

Joint Legislative Budget Committee - Fiscal Year 2000 and 2001 Budget - Analysis and Recommendations

DEPT: Department of Emergency and Military Affairs
 PROG: Military Affairs

JLBC: Brian Schmitz
 House: Johnson

OSPB: Brian Walsh
 Senate: Wettaw

DESCRIPTION	FY 1998	FY 1999	FY 2000		FY 2001	
	ACTUAL	ESTIMATE	OSPB	JLBC	OSPB	JLBC
OPERATING BUDGET						
<i>Full Time Equivalent Positions</i>	48.5	48.5	48.5	48.5	48.5	48.5
Personal Services	1,270,000	1,408,600	1,440,700	1,440,800	1,440,700	1,440,800
Employee Related Expenditures	281,600	348,400	289,500	290,300	298,400	300,900
All Other Operating Expenditures:						
Professional and Outside Services	3,600	24,200	24,200	24,200	24,200	24,200
Travel - In State	26,900	38,800	49,800	38,800	49,800	38,800
Travel - Out of State	11,200	8,500	8,500	8,500	8,500	8,500
Other Operating Expenditures	1,091,700	1,406,300	1,302,600	1,315,300	1,302,600	1,315,300
Equipment	96,400	35,500	18,500	35,500	18,500	35,500
OPERATING SUBTOTAL	2,781,400	3,270,300	3,133,800	3,153,400	3,142,700	3,164,000
SPECIAL LINE ITEMS						
Service Contracts	852,300	852,300	852,300	852,300	852,300	852,300
Education Reimbursement	36,500	443,000	443,000	443,000	443,000	443,000
Guardsmen - State Active Duty	1,000	5,300	0	0	0	0
Uniform Allowance	3,000	3,000	0	0	0	0
Project Challenge	1,510,400	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
PROGRAM TOTAL	5,184,600	5,973,900	5,829,100	5,848,700	5,838,000	5,859,300
BY FUND SOURCE						
General Fund	5,184,600	5,973,900	5,829,100	5,848,700	5,838,000	5,859,300
Other Non-Appropriated Funds	5,997,500	8,320,400	7,929,500	7,929,500	7,918,700	7,918,700
Federal Funds	13,808,800	16,790,700	16,271,500	16,271,500	13,942,300	13,942,300
TOTAL - ALL SOURCES	24,990,900	31,085,000	30,030,100	30,049,700	27,699,000	27,720,300

Program Description — *The division manages and operates the Arizona National Guard, which includes the Army and Air National Guard.*

Change in Funding Summary	FY 1999 to FY 2000 JLBC		FY 2000 JLBC to FY 2001 JLBC	
	\$ Change	% Change	\$ Change	% Change
General Fund	\$(125,200)	(2.1)%	\$10,600	0.2%

Recommended Changes from Prior Year

		<u>FY 2000</u>	<u>FY 2001</u>
Standard Changes			
Pay Annualization	GF	\$ 31,700	\$ -0-
ERE Rates	GF	(62,900)	10,600
Risk Management	GF	(94,000)	-0-

Education Reimbursement GF -0- -0-
 The Legislature appropriated \$400,000 in FY 1999 to reimburse National Guard members for a portion of their education costs. The JLBC recommends continuation of this funding. This amount is displayed in the Education Reimbursement Special Line Item. The Executive concurs.

Transfer of Uniform

Allowance and Guardsmen GF -0- -0-
 The JLBC recommends transferring \$3,000 from the Uniform Allowance Special Line Item and \$5,300 and 1 FTE Position from the Guardsmen - State Active Duty Special Line Item to the operating budget. As small and ongoing parts of the agency's activities, the resources for these activities are more appropriately placed in the operating budget. The Executive does not address this issue.

JLBC Recommended Format — Operating Lump Sum with Special Line Items for the Program

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JLBC Recommended Footnotes

Continued Footnotes

The \$852,300 appropriated for Service Contracts is exempt from A.R.S. § 35-190, relating to lapsing of appropriations, except that all FY 2000 monies remaining unexpended and unencumbered on October 31, 2000 shall revert to the state General Fund, and all FY 2001 monies remaining unexpended and unencumbered on October 31, 2001 shall revert to the state General Fund.

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote concerning the requirement that the department report on the financial benefit of the new Assistant Adjutant General for the Air National Guard. This report is no longer necessary.

Other Issues for Legislative Consideration

Project Challenge

The agency has requested \$1,920,000 from the General Fund in FY 2000 to enable it to relocate and construct educational facilities for its Project Challenge program. Project Challenge is a quasi-military school for high school dropouts run by the Arizona National Guard that equips youth with life skills and offers classes to fulfill requirements for the General Equivalency Diploma (GED). It was originally funded entirely with federal monies, but federal funding for the program has been reduced to 75% of the FY 1994 funding level and will fall to 60% by FY 2002. The program is currently renting space on the campus of ASU-East, but its lease is set to expire on July 1, 2000. ASU-East has informed Project Challenge that it will not renew the lease. Project Challenge has identified a nearby site for relocation, but it would require construction of dormitories and an administrative building. The Executive recommends a one-time expenditure of \$2,820,000 in FY 2000 for this purpose in its capital budget recommendation.

Performance Measures	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Estimate	Estimate
Facilities rated unsatisfactory by the National Guard Bureau	47%	57%	60%	N/A
Project Challenge graduates either employed or in school	N/A	80%	82%	82%
Units reaching readiness goals	84%	89%	100%	100%
Work orders completed within 14 days	35%	40%	75%	75%
Air Guard missions without flying accidents	100%	100%	100%	100%

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