

## D50H01 Military Department

### *Operating Budget Data*

(\$ in Thousands)

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$13,383	\$13,621	\$13,485	-\$136	-1.0%
Special Fund	174	174	174	0	
Federal Fund	135,314	32,608	35,061	2,452	7.5%
Reimbursable Fund	<u>249</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<b>Total Funds</b>	<b>\$149,120</b>	<b>\$46,404</b>	<b>\$48,720</b>	<b>\$2,316</b>	<b>5.0%</b>
Contingent & Back of Bill Reductions			-34	-34	
<b>Adjusted Total</b>	<b>\$149,120</b>	<b>\$46,404</b>	<b>\$48,686</b>	<b>\$2,282</b>	<b>4.9%</b>

- The largest increase in the fiscal 2006 allowance is \$901,000 for payments to the Department of General Services associated with security upgrades at Camp Fretterd.
- The largest decrease in the fiscal 2006 allowance is \$403,000 in lease payments for telecommunications equipment.
- The fiscal 2006 increase in federal funds is due to fund shifting by the department and a general increase in federal money for security-related agencies.

### *Personnel Data*

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>
Regular Positions	331.00	330.00	330.00	0.00
Contractual FTEs	<u>50.00</u>	<u>34.50</u>	<u>34.00</u>	<u>-0.50</u>
<b>Total Personnel</b>	<b>381.00</b>	<b>364.50</b>	<b>364.00</b>	<b>-0.50</b>

#### *Vacancy Data: Regular Positions*

Turnover, Excluding New Positions	16.73	5.07%
Positions Vacant as of 12/31/04	35.50	10.76%

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

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## Analysis in Brief

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### Major Trends

**Troop Strength Has Decreased:** With activations and tours of duty in combat zones, the Maryland Guard continues to maintain good troop strength numbers, but they have decreased in recent years.

**Challenge Program Continues to Help At-risk Youth:** The Maryland Guard operates the Military Youth Challenge program for at-risk youth. The program continues to report success, but fiscal 2004 results compared unfavorably to prior years.

**Maryland Emergency Management Agency Continues to Have Good Capability for Assessment Readiness Score:** The Capability for Assessment Readiness score is a composite measure of 13 emergency management functions. The Maryland Emergency Management Agency's (MEMA) score is expected to increase in fiscal 2006.

### Issues

**Homeland Security:** The Military Department, through MEMA, is the primary administrator for federal homeland security funds for the State.

**Armory Closings:** The Army operations program of the Maryland Military Department has an antiquated inventory of armories and an outdated deployment pattern of facilities. In response to a 2004 *Joint Chairmen's Report*, the department evaluated its armory situation and prepared a report.

### Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete planned expenditures for building improvements.	\$ 357,592	
2. Delete PIN vacant for 17 months.	36,460	1.0
3. Increase turnover by 1%.	161,817	
<b>Total Reductions</b>	<b>\$ 555,869</b>	<b>1.0</b>

