

# D50H01 Military Department

## *Operating Budget Data*

(\$ in Thousands)

	<b><u>FY 06</u></b> <b><u>Actual</u></b>	<b><u>FY 07</u></b> <b><u>Working</u></b>	<b><u>FY 08</u></b> <b><u>Allowance</u></b>	<b><u>FY 07-08</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$13,692	\$15,446	\$15,322	-\$124	-0.8%
Special Fund	9,587	12,124	12,124	0	
Federal Fund	<u>41,772</u>	<u>38,808</u>	<u>50,544</u>	<u>11,737</u>	<u>30.2%</u>
<b>Total Funds</b>	<b>\$65,051</b>	<b>\$66,378</b>	<b>\$77,990</b>	<b>\$11,612</b>	<b>17.5%</b>

- The 2008 allowance provides a \$125,000 general fund deficiency for costs associated with the gubernatorial inauguration and a \$62,054 general fund deficiency for the Civil Air Patrol for unexpected facility maintenance.
- The allowance increases by \$11.6 million, or 17.5% over the fiscal 2007 working appropriation. Absent the one-time savings in health insurance, the budget actually grows by \$12.9 million, or almost 20.0%.
- Federal funds drive the increase in the allowance. Approximately \$11.5 million is included in the fiscal 2008 allowance primarily to reimburse State and local agencies for costs associated with severe rain and flooding in June 2006.

## *Personnel Data*

	<b><u>FY 06</u></b> <b><u>Actual</u></b>	<b><u>FY 07</u></b> <b><u>Working</u></b>	<b><u>FY 08</u></b> <b><u>Allowance</u></b>	<b><u>FY 07-08</u></b> <b><u>Change</u></b>
Regular Positions	395.00	395.00	406.00	11.00
Contractual FTEs	<u>62.50</u>	<u>34.50</u>	<u>34.50</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>457.50</b>	<b>429.50</b>	<b>440.50</b>	<b>11.00</b>

### *Vacancy Data: Regular Positions*

Turnover, Excluding New Positions	25.09	6.18%
Positions Vacant as of 12/31/06	85.00	21.52%

Note: Numbers may not sum to total due to rounding.

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- The allowance includes 11 additional positions to replace National Guard soldiers with civilian employees within the Maryland Joint Operations Center. The new positions will be funded with general funds (50%) and Federal Emergency Management Performance Grant funds (50%).
- The year-end vacancy rate is 21.52%, notably higher than the budgeted turnover of 6.18%. Vacancies are largely attributable to a significant number of security positions added in fiscal 2006 that remain unfilled.

## *Analysis in Brief*

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### **Major Trends**

***Workplace Accidents Result in Lost Work Hours:*** In recent years, numerous work hours have been lost due to accidents within the Maryland Air National Guard and the Maryland Army National Guard.

***Department Continues Working to Improve Facilities:*** The department has increased the percentage of its facilities in fully functioning status.

***Performance of Challenge Program Participants Is Rebounding:*** After posting low results in fiscal 2004 and 2005, the educational and employment attainment of Challenge students is improving.

### **Issues**

***High Vacancy Rates within the Maryland Army and Air Guards:*** The department is carrying a high number of vacancies due to an unfilled directive from the National Guard Bureau to transfer federal security positions to state security positions. **The department should brief the committee on the current status of the vacant security positions and whether or not they will be able to utilize the positions.**

***Special Fund Expenditures Partially Unsupported for the Maryland State Firemen’s Association Grants:*** According to Chapter 430 of 2004, the Budget Reconciliation and Financing Act, the loan repayments from the Volunteer Company Assistance Fund may only be used to fund grants to the Maryland State Firemen’s Association for administrative expenses and to the widows and orphans program in fiscal 2005, 2006, and 2007. However, the fiscal 2008 allowance was submitted with apparent continuation of the special funds for this purpose without legislative authority. **The department should discuss its plans to address this budgetary oversight. Additionally, the Department of Legislative Services (DLS) recommends that budget bill language be added that requires the department to include with each budget submission the expenditure and revenue detail for the Maryland State Firemen’s Association grant program.**

