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<http://www.minnesotanationalguard.org/>

AT A GLANCE

- Serve the 13,307 members of the Minnesota Army (11,074) and Air (2,233) National Guard, local governments, and the citizens of Minnesota.
- Since 9/11, the Minnesota National Guard has deployed more than 26,000 Army and Air Guard members to more than 33 countries worldwide.
- Responsible for approximately \$350 - \$425 million per year from the federal government.
- 307 FTEs (full-time equivalents) cross the state - only 34 are 100% state-funded
- Provided assistance to over 22 state active duty missions in response to floods, fires, blizzards and other natural disasters as well as other emergencies
- Provided more than 23,000 state active duty work days by service members since 2005

PURPOSE

Federal: As a federal entity, military members of the Minnesota National Guard serve as a reserve force for the United States Army and Air Force. They are subject to be called to federal active duty for extended periods of time by the President.

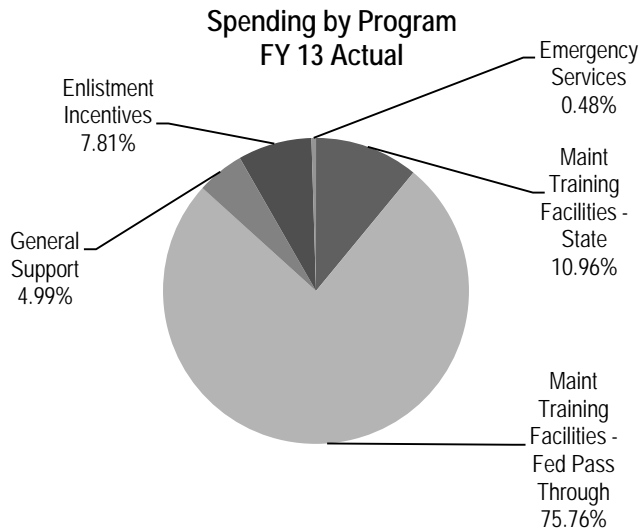
State: As a state entity, the Minnesota National Guard provides support to local law enforcement agencies during natural disasters and other emergencies at the direction of the Governor.

Community: The Minnesota National Guard is also involved in community support projects throughout the state. These projects give our soldiers a chance to "give back to the community."

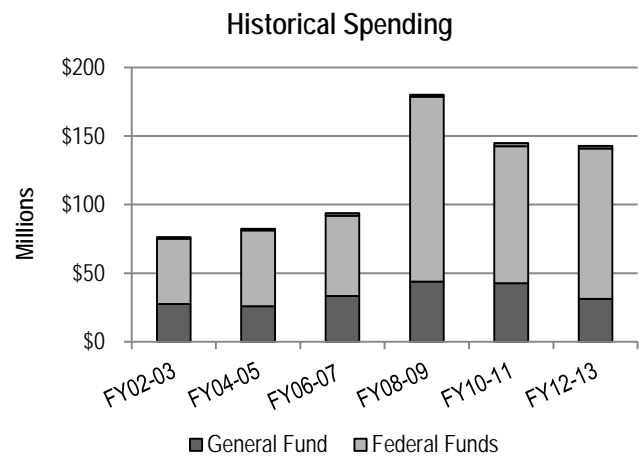
We are comprised of and include the military forces of the state, The Office of The Adjutant General, all military reservations, military installations, armories, air bases, and facilities owned or controlled by the state for military purposes, and civilians employed by the state for the administration of the military department.