**D50H01**  
**Military Department**

***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 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:

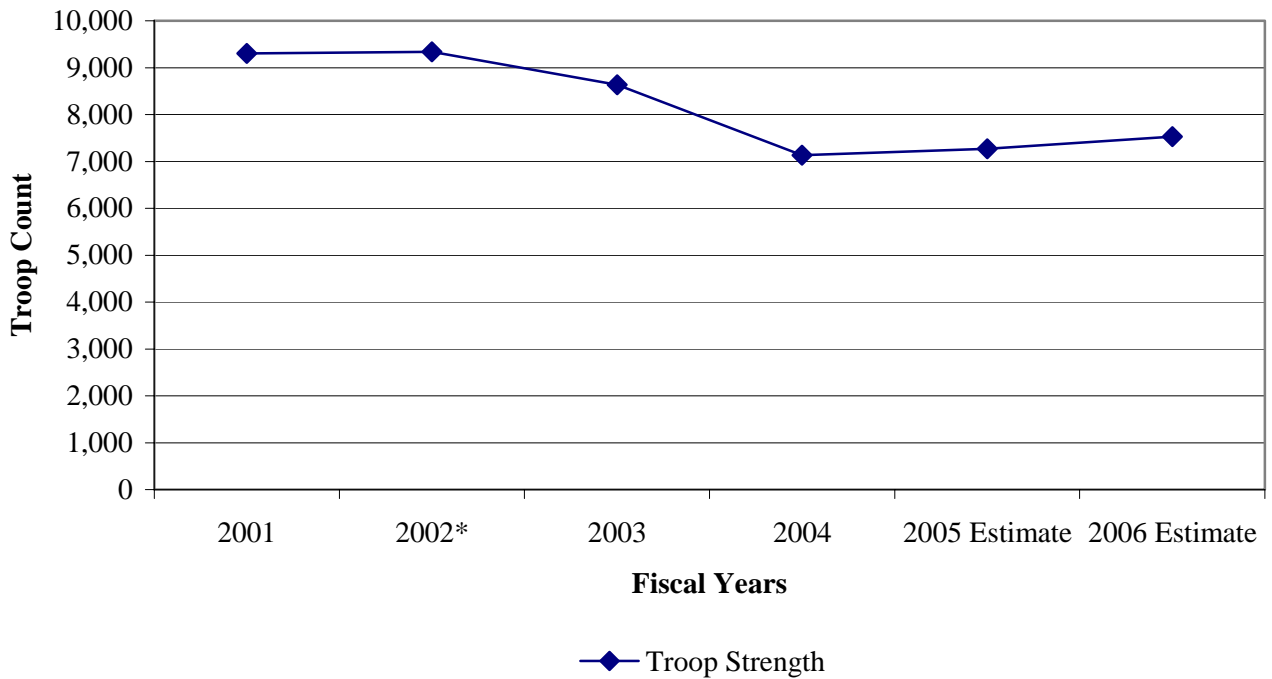
- ensure proper readiness for its missions;
- maintain all facilities so that they are adequate for training and supporting MDNG in its operations;
- successfully operate the Military Youth Challenge program for at-risk youth; and
- develop and maintain the capability to perform the 13 emergency management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

## Performance Analysis: Managing for Results

### Troop Strength Has Decreased

The Maryland Guard has a goal of being at 90% of its authorized troop strength. Activations and tours of duty in combat zones have decreased the Maryland Guard's troop strength in recent years. Fiscal 2003 was the first year the Maryland Guard did not meet the 90% goal. There have been reports from across the country of dramatically decreasing troop strength in some National Guard units. Nationally, the National Guard fell about 10,000 short of its recruitment targets in 2004. Various reasons are given for this recent trend, foremost among them are the wear and tear on soldiers and families of being activated for federal duty. Also, a factor is that recruitment for the regular army is up. **Exhibit 1** shows that the Maryland Guard has not been immune from this trend.

**Exhibit 1**  
**Troops Strength**  
**Fiscal 2001 – 2006**



\*Maryland's authorized troop strength was increased by approximately 150 in fiscal 2002 to approximately 10,370.