***Maryland Emergency Management Agency (MEMA) Struggles to Measure Emergency Readiness:***

The agency is responsible for providing statewide coordination of mitigation, preparedness, and response and recovery activities to emergency situations. However, the agency's Managing for Results data are not reflective of this weighty responsibility. **The department should brief the budget committees on its current assessment of readiness capabilities. Further, DLS recommends that the department develop performance measures that more accurately reflect its goal of meeting new federal standards or any other performance measures that would gauge the State's ability to prepare for and respond to disasters.**

**Recommended Actions**

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete 2.5 long-term vacant positions.	\$ 130,389	2.5
2. Add budget language requesting budget submission detail for the Maryland State Firemen's Association.		
3. Reduce funds for postage.	6,710	
4. Adopt committee narrative on performance measures within the Maryland Emergency Management Agency.		
<b>Total Reductions</b>	<b>\$ 137,099</b>	<b>2.5</b>

**Updates**

***Remnants of Isabel Remain with the Maryland Emergency Management Agency:*** MEMA was required to house victims of Hurricane Isabel much longer than expected.

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***Operating Budget Analysis***

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**Program Description**

The Military Department provides overall direction, development, and maintenance of the Maryland National Guard (MDNG), which is comprised of the Maryland Army Guard and the Maryland Air Guard. It also operates the Maryland Emergency Management Agency (MEMA). MDNG may be called up by the Governor during State emergencies or may be activated by the federal Department of Defense. MEMA is responsible for the overall statewide direction, development, implementation, and coordination of a number of emergency response activities. MEMA works in concert with local jurisdictions, State departments and agencies, federal departments and agencies, and private and volunteer organizations.

To fulfill its mission, the Military Department oversees the construction, operations, and maintenance of armories and other facilities. Operating expenses of MDNG facilities are a shared State and federal responsibility. The equipment of MDNG is solely a federal responsibility provided for under the U.S. Department of Defense, National Guard Bureau (NGB). Active members of MDNG units receive pay and allowances while under inactive status (drill) or active duty status (training). These expenses are also the sole responsibility of NGB. During Governor call-ups, MDNG salaries and expenses are the responsibility of the State (see Article 65, Section 32 of the Annotated Code); however, there is no funding provision in the Military Department's State operating budget for these expenses. The Board of Public Works (BPW) makes mission-specific emergency allocations of funds for State call-ups. These activities include mitigation, preparedness, response, and recovery.

The Military Department's goals are to:

- ensure proper readiness for its missions;
- maintain all facilities so that they are adequate for training and supporting MDNG in its operations;
- successfully operate the Military Youth Challenge program for at-risk youth; and
- develop and maintain the capability to perform the 13 emergency management functions in the Capability Assessment for Readiness standard.

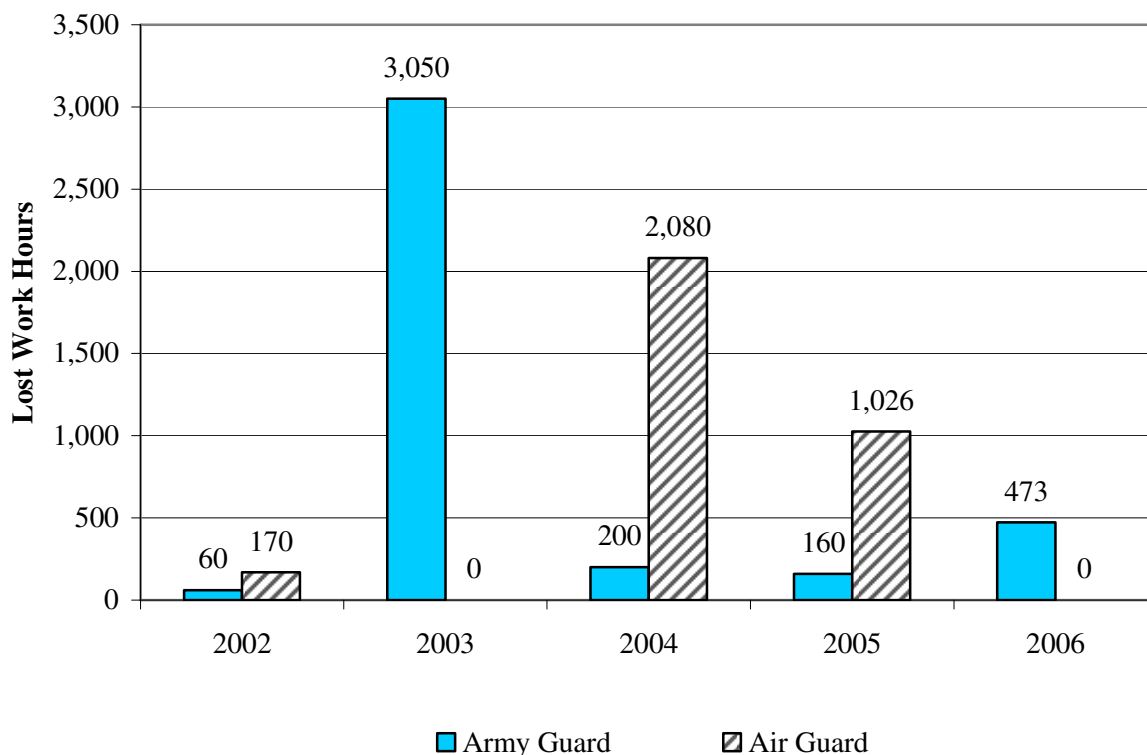
## **Performance Analysis: Managing for Results**