We support the following statewide outcome:
People in Minnesota are safe

BUDGET

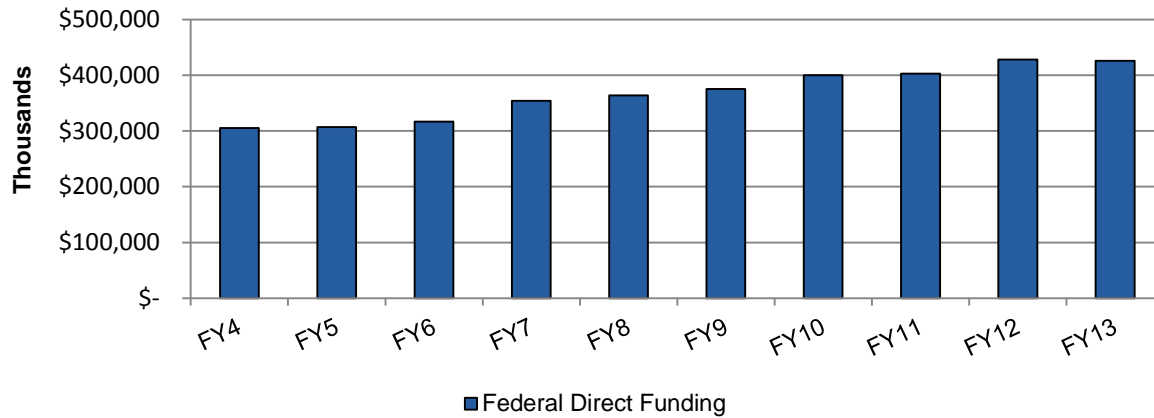


Source: SWIFT



* Does not include federal direct spending
 Source: Consolidated Fund Statement

Historical Spending - Federal Direct Funding



Source: Minnesota National Guard Annual Reports

Ninety-six percent of our total budget comes from the federal government through direct federal funding, cooperative agreements for facilities construction and maintenance, telecommunications, security, firefighting, and the STARBASE educational program serving inner city school students. The state General Fund accounts for 3.5% of our budget, and approximately 0.5% comes from other sources (local government, facility sales, housing operations, etc.). Additionally, we are responsible for approximately \$350 - \$425 million per year from the federal government. These funds are paid to individuals and vendors for federal-related activities and do not pass through the state treasury. The department's staff includes 307 FTEs and only 34 FTEs are 100% state-funded. The remainder are predominantly federally funded -- some at 100% and most others at 75% or 80%.

STRATEGIES

We integrate federal and state resources to pursue strategies in two lines of effort. The first is **Provide Ready Units** which includes actions that provide a competent ready force, sustain optimal force structure and provide support response to any cyber events. The second is **Relationship Integration** which includes actions that maintain and enhance suitable infrastructure and facilities, sustain the "Beyond the Yellow Ribbon" activities, and diversify the force.

We have four core programs that support the Minnesota National Guard and implement these two lines of effort:

The **Maintenance of Military Training Facilities Program** maintains the state's facilities used to train and house the members of the Minnesota National Guard and to protect the state's investment in facilities including the MN State Armory Building Commission (MSABC) facilities. Each Air National Guard base has a civil engineering function responsible for the maintenance of the federal facilities that are supported with state and federal dollars.

The **Enlistment Incentives Program** supports and manages the department's enlistment incentives and tuition reimbursement programs. These programs provide incentives to the men and women who enlist and maintain their memberships in the Army and Air National Guard.

Emergency Services funds emergency response activities at the order of the Governor when the National Guard is activated in response to state emergencies.

General Support provides the general administrative, financial, accounting, budgeting, project management, strategic planning, and human resource support necessary for the operation of the department.

MNDMA's legal authority is provided from M.S. 190 – 195 (<https://www.revisor.mn.gov/statutes/?view=part&start=190&close=195>).

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	14,814	16,356	15,294	17,139	17,913	18,371	31,373	21,831
2000 - Restricted Misc Special Rev	937	818	1,314	1,292	1,247	1,260	1,247	1,260
3000 - Federal	51,441	58,202	59,070	92,448	87,070	87,070	87,070	87,070
Total	67,192	75,376	75,678	110,880	106,230	106,701	119,690	110,161
<i>Biennial Change</i>				43,989		26,374		43,294
<i>Biennial % Change</i>				31		14		23
<i>Governor's Change from Base</i>								16,920
<i>Governor's % Change from Base</i>								8

Expenditures by Program

Program: Maintenance Training Facilities	56,911	65,361	65,612	98,909	93,381	93,391	106,381	96,391
Program: General Support	3,489	3,764	3,475	4,288	3,983	3,986	4,443	4,446
Program: Enlistment Incentives	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901
Program: Emergency Services	1,179	355	164	396	423	423	423	423
Total	67,192	75,376	75,678	110,880	106,230	106,701	119,690	110,161