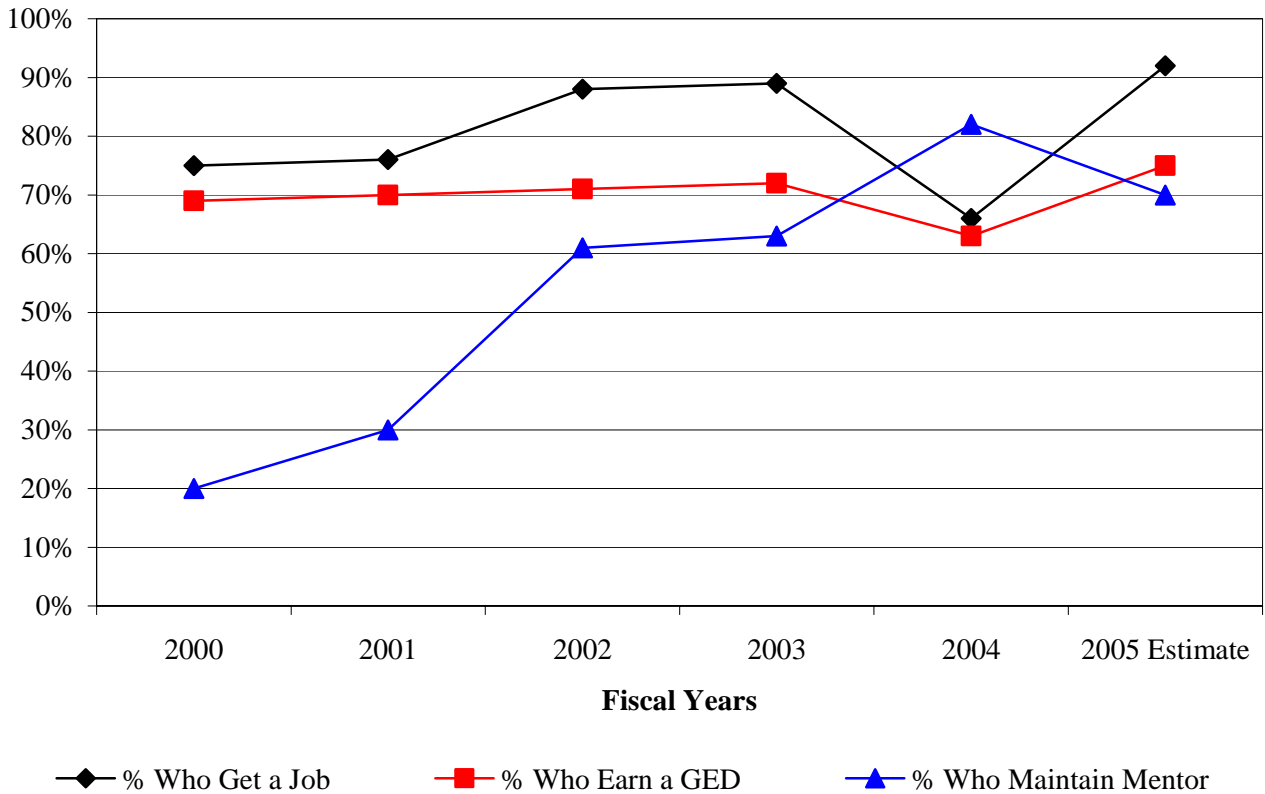
Source: Military Department

The Military Department should be prepared to comment on its recruitment and retention efforts and what measures it has taken to address any realized or anticipated shortfalls. The department should also be prepared to discuss its current troop strength and how any shortfalls may affect its mission performance abilities.

### Challenge Program Continues to Help At-risk Youth

The Maryland Guard operates the Military Youth Challenge program for at-risk youth with continued success. Twice a year, the Maryland Guard runs the Challenge program for 100 students. Its goal is to reach at-risk youth and give them the life skills necessary to get a job or continue their schooling. **Exhibit 2** presents some of the results of the program.

**Exhibit 2**  
**Results for the Military Youth Challenge Program**  
**Fiscal 2001 – 2005**



Source: Military Department

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Fiscal 2004 saw a drop in both the percentage of students who obtained a job and the percentage of students who obtained a General Education Diploma, but the department is expecting a rebound in fiscal 2005.

#### **MEMA Continues to Have Good CAR Score**

The CAR score is a composite measure of 13 emergency management functions. It was developed by the Federal Emergency Management Agency to assess an agency's ability to prepare for, mitigate against, respond to, and recover from disasters. The rating is developed by evaluating the agency's performance on each of the 13 components in CAR on a 1 to 5 scale and then taking the average of those scores. The individual components of the CAR score include measuring the readiness of communications, response teams, training exercises, logistics, and similar items.