### **Workplace Accidents Result in Lost Work Hours**

The nature of much of the work within the Military Department is such that it inherently involves risk. As such, accidents will happen, often resulting in serious injuries. It is the department's goal that all operations and maintenance of facilities are performed in a safe manner that promotes the health and welfare of the workforce.

The Army Guard and the Air Guard experienced surges in lost work hours due to accidents in fiscal 2003 and 2004 as shown in **Exhibit 1**. The department has fared better in subsequent years, although the fiscal 2006 lost work hour total is significantly more than the department's estimate of 40 total hours of lost work.

**Exhibit 1**  
**Lost Work Hours Due to Accidents**  
**Fiscal 2002-2006**



Source: Military Department

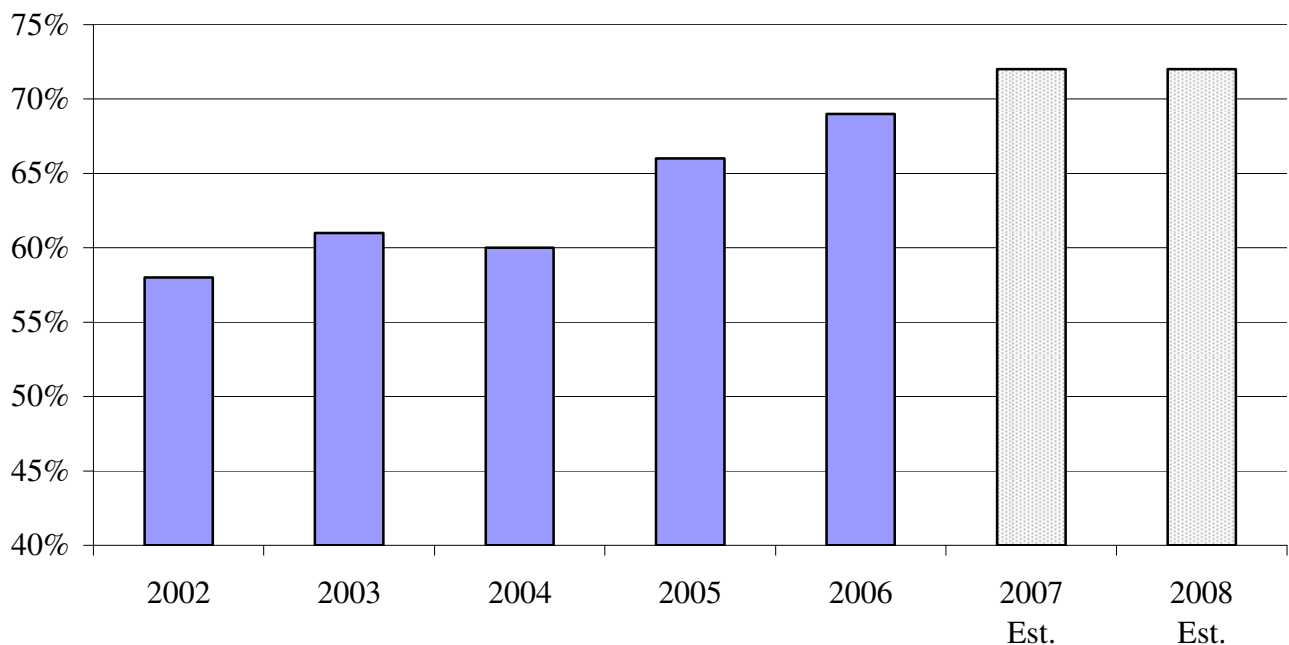
The department should be prepared to brief the committees on what preventative measures it takes to ensure a safe workplace despite risks inherent in the work.