Expenditures by Category

Compensation	18,797	19,711	20,526	22,657	23,829	24,181	23,829	24,181
Operating Expenses	37,800	43,475	37,089	64,705	64,142	64,240	77,602	67,700
Other Financial Transactions	487	310	812	858	819	821	819	821
Grants, Aids and Subsidies	5,816	7,032	6,761	8,425	8,654	9,110	8,654	9,110
Capital Outlay-Real Property	4,292	4,848	10,490	14,234	8,786	8,349	8,786	8,349
Total	67,192	75,376	75,678	110,880	106,230	106,701	119,690	110,161

Full-Time Equivalent

	289.7	276.6	295.7	316.1	316.6	315.6	316.6	315.6
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(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	2,727	11,652	14,497	18,723	21,332	23,193	21,332	23,193
Direct Appropriation	22,371	19,368	19,368	19,368	19,368	19,368	19,368	19,368
Open Appropriation	1,179	355	164	396	423	423	423	423
Receipts	0	1	0	0	0	0	0	0
Net Transfers	(10)	(11)	(12)	(17)	(17)	(17)	(17)	(17)
Cancellations		513						
Expenditures	14,814	16,356	15,294	17,139	17,913	18,371	31,373	21,831
Balance Forward Out	11,453	14,496	18,723	21,332	23,193	24,596	9,733	7,676
<i>Biennial Change in Expenditures</i>				1,263		3,852		20,772
<i>Biennial % Change in Expenditures</i>				4		12		64
<i>Gov's Exp Change from Base</i>								16,920
<i>Gov's Exp % Change from Base</i>								47
FTEs	39.4	42.7	39.5	41.0	41.0	40.0	41.0	40.0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	1,666	3,082	3,764	3,815	2,162	2,076	2,162	2,076
Receipts	1,863	991	873	677	688	698	688	698
Net Transfers	489	504	491	(1,039)	473	473	473	473
Expenditures	937	818	1,314	1,292	1,247	1,260	1,247	1,260
Balance Forward Out	3,081	3,759	3,815	2,162	2,076	1,987	2,076	1,987
<i>Biennial Change in Expenditures</i>				851		(99)		(99)
<i>Biennial % Change in Expenditures</i>				49		(4)		(4)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	11.8	14.0	14.4	17.7	18.2	18.2	18.2	18.2

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	7,825	8,283	8,427	4,502	4,325	4,325	4,325	4,325
Receipts	51,830	55,393	55,145	92,270	87,070	87,070	87,070	87,070
Net Transfers			0					
Expenditures	51,441	58,202	59,070	92,448	87,070	87,070	87,070	87,070
Balance Forward Out	8,214	5,474	4,502	4,325	4,325	4,325	4,325	4,325

(Dollars in Thousands)

3000 - Federal

<i>Biennial Change in Expenditures</i>				41,875		22,622		22,622
<i>Biennial % Change in Expenditures</i>				38		15		15
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	238.5	219.9	241.8	257.4	257.4	257.4	257.4	257.4

Department of Military Affairs

FY16-17 Biennial Budget Change Item

Change Item Title: One-Time Transfer to the "Maintenance of Military Training Facilities" Appropriation

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The governor recommends a one-time transfer of \$10 million from the "Incentives" appropriation to a "Special – Direct" maintenance appropriation to address a significant maintenance backlog to their military training and community centers throughout the state of Minnesota. The transferred amount will be available until expended. This will result in net zero growth in MDMA's budget as a whole.

Rationale/Background:

Insufficient funding in the "Maintenance" appropriation has created a significant maintenance backlog of the Department of Military Affairs' military training and community centers. While the Army National Guard's mission has changed to an "Operational Force", 60% of their facilities are categorized as either "Poor" or "Failing" based on the Facility Condition Index (FCI). Without additional funding to meet the immediate needs of facilities for military training and state emergency operations, the facilities' condition will continue to deteriorate and lag behind national averages. In addition, MDMA is currently experiencing a significant increase in construction renovation costs.

MDMA's State Tuition Reimbursement (STR) policy requires service members to apply for the Federal Tuition Assistance (FTA) program before applying for the STR program. This policy has resulted in a lower utilization rate for the STR program and has contributed to a large carry-forward balance in the "Incentives" appropriation. This proposal will result in net zero growth in the MDMA's overall budget and more effectively utilize a portion of the unspent appropriated funds to correct facility deficiencies.