MEMA's CAR score has steadily increased since fiscal 2002 and, as **Exhibit 3** shows, MEMA expects its CAR score to increase in fiscal 2006 as well.

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#### **Exhibit 3 MEMA Preparedness Measures Fiscal 2002 – 2005**

<u>Measure</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Est. FY 2005</u>	<u>Est. FY 2006</u>
CAR Goal	80%	80%	80%	80%	80%
CAR Actual	80%	86%	89%	89%	90%

Source: Military Department

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#### **Governor's Proposed Budget**

**Exhibit 4** details the Governor's fiscal 2006 allowance. It represents a \$2.3 million increase (4.9%) over the fiscal 2005 working appropriation. However, the increase is entirely in federal funds; general funds actually decrease by \$136,000, or approximately 1%, and special funds do not change.

#### **Contingent Reduction**

The fiscal 2006 allowance reflects the elimination of \$33,900, the appropriation for matching the employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in budget reconciliation legislation.

**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>
2005 Working Appropriation	\$13,621	\$174	\$32,608	\$46,404
2006 Governor's Allowance	13,485	174	35,061	48,720
Contingent & Back of Bill Reductions	<u>-18</u>	<u>0</u>	<u>-16</u>	<u>-34</u>
<b>Adjusted Allowance</b>	<b>\$13,467</b>	<b>\$174</b>	<b>\$35,044</b>	<b>\$48,686</b>
Amount Change	-\$154	\$0	\$2,436	\$2,282
Percent Change	-1.1%		7.5%	4.9%

**Where It Goes:**

**Personnel Expenses**

Increments and other compensation.....	\$318
Retirement.....	151
Workers' compensation premium assessment.....	122
Employee and retiree health insurance .....	71
Turnover adjustments.....	50
Other fringe benefit adjustments.....	40

**Administration Headquarters**

Tuition assistance.....	-8
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**Air Operations and Maintenance**

Electrical utility expenses .....	241
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**Army Operations and Maintenance**

Security upgrades provided by the Department of General Services.....	901
Increase in cost of natural gas .....	655
Increase in electrical utility expenses.....	516

**State Operations**

Education and training .....	53
Telecommunications expenditures increase due to higher costs of operating distance learning program.....	30
Decrease in building repairs.....	-98
Net change to Challenge program.....	-87

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**Where It Goes:**

Decrease in contractual services to reflect historical actual expenditures .....	-79
Decrease in expected postage.....	-70
<b>Maryland Emergency Management Agency</b>	
Decrease in lease purchase schedule payments for telecommunication equipment.....	-403
Decrease in contractual services to reflect historical actual expenditures .....	-117
Decrease in telecommunication expenses .....	-46
Decrease in software purchases .....	-20
Miscellaneous.....	62
<b>Total</b>	<b>\$2,282</b>

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

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**Personnel**

There are no additions or abolitions in the department for fiscal 2006.

**Army Operations and Maintenance**

The largest increase in the fiscal 2006 allowance is \$901,000 for security at Camp Fretterd. In October 2001, the Department of General Services (DGS) performed a security audit of Camp Fretterd and determined it needed \$1,000,000 worth of security upgrades. The details of the audit are presented in **Exhibit 5**. The allowance includes \$100,000 less than the audit recommended; most of the difference will be in personnel, although details have not been finalized.

At the time of the audit, there were no general funds available to provide these upgrades. However, the federal government has recently determined that Camp Fretterd is a vital installation and is providing the \$901,000 for security services and equipment. These will be reimbursable funds paid to DGS. Therefore, it is included in the fiscal 2006 allowance.

**The federal government has determined that several installations in Maryland are vital and will be eligible for security upgrades. The department should be prepared to brief the committees on the schedule for these upgrades.**

**Maryland Emergency Management Agency**

The fiscal 2006 allowance reduces leases for MEMA by \$403,000 from the fiscal 2005 working appropriation. This is per the MEMA lease schedule for the acquisition of some telecommunications equipment for the State Emergency Operations Center.