### **Department Continues Working to Improve Facilities**

In response to a 2004 *Joint Chairmen's Report*, the department evaluated its armory situation and its facility and property management. The average age of its armories is 50 years old and many are in disrepair. The department conducted a thorough inventory to decide if facilities are capable of supporting ongoing operations, if facilities meet critical mission requirements, and if the facility supports space requirements, among other factors. This effort is reflective in the positive trend in the percentage of facilities in fully functional status as shown in **Exhibit 2**.

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**Exhibit 2**  
**Facilities in Fully Functional Status**  
**Fiscal 2002-2008**



Source: Military Department

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## Performance of Challenge Program Participants Is Rebounding

The Maryland Guard operates the Military Youth Challenge Program for at-risk youths. Its goal is to reach at-risk youth and give them the life skills necessary to maintain employment or to continue their schooling. The program is a National Guard Bureau initiative in which state guard units elect to participate. Currently, 26 states participate (including Puerto Rico). The federal/state cooperative agreement funds the program at the state level with a 60% federal and 40% state split.

In recent years, the achievements of Maryland participants have fallen. However, performance measures begin to improve in fiscal 2006, as shown in **Exhibit 3**. Approximately 72% of graduates maintain employment and 56% graduate with a General Education Diploma (GED). Although an improvement, the achievements fall short of departmental goals. The department estimated that participants would reach a 92% employment rate and a 75% graduation rate in 2006. Despite several years of lower than estimated performance, the department persists with ambitious estimates for the out-years. Also, Maryland participants are behind the national average in at least one measure. At last report, the National Guard Bureau stated that 67% of graduates received their GED.

The department should discuss whether its goals are reasonable given recent performance and why it falls short of national performance averages.

**Exhibit 3**  
**Military Youth Challenge Program**  
**Selected Measures**  
**Fiscal 2001-2008**



Source: Military Department



## **Fiscal 2007 Actions**

### **Proposed Deficiency**

The allowance provides for two general fund deficiencies for fiscal 2007 totaling \$187,054. The department is responsible for the preparations for the gubernatorial inauguration. The allowance includes a deficiency of \$125,000 for this purpose. Expenses include invitations, postage, staging, active duty soldiers, and portable restrooms.

An additional \$62,054 deficiency is to provide funds to the Civil Air Patrol (CAP) to assist with unexpected facility maintenance costs. This Maryland division of the civilian auxiliary of the U.S. Air Force is partially funded by an annual general fund grant through MEMA of \$38,700. CAP also receives funds from the U.S. Air Force and through private donations.

## **Governor's Proposed Budget**

As shown in **Exhibit 4**, the fiscal 2008 allowance increases by \$11.6 million, or 17.5% over the fiscal 2007 working appropriation. However, one-time use of the health insurance surplus for retiree benefits masks a greater increase. Absent the one-time savings in health insurance, the budget actually grows by \$12.9 million, or almost 20.0%.

### **Personnel**

The allowance includes the addition of 11 positions in the Maryland Joint Operations Center (MJOC) within the Maryland Emergency Management Agency. The new positions are to replace federally paid National Guard military personnel with State civilian employees. The center is a 24-hour facility serving as a communications hub for emergency responders statewide and supporting local emergency management. In this role, the personnel within the MJOC monitor local, State, national, and international events, and alerts decision-makers when a situation warrants.

The new emergency management operations officers account for approximately \$353,000 in the fiscal 2008 allowance. The positions will be funded with general funds (50%) and Federal Emergency Management Performance Grant funds (50%).

## **Maryland Emergency Management Agency**

In June 2006, severe rain and flooding caused much damage to Caroline and Dorchester counties. One week later, the area was declared a disaster by the U.S. Department of Homeland Security, thereby, securing federal relief funding. In the fiscal 2008 allowance, there is approximately \$11.5 million in federal funds provided by the Public Assistance Grant Program. The funds will allow MEMA to reimburse first responders for costs incurred as a result of the disaster.