Proposal:

This is a change to an existing program and will allow the agency to meet the immediate financial needs of the maintenance backlog that has accumulated over the past several years. It will also enhance MDMA's ability to leverage federal and state matching funds to upgrade military training and community centers. Also, it will assist the organization meet its priority goal of "Developing Sustainable Infrastructure", which is one of the six priorities established by The Adjutant General. It will also support the Governor's Executive Order #11-12, which directs state agencies to identify and make cost-effective energy improvements in state facilities, and sets a goal of a 20 percent reduction in state energy consumption. The implementation date for this proposal is July 1, 2015.

IT Related Proposals:

Not applicable.

Results:

Without a significant investment in facilities and maintenance, MDMA's facilities condition index is projected to deteriorate. Currently, approximately 60% of their facilities are either considered to be "poor" or "failing." This investment will allow 6% of their facilities to move from the "poor" category to "fair" category by 2020.

Statutory Change(s):

Not applicable.

Department of Military Affairs

FY16-17 Biennial Budget Change Item

Change Item Title: "Net Zero Growth" Base Budget Adjustments to the "General Support", "Maintenance of Military Training Facilities", and "Incentives" Appropriations

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The governor recommends the following net zero growth base budget adjustments:

1. Maintenance Appropriation – Increase annual budget by \$3M
2. General Support Appropriation – Increase annual budget by \$0.46M
3. Incentives Appropriation – Decrease annual budget by \$3.46M

Rationale/Background:

MDMA's military training and community centers have a significant maintenance backlog that the current "Maintenance" appropriation has not been sufficient to address. While the Army National Guard's mission has changed to an "Operational Force", 60% of its facilities are categorized as either "Poor" or "Failing" based on the Facility Condition Index (FCI). MN Statute §16A.11 directs agencies request one percent of the ARCHIBUS replacement value (\$10M) as their base maintenance budget. The MDMA's current "Maintenance" appropriation budget amount of \$6.661M does not permit the agency to meet on-going maintenance requirements to support military training and state emergency operations.

MDMA's "General Support" appropriation budget lacks funding to replace its aging wheeled vehicle fleet to support military and state emergency operations. Also, an increase is necessary to meet increasing compensation costs for employees, as well as other increasing operating costs.

MDMA's State Tuition Reimbursement (STR) policy requires service members to apply for the Federal Tuition Assistance (FTA) program before applying for the STR program. This policy has resulted in a lower utilization rate for the STR program and has contributed to a large carry-forward balance in the "Incentives" appropriation. This proposal is cost neutral to MDMA's overall budget and more effectively allocates and executes base budgets to support all MDMA programs.

Proposal:

This is a change to existing programs and will allow the agency to meet on-going financial needs of their maintenance and general support requirements in support of military training and state emergency operations. Moreover, it will enhance their ability to take advantage of federal funding opportunities to upgrade our military training and community centers. The implementation date for this proposal is July 1, 2015.

IT Related Proposals:

Not applicable.

Results:

By reallocating funds that are underused to a program in need of resources, MDMA will reduce its maintenance backlog of \$108M by \$3M per year.

Statutory Change(s):

Not applicable.

Program: Maintenance of Military Training Facilities

<http://www.minnesotanationalguard.org/>

AT A GLANCE

In 2014, we:

- Provided maintenance services to 64 Training and Community Centers (TACCs) – commonly known as armories, two airbases, two Army Aviation Support Facilities, and nine maintenance facilities in 61 communities
- Completed Cedar Street facility renovation at a cost of \$10 million (state and federal funds)
- Provided construction and professional service contracting services for the agency
- Provided procurement services for goods, fixed assets, and services for the agency

PURPOSE & CONTEXT

This program is responsible for maintaining the state's facilities used to train and house the members of the Minnesota National Guard and to protect the state's investment in these facilities. We maintain and develop sustainable infrastructure which includes Camp Ripley Training Center, two airbases, two army aviation support facilities and the Training & Community Centers (TACCs) in 61 communities of the State.

SERVICES PROVIDED

Maintain and develop sustainable infrastructure which includes Camp Ripley Training Center, two airbases, two army aviation support facilities and the Training & Community Centers (TACCs) to include the MN State Armory Building Commission (MSABC) facilities, in 61 communities of the State. Military Affairs has a series of cooperative agreements in place for operations and maintenance of state owned and licensed facilities, for providing security at the Air Bases, Camp Ripley, and the Army Aviation Support Facilities, and for firefighting services at the Duluth Air Base and Camp Ripley.