The department does not budget the federal homeland security grants but appropriates them through budget amendment when they are available.

**Exhibit 5  
Security Needs at Camp Fretterd**

<b><u>Security Needs</u></b>	<b><u>Estimated Cost</u></b>
<b>Equipment</b>	
12 low light cameras and peripherals	\$80,000
Access control system for sensitive areas	10,000
High intensity lights	10,000
Barriers	12,000
Other equipment	13,000
<b>Total Equipment</b>	<b>\$125,000</b>
<b>Personnel</b>	
10 police officers	\$367,162
3 police supervisors	130,418
1 police manager	49,572
Fringes/turnover	265,345
Other personnel expenses	63,503
<b>Total Personnel</b>	<b>\$876,000</b>
<b>Grand Total Security Costs (Per DGS Audit)</b>	<b>\$1,001,000</b>

Source: Department of General Services

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## Issues

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### 1. Homeland Security

As **Exhibit 6** shows, MEMA received considerable homeland security funds in fiscal 2004.

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**Exhibit 6**  
**Federal Homeland Security Funds**  
**Fiscal 2004**

<u>Agency</u>	<u>Amount</u>	<u>Federal Source</u>
Military Department (MEMA)	\$50,070,325	OHS-ODP
Department of Transportation	361,158	FMCSA/NHTSB
Department of Natural Resources	269,251	OHS-ODP
Department of Health and Mental Hygiene	26,928,521	DHHS
Department of the Environment	69,695	EPA
Maryland Institute for Emergency Medical Service Systems	940,000	DHHS
<b>Total</b>	<b>\$78,638,950</b>	

OHS-ODP = Office of Homeland Security – Office of Domestic Preparedness

FMCSA/NHTSB = Federal Motor Carrier Safety Administration/National Highway Transportation Safety Board

DHHS = Department of Health and Human Services

EPA = Environmental Protection Agency

Source: Governor's Office of Homeland Security

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At least 80% of the federal funds administered by MEMA must be passed through to local jurisdictions. In fiscal 2004, MEMA exceeded that requirement and passed over 95% of the federal funds through to local jurisdictions. As **Exhibits 7** and **8** show, \$48.4 million was distributed to local jurisdictions in fiscal 2004, most of which was administered by MEMA. However, as **Exhibit 9** shows, 23 other government and non-government entities received homeland security funds in fiscal 2004.

**Exhibit 7**  
**Distribution of Pass-through Funding\***  
**To Local Jurisdictions**  
**Fiscal 2004**

<u>Locality</u>	<u>Amount</u>
Annapolis, City of	\$527,050
Baltimore City	4,380,914
Ocean City	419,696
Allegany County	681,688
Anne Arundel County	1,963,260
Baltimore County	2,370,085
Calvert County	725,512
Caroline County	562,530
Carroll County	814,614
Cecil County	737,868
Charles County	681,551
Dorchester County	615,169
Frederick County	916,757
Garrett County	506,450
Harford County	1,070,094
Howard County	1,233,871
Kent County	568,139
Montgomery County	2,540,923
Prince George's County	2,451,895
Queen Anne's County	556,071
Somerset County	493,842
St. Mary's County	624,370
Talbot County	1,144,129
Washington County	926,148
Wicomico County	731,551
Worcester County	827,766
<b>Total</b>	<b>\$29,071,944</b>

\*Most pass-through funds are from the federal Office of Domestic Preparedness through MEMA, but some funds included in these charts are from the Department of Health and Mental Hygiene (DHMH) and a few other sources.

Source: Governor's Office of Homeland Security

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**Exhibit 8**  
**Distribution of Pass-through Funding\***  
**To Regional/Multi-Jurisdictional Entities\*\***  
**Fiscal 2004**

<u>Region</u>	<u>Amount</u>
Western	\$489,757
Capital	1,970,040
Central	15,059,571
Southern	489,903
Upper Shore	673,199
Lower Shore	655,774
<b>Total</b>	<b>\$19,338,244</b>

\*Most pass-through funds are from the federal Office of Domestic Preparedness through MEMA, but some funds included in these charts are from DHMH and a few other sources.