**Exhibit 4**  
**Governor's Proposed Budget**  
**Military Department**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Total</u></b>
2007 Working Appropriation	\$15,446	\$12,124	\$38,808	\$66,378
2008 Governor's Allowance	<u>15,322</u>	<u>12,124</u>	<u>50,544</u>	<u>77,990</u>
Amount Change	-\$124	\$0	\$11,737	\$11,612
Percent Change	-0.8%		30.2%	17.5%

**Where It Goes:****Personnel Expenses**

New positions .....	\$353
Increments and other compensation .....	769
Reclassifications .....	-229
One-time health insurance savings .....	-1,213
Employee Retirement System.....	379
Workers' compensation premium assessment .....	219
Turnover adjustments .....	-96
Other fringe benefit adjustments .....	133

**Other Changes*****Air Operations and Maintenance***

Increase in utility costs .....	56
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***Army Operations and Maintenance***

Increase in utility costs .....	389
Reduction in use of Department of General Services security .....	-258

***Maryland Emergency Management Agency***

Increase in federal aid primarily due to severe rain and flooding in 2006 .....	10,411
Increase due to software enhancements.....	252
Increase in contractual computer programming costs .....	205
Increase in travel and training.....	123

***Miscellaneous***

Other .....	119
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<b>Total</b>	<b>\$11,612</b>
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Note: Numbers may not sum to total due to rounding.

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Caroline and Dorchester counties will receive the bulk of the funds. MEMA will retain a portion for administrative costs, while the remainder will be disbursed to other State and local agencies that assisted during the disaster.

Funds for software upgrades are also included in the fiscal 2008 allowance. The upgrades will allow for a web-based interface system for emergency managers to enhance interoperability during times of emergency. Additionally, satellite software and weather forecasting software will be improved to provide for better emergency preparedness. The majority of this funding is split evenly between federal and general funds.

The allowance also provides for additional training for emergency managers and first responders. The training will include technical guidance for staff based on the agency's new technology, public assistance and hazard mitigation training, and counter terrorism training.

## ***Issues***

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### **1. High Vacancy Rates within the Maryland Army and Air Guards**

The department is currently carrying a vacancy rate of 21.52%. This is largely due to recently acquired, yet unfilled security personnel.

In fiscal 2006, the National Guard Bureau (NGB) issued a directive to state guard units that required the transfer of security personnel from federal status to state status. The department has used soldiers in federal status to provide force protection at State facilities. In response to the NGB directive, the department added over 30 federally funded State positions to its personnel by BPW action in late fiscal 2006.

To date, the positions remain largely unfilled. Security is still, in large part, being provided by federal personnel. The department is encountering some resistance from federal personnel unwilling to convert to State status employees.

**The department should brief the committee on the current status of the vacant security positions and whether or not they will be able to utilize the positions.**

### **2. Special Fund Expenditures Partially Unsupported for the Maryland State Firemen's Association Grants**

The Maryland State Firemen's Association grant program includes the Volunteer Company Assistance Fund, which provides grants and loans to assist companies with purchases, replacement, or refurbishing of equipment or structures; the Trustee's Relief Account (Widows and Orphans Fund); and administrative expenses.

According to Chapter 430 of 2004, the Budget Reconciliation and Financing Act, the loan repayments from the Volunteer Company Assistance Fund may be used to fund grants to the Maryland State Firemen's Association for administrative expenses and for the widows and orphans grant program in fiscal 2005, 2006 and 2007 only. However, the fiscal 2008 allowance was submitted with apparent continuation of the special funds for this purpose, without statutory authority.

To correct this issue, a general fund deficiency is required to fund the administrative expenses and grants to the widows and orphans program in fiscal 2008, or legislation must be enacted allowing the use of special funds for this purpose in fiscal 2008.

**The department should discuss its plans to address this budgetary oversight. Additionally, the Department of Legislative Services (DLS) recommends that budget bill language be added that requires the department to include with each budget submission the expenditure and revenue detail for the Maryland State Firemen's Association grant program.**

### **3. Maryland Emergency Management Agency Struggles to Measure Emergency Readiness**

The agency is responsible for providing statewide coordination of mitigation, preparedness, and response and recovery activities to emergency situations. Reflecting this responsibility, the agency appropriately includes “readiness” as a goal in its Managing for Results submission. The Federal Emergency Management Agency (FEMA) changed the federal standard of readiness from the Capability Assessment for Readiness to the standards of the Emergency Management Accreditation Program (EMAP). EMAP is a voluntary review process for state and local emergency management programs. Accreditation is a means of demonstrating, through self-assessment, documentation and peer review, that a program meets national standards for emergency management programs.