We provide employees and services that enable the federal forces to utilize state facilities to accomplish their mission of preparing soldiers and airmen for federal and state missions. Each Air National Guard Base in Minneapolis and Duluth has a civil engineering function that is responsible for the maintenance of the federal facilities that are supported with state and federal dollars.

RESULTS

Specific aspects of these results including objectives, performance measures and results can be found in the Annual Report and Campaign Plan at www.Minnesotanationalguard.org.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	<i>Optimize infrastructure capabilities (LOA 3.1).</i> Optimizing our infrastructure capabilities and efficiencies includes our training areas, roads, buildings, Training and Community Centers and Facility Maintenance Shops. The MNNG will optimize its infrastructure capabilities and improve efficiencies in order to reduce net output of greenhouse gas emissions to zero.	3 of 4 objectives meeting standards	2 of 4 objectives meeting standards	2012 & 2014
Quality	<i>Improve Infrastructure Efficiency to Net-Zero Goal (LOA 3.2).</i> The MNNG will work toward optimizing our infrastructure capabilities to improve efficiencies to reduce net consumption of water, energy and waste. We will decrease facility energy consumption and	7 of 10 objectives meeting standards	6 of 10 objectives meeting standards	2012 & 2014

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
	track and monitor solid waste disposal in accordance with Federal Executive Order and the Army Sustainability Campaign Plan.			
Result	<i>Competent Ready Force (LOA 1)</i> . The Minnesota National Guard's enduring mission is to protect the nation by providing forces and capabilities in support of the Governor, Combatant Commanders and domestic operations. We will accomplish this by achieving and maintaining the required personnel, equipment, training and resourcing levels that ensure our success.	3 of 4 objectives meeting standards	3 of 4 objectives meeting standards	2012 & 2014

Performance Measures Notes:

LOA = Line of Action

MNDMA's legal authority is provided from M.S. 190 – 195 (<https://www.revisor.mn.gov/statutes/?view=part&start=190&close=195>).

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	5,535	7,613	6,327	6,995	6,661	6,661	19,661	9,661
2000 - Restricted Misc Special Rev	800	591	801	672	678	688	678	688
3000 - Federal	50,576	57,157	58,485	91,242	86,042	86,042	86,042	86,042
Total	56,911	65,361	65,612	98,909	93,381	93,391	106,381	96,391
<i>Biennial Change</i>				42,249		22,252		38,252
<i>Biennial % Change</i>				35		14		23
<i>Governor's Change from Base</i>								16,000
<i>Governor's % Change from Base</i>								9

Expenditures by Budget Activity

Budget Activity: Maintenance of Training Facilities	26,148	30,800	65,612	98,909	93,381	93,391	106,381	96,391
Budget Activity: Armory Maintenance	24,298	27,440	0	0	0	0	0	0
Budget Activity: Air Base Maintenance-Twin Cities	2,148	2,502	0	0	0	0	0	0
Budget Activity: Air Base Maintenance-Duluth	4,316	4,619	0	0	0	0	0	0
Total	56,911	65,361	65,612	98,909	93,381	93,391	106,381	96,391

Expenditures by Category

Compensation	15,938	17,569	18,460	20,276	20,624	20,983	20,624	20,983
Operating Expenses	35,913	42,223	35,981	63,576	63,147	63,233	76,147	66,233
Other Financial Transactions	472	310	679	815	816	818	816	818
Grants, Aids and Subsidies	296	495	2	8	8	8	8	8
Capital Outlay-Real Property	4,292	4,765	10,490	14,234	8,786	8,349	8,786	8,349
Total	56,911	65,361	65,612	98,909	93,381	93,391	106,381	96,391
Total Agency Expenditures	56,911	65,361	65,612	98,909	93,381	93,391	106,381	96,391
Expenditures Less Internal Billing	56,911	65,361	65,612	98,909	93,381	93,391	106,381	96,391

<u>Full-Time Equivalents</u>	268.7	253.8	274.0	292.6	292.6	292.6	292.6	292.6
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Program: Maintenance Training
Facilities