\*\*Regional grants are administered by emergency management officials of each jurisdiction within the region.

Source: Governor's Office of Homeland Security

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**Exhibit 9**  
**Other State and Local Agencies Receiving Federal Homeland Security Funds**  
**Fiscal 2004**

<u>Agency/Non-government Organization</u>	<u>Amount</u>
Department of Public Safety and Correctional Services	\$1,883,441
Interoperability Committee	1,506,835
Maryland State Police	1,234,172
Department of Natural Resources	1,084,628
Maryland Department of Transportation	900,805
Maryland Department of the Environment	490,000
Maryland Department of Agriculture	326,130
Department of General Services	229,617
University of Maryland College Park	201,307
Baltimore Jewish Council	127,900
Washington Jewish Council	127,900
Department of Business and Economic Development	100,000
Maryland Police Training Commission	97,000

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<u>Agency/Non-government Organization</u>	<u>Amount</u>
Maryland Fire Chiefs Association	86,000
Maryland Transportation Authority Police	73,086
Maryland Restaurant Association	66,687
Maryland Fire and Rescue Institute	57,409
Towson University	36,738
Veterinary Medical Assistance Team	17,587
Office of the Chief Medical Examiner	3,750
State Emergency Response Commission	3,504
Department of Labor, Licensing, and Regulation	3,025
University of Maryland, Baltimore	1,000
<b>Total</b>	<b>\$8,658,522</b>

Source: Governor's Office of Homeland Security

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The funding process, as designed by the federal Department of Homeland Security, works on a reimbursement basis. After the federal appropriation is determined, the State is notified of its appropriation, and then the State notifies the local jurisdictions of their spending authority. The local jurisdictions then apply for reimbursement through MEMA of funds expended for homeland security purposes. There has been some concern expressed that this process is lengthy and cumbersome; however, in a survey of the local jurisdictions conducted by the Department of Legislative Services, there were almost no complaints about the process (out of 17 responders).

Even with the relatively efficient operation of the current reimbursement process, improvements in the procurement process can always be made, and MEMA has been working on that issue. **MEMA should be prepared to brief the committees on what measures it has taken and will take to improve the procurement process. Furthermore, it should be prepared to brief the committees on the expected federal appropriation for fiscal 2005 and 2006 for Maryland.**

## **2. Armory Closings**

The Army operations program of the Maryland Military Department has an antiquated inventory of armories and an outdated deployment pattern of facilities. In response to a 2004 *Joint Chairmen's Report*, the department evaluated its armory situation and prepared a report. The department hired a consultant, Makers Planning, with experience in evaluating facility and property management for guard units.

The report was due December 1, 2004, but the department requested and received an extension of the deadline. The new deadline was January 15, 2005, when at least a preliminary report was due. As of February 14, 2005, only an outline of the preliminary report has been received.

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However, certain findings and conclusions are included with this limited information. The consultant determined that only 6 of the department's 34 armories are in good condition, while 20 are in fair condition, and 8 are in poor condition. Makers Planning also determined that MEMA will need an additional 10,000 square feet of space within two years and that some of the air operations' facilities are in need of upgrading.

Makers Planning presented the department with three possible scenarios based on certain goals and assumptions. The primary goal is to provide adequate facilities for departmental operations. The consultants assumed that force restructuring would change the needs of the department and that its federal role will increase. With that as its framework, the consultant offered the following three scenarios:

- **Scenario 1: Existing Stationing Plan**

This scenario basically maintains the current plan but recommends maintenance upgrades and even expansion of some armories. This plan calls for the divestiture of a small number of armories and some new construction in more strategic locations. The consultant does not consider this a long-term solution but a stop-gap plan until a permanent plan can be implemented.