In response to the new federal standard, MEMA has altered its readiness goal: *Develop and maintain the capability to effectively perform the 15 program areas as defined by the National Emergency Management Association, in EMAP to prepare for, mitigate against, respond to, and recover from disasters.*

The 15 program areas under the EMAP Standard are:

- Program Management;
- Laws and Authorities;
- Hazard Identification and Risk Assessment;
- Hazard Mitigation;
- Resource Management;
- Mutual Aid;
- Planning;
- Direction, Control, and Coordination;
- Communications and Warning;
- Operations and Procedures;
- Logistics and Facilities;
- Training;

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- Exercises, Evaluations, and Corrective Action;
- Crisis Communications, Public Education, and Information; and
- Finance and Administration.

According to EMAP, most of Maryland's surrounding states have achieved the EMAP accreditation, including Pennsylvania, Virginia, and the District of Columbia. Maryland was assessed in 2003 and did not receive accreditation. The State met only 24 of the 54 elements within the program areas. The State has not yet indicated that it will apply for a reassessment.

Although MEMA has adopted the new federal standards within its Managing for Results goals, it has not proposed any performance measures that would gauge its progress in meeting the standard. The results of the 2003 assessment were only made available upon request by DLS. It is, therefore, difficult to assess the agency's readiness to respond to emergency situations.

**The department should brief the committees on its current assessment of readiness capabilities. Further, DLS recommends that the department develop performance measures that more accurately reflect its goal of meeting EMAP standards or any other performance measures that would gauge the State's ability to prepare for and respond to disasters.**

## ***Recommended Actions***

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- |   | <b><u>Amount<br/>Reduction</u></b> |    | <b><u>Position<br/>Reduction</u></b> |
|---|------------------------------------|----|--------------------------------------|
| 1. Delete 2.5 positions that have been vacant for over one year: position #074942 within Administrative Headquarters; position #074981B within Army Operations and Maintenance; and position #074944 within the Maryland Emergency Management Agency. The divisions appear to be performing its responsibilities without filling these positions. | \$ 102,252                         | GF | 2.5                                  |
|   | \$ 28,137                          | FF |                                      |

2. Add the following language:

It is the intent of the General Assembly that the Military Department include in future budget submissions the line item detail for the Maryland State Firemen's Association grants, including administrative expenses, the Trustee's Relief Account (Widows and Orphans Fund), and the Volunteer Company Assistance Fund's grants and loans. It is also the intent of the General Assembly that the Military Department should include the revenue sources that support each expenditure. Three years of detail should be included, showing the most recent actual expenditure, the current year working appropriation, and the allowance.

**Explanation:** This language expresses the intent of the General Assembly that the Military Department clearly enumerates the expenditures and revenue sources for the Maryland State Firemen's Association grant program.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Budget submission detail	Military Department	With the submission of the fiscal 2009 allowance and each submission thereafter

- |  | <b><u>Amount<br/>Reduction</u></b> |    | <b><u>Position<br/>Reduction</u></b> |
|--|------------------------------------|----|--------------------------------------|
| 3. Reduce the increase in postage to reflect actual expenditures in prior years. | 6,710                              | GF |                                      |

4. Adopt the following narrative:

**Performance Measures:** The committees request that the Maryland Emergency Management Agency (MEMA) develop performance measures that more accurately reflect its goal of meeting the federal Emergency Management Accreditation Program standards. The agency should also consider and include within its Managing for Results data any other performance measures that would gauge the State's ability to prepare for and respond to disasters.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>	
Performance measures	MEMA	With the submission of the fiscal 2009 allowance	
<b>Total Reductions</b>		<b>\$ 137,099</b>	<b>2.5</b>
<b>Total General Fund Reductions</b>		<b>\$ 108,962</b>	
<b>Total Federal Fund Reductions</b>		<b>\$ 28,137</b>	



## ***Updates***

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### **1. Remnants of Isabel Remain with the Maryland Emergency Management Agency**

The State of Maryland housed numerous in-state and out-of-state families that were displaced from their homes due to Hurricanes Isabel and Katrina. The Federal Emergency Management Agency transferred ownership of several trailers to MEMA in fiscal 2006.