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		1,213		334	0	0	0	0
Direct Appropriation	6,660	6,660	6,661	6,661	6,661	6,661	9,661	9,661
Receipts	0	1	0	0	0	0	0	0
Net Transfers		0					10,000	
Cancellations		262						
Expenditures	5,535	7,613	6,327	6,995	6,661	6,661	19,661	9,661
Balance Forward Out	1,125		334	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				174		1		16,001
<i>Biennial % Change in Expenditures</i>				1		0		120
<i>Gov's Exp Change from Base</i>								16,000
<i>Gov's Exp % Change from Base</i>								120
FTEs	19.0	20.7	19.0	20.0	20.0	20.0	20.0	20.0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	83		5	54	48	48	48	48
Receipts	718	591	849	667	678	688	678	688
Net Transfers			0					
Expenditures	800	591	801	672	678	688	678	688
Balance Forward Out			54	48	48	48	48	48
<i>Biennial Change in Expenditures</i>				81		(107)		(107)
<i>Biennial % Change in Expenditures</i>				6		(7)		(7)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	11.1	13.2	13.2	15.2	15.2	15.2	15.2	15.2

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	7,825	8,099	7,568	3,300	3,301	3,301	3,301	3,301
Receipts	50,781	53,673	54,216	91,242	86,042	86,042	86,042	86,042
Net Transfers			0					
Expenditures	50,576	57,157	58,485	91,242	86,042	86,042	86,042	86,042
Balance Forward Out	8,030	4,615	3,300	3,301	3,301	3,301	3,301	3,301
<i>Biennial Change in Expenditures</i>				41,994		22,357		22,357

Program: Maintenance Training
Facilities

Program Financing by Fund

(Dollars in Thousands)

3000 - Federal

<i>Biennial % Change in Expenditures</i>				39		15		15
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	238.5	219.9	241.8	257.4	257.4	257.4	257.4	257.4

Program: General Support

<http://www.minnesotanationalguard.org/>

AT A GLANCE

In 2014, we:

- Provided accounting and administrative services to support cooperative agreement projects totaling over \$59 million
- Provided human resources, payroll, and administrative services to 307 Full-time Equivalents (FTEs)
- Supported 277 Yellow Ribbon Entities (212 cities, 25 counties, and 40 companies)
- Provided grants to service members, family support groups, and other veteran services from the proceeds of the Support Our Troops (SOT) license plates

PURPOSE & CONTEXT

Administrative Services provides the general administrative, financial, accounting, budgeting, project management, strategic planning, and human resource support necessary for the operation of the department. It also provides the support for members of the National Guard called to state active duty by the Governor.

SERVICES PROVIDED

Under the administrative services activity we provide support to the Adjutant General's staff, the department directors responsible for the cooperative agreements with the federal government, the state employees of the department, and, in times of state declared emergencies, the members of the Minnesota Army and Air National Guard called to state active duty. We administer programs that support military members of the Minnesota National Guard. And we provide the leadership, planning, technical, and administrative support for the state agency and conducts training and exercises to enhance readiness to perform support to civil authorities. Additionally, we provide the support for the separate grants and programs authorized by the legislature, such as the Beyond the Yellow Ribbon Program and Support Our Troops funding

RESULTS

Specific aspects of these results including objectives, performance measures and results can be found in the Annual Report and Campaign Plan at <http://www.minnesotanationalguard.org/aboutus/>

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	<i>Sustainable Infrastructure (LOA 3).</i> We will develop Sustainable Infrastructure including our two airbases and the facilities in 63 communities across the state. It is crucial that we optimize the physical capabilities at each location which will facilitate enhancing partnerships throughout the communities in which we serve.	0 of 2 objectives meeting standard	1 of 2 objectives meeting standard	2012 & 2014
Result	<i>Support Beyond the Yellow Ribbon Program (LOA 4).</i> We will continue development of a comprehensive program that connects Service Members (SM) and their families (MFM) with community support, training, services and resources in networks.	1 of 3 objectives meeting standard	0 of 2 objectives meeting standard	2012 & 2014
Result	<i>Competent Ready Force (LOA 1).</i> The Minnesota National Guard's enduring mission is to protect the nation by providing forces and	3 of 4 objectives meeting	3 of 4 objectives	2012 & 2014

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
	capabilities in support of the Governor, Combatant Commanders and domestic operations. We will accomplish this by achieving and maintaining the required personnel, equipment, training and resourcing levels that ensure our success.	standard	meeting standard	

Performance Measures Notes:

LOA = Line of Action

MNDMA's legal authority is provided from M.S. 190 – 195 (<https://www.revisor.mn.gov/statutes/?view=part&start=190&close=195>).

