

## **FY2016 Governor's Proposed Budget Adjustment - *Military***

### *Representing the Adjutant General:*

Brigadier General Michael T. Heston, Deputy Adjutant General, Department of the Military

Ken Gragg, Financial Director, Adjutant General's Office

The Military Department is requesting a total of \$88,484 as an FY2016 Budget Adjustment. The request is to cover one unforeseen cost and one related to how the FY2016 initial budget was represented.

The Department is requesting \$39,484 to support the Armed Services Scholarship Fund.

- Based on a misunderstanding about how the budget authority worked for this special fund, the authority was initially requested in the FY2016 budget as special funds tied to fund 21975 and wasn't requested as part of the General Fund (GF). The supporting legislative language directs the Office of Finance and Management to move the funds from Military's GF to the special fund.
- Therefore, once the \$39,484 was moved from the Office of Veterans Affairs GF there became an operational shortfall. This GF shortfall in the Office of Veterans Affairs will significantly impact their ability to meet program requirements to include payroll, operating cost and grants to needy veterans.
- The issue has been corrected for the FY2017 budget submission.

The Department is requesting \$49,000 to support the Federal Caps on Military Leave reimbursement.

- Military budget is approximately 85% funded by federal grants. The Federal Fiscal Year 2015 grant for the State Firefighters located at the Burlington International Airport only authorizes up to 168 hours of military leave for reimbursement.
  - o Currently, the VSEA contract stipulates that military leave is charged as a duty day. In the case of the firefighters a duty day is 20.75 hours. Therefore, if they use all 15 days of military leave they have accrued 311.25 hours. 21 of the 29 State Firefighters are military members

- By the end of federal fiscal year 2015 (September 30, 2015), the firefighter program exceeded the leave cap by \$51,945.83. However, Military needs \$49,000 and can absorb the additional \$2,945.83.
  - The impact is that those salary expenses had to be re-directed to the Air Services GF. This current shortfall in the Air Services GF will significantly impact their ability to meet program requirements to include payroll and operating cost (e.g. utilities, facility maintenance, etc.). A compounding factor is that the program is a share matching program. For each GF dollar the program receives \$3 in federal match. Therefore, the \$49,000 GF shortfall equals a \$147,000 federal matching shortfall or a total budget impact of \$196,000.
- Potential mitigation for the FY2017 budget is having the VSEA language for the Firefighter appendix of the contract modified to allow the firefighter to sign military leave by the hour instead of the duty day. This is being negotiated on behalf of management as part of the contract negotiations.