	98,900	95,700	95,700
<b>OPERATING SUBTOTAL</b>	<b>5,318,100</b>	<b>6,043,100</b>	<b>6,218,800</b>	<b>6,033,000</b>

**SPECIAL LINE ITEMS**

Guardsmen Tuition Reimbursement	1,267,900	1,446,000	1,446,000	1,446,000
Military Gift Package Postage	0	100,000	100,000	100,000
National Guard Uniform Allowance	0	0	250,000 <sup>4/</sup>	250,000 <sup>4/</sup>
Project Challenge	1,606,200	2,205,600	1,869,800	1,704,800
Civil Air Patrol	54,200	54,200	54,700	54,200
Governor's Emergency Fund	1,482,600	4,000,000	4,000,000 <sup>5/</sup>	4,000,000 <sup>5/</sup>
Nuclear Emergency Management Fund	658,600	677,900	775,000 <sup>6/</sup>	827,900 <sup>6/</sup>
<b>AGENCY TOTAL</b>	<b>10,387,600</b>	<b>14,526,800</b>	<b>14,714,300<sup>7/8/9/</sup></b>	<b>14,415,900<sup>7/8/9/</sup></b>

**FUND SOURCES**

General Fund	10,309,600	14,394,100	14,581,600	14,283,200
<b>Other Appropriated Funds</b>				
Emergency Response Fund	78,000	132,700	132,700	132,700
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>78,000</b>	<b>132,700</b>	<b>132,700</b>	<b>132,700</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>10,387,600</b>	<b>14,526,800</b>	<b>14,714,300</b>	<b>14,415,900</b>
<b>Other Non-Appropriated Funds</b>				
Federal Funds	436,200	1,867,700	367,700	367,700
<b>TOTAL - ALL SOURCES</b>	<b>111,431,000</b>	<b>153,000,300</b>	<b>73,253,900</b>	<b>72,942,800</b>

1/ Totals do not match General Appropriation Act to reflect actual expenditures. The department will be required to submit a request to the Arizona Department of Administration General Accounting Office to transfer spending authority between cost centers.

2/ Includes 4.5 FTE Positions in FY 2008 and FY 2009 appropriated by Laws 2007, Chapter 25.

3/ Includes 26 FTE Positions funded from Special Line Items in FY 2008 and FY 2009.

4/ Laws 2007, Chapter 259 appropriation of \$250,000.

5/ Includes expenditures authorized by A.R.S. § 35-192, which states that up to \$4,000,000 may be spent on disaster prevention and mitigation. This amount is not included in the General Appropriation Act. The amount includes prior year authorizations.

6/ Pursuant to A.R.S. § 26-306.02, this appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriation, however, any unexpended monies shall be used to reduce the assessment and appropriation in future years.

7/ The Department of Emergency and Military Affairs appropriation includes \$1,215,000 for service contracts. This amount is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations, except that all FY 2008 monies remaining unexpended and unencumbered on October 31, 2008, and all FY 2009 monies remaining unexpended and unencumbered on October 31, 2009, revert to the state General Fund. (General Appropriation Act footnote)

8/ It is the intent of the Legislature that the Department of Emergency and Military Affairs submit a request to the United States Department of Defense by September 30, 2007 to allow the Department of Emergency and Military Affairs to conduct training exercises for Arizona National Guard units at the Arizona-Mexico border. The Department of Emergency and Military Affairs shall report to the Joint Legislative Budget Committee by December 31, 2007 on the response of the United States Department of Defense to this request. (General Appropriation Act footnote)

9/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

**AGENCY DESCRIPTION** — The department’s Emergency Management Program prepares and coordinates emergency response plans for the state. The Military Affairs Program operates the Arizona National Guard and Project Challenge, an educational program for at-risk youth.

<b>PERFORMANCE MEASURES</b>	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	Approved
<ul style="list-style-type: none"> <li>• % of Project Challenge graduates either employed or in school Comments: The agency did not submit information for this measure in FY 2006 as required by the General Appropriation Act. The agency did not provide an explanation regarding this missing information.</li> </ul>	96	94	NA	95
<ul style="list-style-type: none"> <li>• Customer satisfaction rating for communities served during disasters (Scale 1-8) Comments: The agency did not submit information for this measure in FY 2006 as required by the General Appropriation Act. The agency did not provide an explanation regarding this missing information.</li> </ul>	NA	NA	NA	6.0

**Operating Budget**

The budget provides \$6,218,800 and 65.1 FTE Positions for the operating budget in FY 2008 and \$6,033,000 and 65.1 FTE Positions in FY 2009. These amounts consist of:

	<u>FY 2008</u>	<u>FY 2009</u>
General Fund	\$6,086,100	\$5,900,300
Emergency Response Fund	132,700	132,700

These amounts fund the following adjustment:

**Statewide Adjustments**

The budget provides an increase of \$175,700 from the General Fund in FY 2008 and a decrease of \$(10,100) in FY 2009 for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details. The annualization of these adjustments for FY 2009 will be addressed in the 2008 budget process.)*

**Special Line Items**

**Guardsmen Tuition Reimbursement**

The budget provides \$1,446,000 from the General Fund for the Guardsmen Tuition Reimbursement Program in FY 2008 and FY 2009. This amount is unchanged from FY 2007.

Monies in this line item are used to reimburse eligible guard members for qualifying higher education expenses. In FY 2006, the program awarded funding to 737 guardsmen, who received an average benefit of \$1,962.