After Hurricane Isabel impacted Maryland in 2003, FEMA and State officials determined that home repair and rental assistance did not meet the housing needs. Accordingly, FEMA supplied temporary housing units in the form of travel trailers and mobile homes to applicants deemed eligible by FEMA. The applicants' residences had become unsafe for habitation; therefore, housing units were utilized until individuals could repair damages. FEMA determined that the threshold for assistance began at \$5,000 in real property damage.

FEMA also set the time limits for occupation of the temporary units at 18 months which expired March 2005. Initially, there were 288 households in 288 temporary housing units. Several of the households asked to stay beyond the FEMA time limitations. The State requested an initial 18-month extension, and this was granted until September 2006. In September 2006, this extension expired, and FEMA contacted State officials that FEMA could no longer administer this program. About a dozen households still occupied the temporary trailers. At this time, the State began managing this program so that no State residents would be displaced. A FEMA/MEMA transfer agreement was executed for the remaining units.

MEMA had asked that all individuals be back into their own homes as of December 31, 2006. At last report, only one household is still being housed in a temporary unit. However, a departure date is imminent.

## ***Current and Prior Year Budgets***

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### **Current and Prior Year Budgets Military Department (\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2006</b>					
Legislative Appropriation	\$13,312	\$174	\$35,445	\$0	\$48,931
Deficiency Appropriation	230	0	0	0	230
Budget Amendments	150	10,827	6,676	0	17,653
Reversions and Cancellations	0	-1,415	-349	0	-1,764
<b>Actual Expenditures</b>	<b>\$13,692</b>	<b>\$9,586</b>	<b>\$41,772</b>	<b>\$0</b>	<b>\$65,050</b>
<b>Fiscal 2007</b>					
Legislative Appropriation	\$15,280	\$12,124	\$38,807	\$0	\$66,211
Budget Amendments	166	0	0	0	166
<b>Working Appropriation</b>	<b>\$15,446</b>	<b>\$12,124</b>	<b>\$38,807</b>	<b>\$0</b>	<b>\$66,377</b>

Note: Numbers may not sum to total due to rounding.

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## **Fiscal 2006**

The fiscal 2007 budget bill included fiscal 2006 deficiency appropriations of \$230,000 – a \$150,000 general fund deficiency to offset a loss of funding for the Challenge Youth Program and an \$80,000 general fund deficiency for temporary office space for the Maryland Emergency Management Agency.

Fiscal 2006 general funds were further increased through budget amendments including \$111,688 in cost-of-living adjustments (COLA) and \$38,700 for statewide telecommunications reallocation.

Special funds were similarly increased by budget amendment. Special funds in the amount of \$6,842,444 was transferred to the Military Department for the Maryland State Firemen's Association Fund and the Senator William H. Amoss Fire, Rescue, and Ambulance Fund. Additionally, \$3,823,460 was amended to the budget and is related to Hurricane Katrina response and Maryland's participation in the Emergency Management Assistance Compact, Interstate Mutual Aid Request. Maryland is legally obligated to provide assistance during federally declared disasters. The amendment provides reimbursement funds to those entities that fulfilled the compact's requirements in the aftermath of the hurricane. However, actual costs through the compact were less than expected. Therefore, the department cancelled approximately \$1.4 million in special funds.

Federal funds increased a total of \$6,676,029 in fiscal 2006. The Cooperative Agreement between the National Guard Bureau and the Maryland Military Department provides for the federal reimbursement of certain State expenditures. According to the terms of the agreement and only as funds become available, the NGB reimburses the State for a percentage of the operating expenditures within Air Operations and Maintenance and Army Operation and Maintenance. This provides the NGB with the opportunity to ensure the national uniformity of state guard units. Funds increased by \$2,181,029 for this purpose. Federal funds also increased to reimburse the Maryland Military Department for personnel costs incurred at the department's headquarters that were in support the federal mission (\$145,000).

The amendment also includes \$350,000 in NGB Cooperative Agreement federal funds to reimburse the department for the 2006 National Guard Youth Challenge Invitational; a one-time event hosted by the State. Funds are provided to reimburse the State for the costs of hosting the event, including food, lodging, and speakers for the participants competing from approximately 10 surrounding states.