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	2,487	2,492	2,376	2,462	2,386	2,386	2,846	2,846
2000 - Restricted Misc Special Rev	137	227	514	620	569	572	569	572
3000 - Federal	865	1,045	585	1,206	1,028	1,028	1,028	1,028
Total	3,489	3,764	3,475	4,288	3,983	3,986	4,443	4,446
<i>Biennial Change</i>				510		206		1,126
<i>Biennial % Change</i>				7		3		15
<i>Governor's Change from Base</i>								920
<i>Governor's % Change from Base</i>								12

Expenditures by Budget Activity

Budget Activity: Administrative Services-DMA	2,482	2,496	2,378	2,475	2,391	2,391	2,851	2,851
Budget Activity: Auxiliary Services	167	236	279	486	549	552	549	552
Budget Activity: Starbase Minnesota	865	1,045	585	1,206	1,028	1,028	1,028	1,028
Budget Activity: Camp Ripley Timber Sales	-25	-13	233	121	15	15	15	15
Total	3,489	3,764	3,475	4,288	3,983	3,986	4,443	4,446

Expenditures by Category

Compensation	1,360	1,377	1,457	1,919	2,014	2,003	2,014	2,003
Operating Expenses	1,200	934	1,055	841	682	696	1,142	1,156
Other Financial Transactions	16	0	133	40	0	0	0	0
Grants, Aids and Subsidies	914	1,370	830	1,488	1,287	1,287	1,287	1,287
Capital Outlay-Real Property		84	0	0	0	0	0	0
Total	3,489	3,764	3,475	4,288	3,983	3,986	4,443	4,446
Total Agency Expenditures	3,489	3,764	3,475	4,288	3,983	3,986	4,443	4,446
Expenditures Less Internal Billing	3,489	3,764	3,475	4,288	3,983	3,986	4,443	4,446

Full-Time Equivalents

	19.0	20.8	20.1	21.5	22.0	21.1	22.0	21.1
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Program: General Support

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	984	950	555	526	407	363	407	363
Direct Appropriation	2,363	2,360	2,359	2,359	2,359	2,359	2,819	2,819
Receipts			0					
Net Transfers	(10)	(11)	(12)	(17)	(17)	(17)	(17)	(17)
Cancellations		252						
Expenditures	2,487	2,492	2,376	2,462	2,386	2,386	2,846	2,846
Balance Forward Out	850	555	526	407	363	319	363	319
<i>Biennial Change in Expenditures</i>				(141)		(66)		854
<i>Biennial % Change in Expenditures</i>				(3)		(1)		18
<i>Gov's Exp Change from Base</i>								920
<i>Gov's Exp % Change from Base</i>								19
FTEs	18.3	20.0	18.9	19.0	19.0	18.0	19.0	18.0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	1,583	1,950	2,247	2,250	2,114	2,028	2,114	2,028
Receipts	13	20	24	10	10	10	10	10
Net Transfers	489	504	491	473	473	473	473	473
Expenditures	137	227	514	620	569	572	569	572
Balance Forward Out	1,949	2,247	2,250	2,114	2,028	1,939	2,028	1,939
<i>Biennial Change in Expenditures</i>				770		8		8
<i>Biennial % Change in Expenditures</i>				212		1		1
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.7	0.8	1.2	2.5	3.0	3.1	3.0	3.1

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		184		178				
Receipts	1,049	861	763	1,028	1,028	1,028	1,028	1,028
Expenditures	865	1,045	585	1,206	1,028	1,028	1,028	1,028
Balance Forward Out	184		178					
<i>Biennial Change in Expenditures</i>				(119)		264		264
<i>Biennial % Change in Expenditures</i>				(6)		15		15

Program: General Support

Program Financing by Fund

(Dollars in Thousands)

3000 - Federal

<i>Gov's Exp Change from Base</i>			0
<i>Gov's Exp % Change from Base</i>			0

Program: Enlistment Incentives

<http://www.minnesotanationalguard.org/education/>

AT A GLANCE

In 2014, we:

- Disbursed \$5.929 million from the State Tuition Reimbursement (STR) program.
- Disbursed \$0.325 million from the State Reenlistment (SRB) program.
- Disbursed \$0.063 million from the State Medic Bonus (SMB) program.