**Military Gift Package Postage**

The budget provides \$100,000 from the General Fund for the Military Gift Package Postage Program in FY 2008 and FY 2009. This amount is unchanged from FY 2007. These funds will be used to reimburse individuals and corporations for the cost of mailing gift packages to military personnel serving overseas.

**National Guard Uniform Allowance**

The budget provides \$250,000 from the General Fund in FY 2008 and FY 2009 for the newly created National Guard Uniform Allowance Special Line Item.

The Budget Procedures Budget Reconciliation Bill (Laws 2007, Chapter 259) amended A.R.S. § 26-157 to increase the uniform allowance for National Guard Officers from the existing rate of \$75 for new officers and \$60 per year thereafter, to a new rate of \$250 per year for all officers. The bill also appropriated \$250,000 to DEMA in FY 2008 and FY 2009 to fund the program. The appropriated amount would fund the entire uniform allowance for the approximately 1,000 Arizona National Guard Officers.

**Project Challenge**

The budget provides \$1,869,800 and 26 FTE Positions from the General Fund for Project Challenge in FY 2008 and \$1,704,800 and 26 FTE Positions in FY 2009. These amounts fund the following adjustments:

**Statewide Adjustments**

The budget provides an increase of \$64,200 from the General Fund in FY 2008 and a decrease of \$(800) in FY 2009 for statewide adjustments.

**Multi-Purpose Building**

The budget provides a decrease of \$(400,000) from the General Fund in FY 2008 and \$(500,000) in FY 2009 for a multi-purpose building on the Project Challenge campus. This will result in a \$100,000 appropriation for this project in FY 2008 and no funding in FY 2009.

During the period of FY 2006 through FY 2008, the Legislature has appropriated a total of \$1,100,000 for the construction of the Project Challenge building. It is anticipated that the building will be approximately 18,000 square feet in size and will include a cafeteria/multipurpose space. It is expected to cost a total of \$4,000,000. Current private fundraising has collected approximately \$2,000,000, leaving an outstanding balance of \$900,000.

The Supplemental Appropriations Bill (Laws 2007, Chapter 256) extended the lapsing date of the \$500,000 appropriations made for this purpose in FY 2006 and FY 2007 from June 30, 2007 to June 30, 2008.

Project Challenge is an educational program for at-risk youth. It is located in Queen Creek and accepts approximately 200 students per year. Students entering the program live in residence for 5 months to complete a curriculum in academics, career planning, and physical training, which is followed by a 12-month mentoring period. After completion of the program, most graduates will receive their GED.

#### ***Civil Air Patrol***

The budget provides \$54,700 from the General Fund for the Civil Air Patrol in FY 2008 and \$54,200 in FY 2009. These amounts fund the following adjustment:

#### **Statewide Adjustments**

The budget provides an increase of \$500 from the General Fund in FY 2008 and no change in FY 2009 for statewide adjustments.

Monies in this line item are used to partially offset the costs of required operations and maintenance of aircraft used by volunteers to aid in search and rescue and other emergency missions.

#### ***Governor's Emergency Fund***

The budget provides \$4,000,000 from the General Fund for the Governor's Emergency Fund in FY 2008 and FY 2009. This amount is unchanged from FY 2007. Monies in this line item are authorized in A.R.S. § 35-192 and, therefore, are not included in the General Appropriation Act. The \$4,000,000 in FY 2008 and FY 2009 may be used by the department for emergencies. Under A.R.S. § 35-192, the Governor may, through emergency declarations, authorize up to \$4,000,000 annually from the General Fund for disaster prevention and mitigation without specific appropriation authority.

#### ***Nuclear Emergency Management Fund***

The budget provides a total of \$775,000 and 4.5 FTE Positions from the General Fund for the Nuclear Emergency Management Fund (NEMF) Special Line Item in FY 2008 and \$827,900 and 4.5 FTE Positions in FY 2009. These amounts fund the following adjustments:

#### **NEMF Allocation Increase**

The budget provides an increase of \$97,100 from the General Fund for the NEMF Special Line Item in FY 2008 and an increase of \$150,000 in FY 2009. These amounts represent the increase above the FY 2007 NEMF allocation of \$677,900, originally appropriated in Laws 2005, Chapter 184.

The monies in the line item are appropriated by Laws 2007, Chapter 25. As a result, these monies do not appear in the General Appropriation Act.

Of the total FY 2008 amount, \$384,984 and 4.5 FTE Positions are allocated to the Department of Emergency and Military Affairs' Emergency Management Division for administering and enforcing the state plan for off-site response to an emergency caused by an accident at the Palo Verde nuclear plant. The Emergency Management Division also receives \$333,615 to disburse to agencies of Maricopa County that receive assignments or responsibilities from the nuclear emergency response plan. The remaining \$56,408 is to be disbursed to departments and agencies of the Town of Buckeye for expenses incurred from participation in the nuclear emergency response plan.

The Legislature is required to biennially assess a fee against each group of public service and municipal corporations operating the Palo Verde Nuclear Generating Station. The fee is set at a level necessary to offset the General Fund appropriation to NEMF.

Monies in the NEMF are used for the development and maintenance of a state plan for off-site responses to an emergency caused by an accident at a commercial nuclear generating station. NEMF monies are also used to provide for the equipment, personnel, facilities, training, and testing necessary to comply with federally prescribed criteria.

Monies appropriated to the NEMF are exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations, except that monies left unexpended or unencumbered at the end of the fiscal year shall be used to offset the next year's assessment and appropriation.