- **Scenario 2: Consolidation to Existing Sites**

This plan calls for the divestiture of a larger number of armories and the relocation of their units. It also calls for the expansion of several armories and a larger construction project than recommended in Scenario 1. The net result would lower the department's overall inventory by approximately 20%.

- **Scenario 3: Maximum Consolidation to Opportunity Sites**

This scenario is similar to Scenario 2 but is more aggressive. It calls for the same number of constructions and expansions, but the net result is a lowering of the department's inventory by 38%.

All of these scenarios result in some long-term cost savings assuming that the revenues generated by divestiture will be reinvested by the department to help finance the new constructions and expansions.

**The legislature requested that this study be done in the 2004 *Joint Chairmen's Report*. The December 1, 2004, deadline was extended to January 15, 2005, with the understanding that at least a preliminary report would be available by then. As of February 14, 2005, only the most basic findings and recommendations have been made available. The Department of Legislative Services appreciates the sensitive nature of this report but also reminds the department that the legislature requested the report and is entitled to review it, preferably by the deadlines set. Therefore, the department should be prepared to brief and discuss the report with the committees.**

***Recommended Actions***

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	<b><u>Amount Reduction</u></b>		<b><u>Position Reduction</u></b>
1. Delete planned expenditures for building improvements and maintenance. The department is currently considering its structure needs, including the needs of the Maryland Emergency Management Agency, and until a course of action is decided, no funds should be expended for this activity.	\$ 40,181	GF	
	317,411	FF	
2. Delete PIN 074990. This position has been vacant for over a year. The position supports the Military Youth Challenge program, which has performed very well without it.	36,460	GF	1.0
3. Increase turnover by 1% to reflect actual vacancies. The department’s vacancy rate at the end of calendar 2004 was 10.7%. At the end of 2003, it was 7%, while the budgeted turnover is historically 5%.	161,817	GF	
<b>Total Reductions</b>	<b>\$ 555,869</b>		<b>1.0</b>
<b>Total General Fund Reductions</b>	<b>\$ 238,458</b>		
<b>Total Federal Fund Reductions</b>	<b>\$ 317,411</b>		

## *Current and Prior Year Budgets*

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$14,454	\$308	\$14,279	\$249	\$29,290
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	11	0	121,284 *	0	121,295
Cost Containment	-1,082	0	0	0	-1,082
Reversions and Cancellations	0	-133	-249	0	-382
<b>Actual Expenditures</b>	<b>\$13,383</b>	<b>\$174</b>	<b>\$135,314</b>	<b>\$249</b>	<b>\$149,120</b>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$13,462	\$174	\$32,608	\$0	\$46,244
Budget Amendments	159	0	0	0	159
<b>Working Appropriation</b>	<b>\$13,621</b>	<b>\$174</b>	<b>\$32,608</b>	<b>\$0</b>	<b>\$46,403</b>

\*The \$121 million federal fund budget amendment in fiscal 2004 is primarily due to homeland security grants in MEMA.

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

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## ***Audit Findings***

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Audit Period for Last Audit:	August 7, 2001 - February 1, 2004
Issue Date:	November 2004
Number of Findings:	7
Number of Repeat Findings:	4
% of Repeat Findings:	57%
Rating: (if applicable)	

**Finding 1:** The department made payments totaling \$34,850 to a company affiliated with department employees. This relationship potentially violated State ethics laws.

**Finding 2:** The department did not obtain competitive bids or execute written contracts when procuring vendor services totaling approximately \$268,000.

**Finding 3:** **The department lacked proper internal controls over certain purchasing and disbursement transactions.**

**Finding 4:** The department did not charge payroll commute fees, totaling \$36,000, to certain employees who used assigned State vehicles for commute purposes.

**Finding 5:** **The department did not request federal fund reimbursements in a timely manner resulting in a loss of potential interest income to the State of about \$30,000. In addition, the department did not recover indirect costs applicable to certain federal grants.**

**Finding 6:** **Indirect costs were not recovered for certain federal grants.**

**Finding 7:** **The department had not established adequate internal controls over certain purchasing and disbursement transactions, as well as property and equipment.**

\*Bold denotes item repeated in full or part from preceding audit report.