The remaining \$4 million in federal funds became available during fiscal 2006 through the federal Hurricane Katrina Public Assistance Grant. The funds reimbursed Maryland agencies, local jurisdictions, nonprofit organizations, and private individuals for costs incurred to provide evacuation and sheltering services for refugees of Hurricane Katrina. Costs incurred also include MEMA operating expenses and sub-awardee operating expenses related to the evacuation.

**Fiscal 2007**

The fiscal 2007 allowance was increased by a net of \$166,000 due to a COLA (\$168,817), offset by a statewide deduction for a comprehensive salary study (-\$2,596).

**Object/Fund Difference Report  
Military Department**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	395.00	395.00	406.00	11.00	2.8%
02 Contractual	62.50	34.50	34.50	0	0%
<b>Total Positions</b>	<b>457.50</b>	<b>429.50</b>	<b>440.50</b>	<b>11.00</b>	<b>2.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 17,238,644	\$ 21,473,516	\$ 21,788,059	\$ 314,543	1.5%
02 Technical and Spec. Fees	2,224,701	1,031,223	1,013,851	-17,372	-1.7%
03 Communication	671,162	664,913	724,744	59,831	9.0%
04 Travel	351,390	249,837	290,085	40,248	16.1%
06 Fuel and Utilities	3,204,709	3,378,178	3,866,786	488,608	14.5%
07 Motor Vehicles	387,252	314,915	252,652	-62,263	-19.8%
08 Contractual Services	6,534,402	2,503,499	3,511,902	1,008,403	40.3%
09 Supplies and Materials	1,026,806	800,132	737,877	-62,255	-7.8%
10 Equipment – Replacement	248,063	225,749	226,155	406	0.2%
11 Equipment – Additional	343,318	73,490	85,056	11,566	15.7%
12 Grants, Subsidies, and Contributions	32,231,144	33,461,301	43,572,205	10,110,904	30.2%
13 Fixed Charges	184,250	610,076	329,639	-280,437	-46.0%
14 Land and Structures	405,167	1,590,910	1,590,910	0	0%
<b>Total Objects</b>	<b>\$ 65,051,008</b>	<b>\$ 66,377,739</b>	<b>\$ 77,989,921</b>	<b>\$ 11,612,182</b>	<b>17.5%</b>
<b>Funds</b>					
01 General Fund	\$ 13,692,484	\$ 15,445,965	\$ 15,321,517	-\$ 124,448	-0.8%
03 Special Fund	9,586,908	12,124,267	12,124,267	0	0%
05 Federal Fund	41,771,616	38,807,507	50,544,137	11,736,630	30.2%
<b>Total Funds</b>	<b>\$ 65,051,008</b>	<b>\$ 66,377,739</b>	<b>\$ 77,989,921</b>	<b>\$ 11,612,182</b>	<b>17.5%</b>

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary  
Military Department**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
01 Administrative Headquarters	\$ 2,704,917	\$ 2,983,546	\$ 2,988,048	\$ 4,502	0.2%
02 Air Operations and Maintenance	4,541,871	4,770,585	5,679,735	909,150	19.1%
03 Army Operations and Maintenance	11,749,634	13,655,299	12,956,943	-698,356	-5.1%
05 State Operations	5,344,752	5,334,654	5,253,798	-80,856	-1.5%
06 Maryland Emergency Management Agency	40,709,834	39,633,655	51,111,397	11,477,742	29.0%
<b>Total Expenditures</b>	<b>\$ 65,051,008</b>	<b>\$ 66,377,739</b>	<b>\$ 77,989,921</b>	<b>\$ 11,612,182</b>	<b>17.5%</b>
General Fund	\$ 13,692,484	\$ 15,445,965	\$ 15,321,517	-\$ 124,448	-0.8%
Special Fund	9,586,908	12,124,267	12,124,267	0	0%
Federal Fund	41,771,616	38,807,507	50,544,137	11,736,630	30.2%
<b>Total Appropriations</b>	<b>\$ 65,051,008</b>	<b>\$ 66,377,739</b>	<b>\$ 77,989,921</b>	<b>\$ 11,612,182</b>	<b>17.5%</b>

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.