**Object/Fund Difference Report  
Military Department**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	331.00	330.00	330.00	0	0%
02 Contractual	50.00	34.50	34.00	-0.50	-1.4%
<b>Total Positions</b>	<b>381.00</b>	<b>364.50</b>	<b>364.00</b>	<b>-0.50</b>	<b>-0.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 15,012,796	\$ 15,737,732	\$ 16,524,096	\$ 786,364	5.0%
02 Technical & Spec Fees	2,047,528	1,005,654	1,054,492	48,838	4.9%
03 Communication	690,531	719,694	597,885	-121,809	-16.9%
04 Travel	374,814	139,446	124,807	-14,639	-10.5%
06 Fuel & Utilities	2,443,228	1,694,354	2,890,785	1,196,431	70.6%
07 Motor Vehicles	409,711	160,003	164,576	4,573	2.9%
08 Contractual Services	4,199,965	1,520,121	1,476,230	-43,891	-2.9%
09 Supplies & Materials	1,201,767	707,720	710,588	2,868	0.4%
10 Equip - Replacement	375,232	365,178	141,849	-223,329	-61.2%
11 Equip - Additional	284,381	255,101	85,847	-169,254	-66.3%
12 Grants, Subsidies, and Contributions	120,992,681	23,364,278	23,429,051	64,773	0.3%
13 Fixed Charges	168,350	228,675	1,092,598	863,923	377.8%
14 Land & Structures	918,828	506,041	427,091	-78,950	-15.6%
<b>Total Objects</b>	<b>\$ 149,119,812</b>	<b>\$ 46,403,997</b>	<b>\$ 48,719,895</b>	<b>\$ 2,315,898</b>	<b>5.0%</b>
<b>Funds</b>					
01 General Fund	\$ 13,382,646	\$ 13,621,365	\$ 13,485,000	-\$ 136,365	-1.0%
03 Special Fund	174,267	174,267	174,267	0	0%
05 Federal Fund	135,314,266	32,608,365	35,060,628	2,452,263	7.5%
09 Reimbursable Fund	248,633	0	0	0	0.0%
<b>Total Funds</b>	<b>\$ 149,119,812</b>	<b>\$ 46,403,997</b>	<b>\$ 48,719,895</b>	<b>\$ 2,315,898</b>	<b>5.0%</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal Summary  
Military Department**

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
01 Administrative Headquarters	\$ 2,961,993	\$ 2,633,066	\$ 2,355,418	-\$ 277,648	-10.5%
02 Air Operations and Maintenance	4,230,117	3,914,593	4,355,512	440,919	11.3%
03 Army Operations and Maintenance	9,369,395	7,792,555	9,679,503	1,886,948	24.2%
05 State Operations	5,257,393	4,953,718	5,123,863	170,145	3.4%
06 Maryland Emergency Management Agency	127,300,914	27,110,065	27,205,599	95,534	0.4%
<b>Total Expenditures</b>	<b>\$ 149,119,812</b>	<b>\$ 46,403,997</b>	<b>\$ 48,719,895</b>	<b>\$ 2,315,898</b>	<b>5.0%</b>
General Fund	\$ 13,382,646	\$ 13,621,365	\$ 13,485,000	-\$ 136,365	-1.0%
Special Fund	174,267	174,267	174,267	0	0%
Federal Fund	135,314,266	32,608,365	35,060,628	2,452,263	7.5%
<b>Total Appropriations</b>	<b>\$ 148,871,179</b>	<b>\$ 46,403,997</b>	<b>\$ 48,719,895</b>	<b>\$ 2,315,898</b>	<b>5.0%</b>
Reimbursable Fund	\$ 248,633	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Funds</b>	<b>\$ 149,119,812</b>	<b>\$ 46,403,997</b>	<b>\$ 48,719,895</b>	<b>\$ 2,315,898</b>	<b>5.0%</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.