PURPOSE & CONTEXT

The Enlistment Incentives program provides selective incentives to the men and women who enlist and maintain their memberships in the Army and Air National Guard to meet the needs of our military force. These incentives allow the Minnesota National Guard to compete with neighboring states and other services in recruitment.

SERVICES PROVIDED

Manage programs and provide funding for the state’s enlistment incentives program to recruit and retain service members in shortage job skills and grades to maintain a competent and ready force. Execute and update Minnesota National Guard Circular 621-5-1 which describes the eligibility criteria and procedures for administering the Minnesota State Incentive Programs. We review and update the incentive programs annually based on both the state and federal financial environment.

RESULTS

Specific aspects of these results including objectives, performance measures and results can be found in the Annual Report and Campaign Plan at <http://www.minnesotanationalguard.org/education/>

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	<i>Competent Ready Force (LOA 1).</i> The Minnesota National Guard’s enduring mission is to protect the nation by providing forces and capabilities in support of the Governor, Combatant Commanders and domestic operations. We will accomplish this by achieving and maintaining the required personnel, equipment, training and resourcing levels that ensure our success.	3 of 4 objectives meeting standard	3 of 4 objectives meeting standard	2012 & 2014
Quantity	<i>Increase diversity among first-term enlistments (LOA 5-1).</i> The first step in increasing the diversity of our force is to recruit a large pool of diverse Soldiers/Airmen that can subsequently be retained and promoted to all levels of the organization as their careers progress.	8 of 10 objectives meeting standard	4 of 8 objectives meeting standard	2012 & 2014

Quantity	<i>Increase diversity among mid-grades (LOA 5-2). Having a large pool of diverse first-term enlistments will assist toward achieving this objective, but other initiatives are required to ensure continued success. It must begin with career development programs implemented at all levels of command. These programs will help SMs envision and develop plans for their future service, which will provide them with the tools to successfully manage their careers.</i>	4 of 7 objectives meeting standard	1 of 5 objectives meeting standard	2012 & 2014
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Performance Measures Notes:

LOA = Line of Action

M.S. 192.501 (<https://www.revisor.mn.gov/statutes/?id=192.501>) provides the legal authority for MNDMA's Incentives Program.

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901
Total	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901
<i>Biennial Change</i>				2,204		3,631		3,631
<i>Biennial % Change</i>				19		26		26
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Budget Activity

Budget Activity: Enlistment Incentives	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901
Total	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901

Expenditures by Category

Compensation	1,007	728	497	349	1,076	1,078	1,076	1,078
Operating Expenses	0	0	0	5	5	5	5	5
Other Financial Transactions				3	3	3	3	3
Grants, Aids and Subsidies	4,606	5,167	5,929	6,929	7,359	7,815	7,359	7,815
Capital Outlay-Real Property				0				
Total	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901

Total Agency Expenditures	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901
Expenditures Less Internal Billing	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901

<i>Full-Time Equivalents</i>	2.0	2.0	1.7	2.0	2.0	2.0	2.0	2.0
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Program: Enlistment Incentives

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	1,743	9,488	13,941	17,863	20,925	22,830	20,925	22,830
Direct Appropriation	13,348	10,348	10,348	10,348	10,348	10,348	6,888	6,888
Net Transfers			0				(10,000)	
Expenditures	5,613	5,895	6,427	7,286	8,443	8,901	8,443	8,901
Balance Forward Out	9,478	13,940	17,863	20,925	22,830	24,277	9,370	7,357
<i>Biennial Change in Expenditures</i>				2,204		3,631		3,631
<i>Biennial % Change in Expenditures</i>				19		26		26
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	2.0	2.0	1.7	2.0	2.0	2.0	2.0	2.0

Program: Emergency Services

<http://www.minnesotanationalguard.org/currentops/>

AT A GLANCE

In 2014, we:

- Supported winter storm rescue and flood missions
- Provided 802 state active duty work days and equipment to assist local authorities during state active duty missions

PURPOSE & CONTEXT

On order of the Governor of Minnesota, the Minnesota National Guard provides support to state and local police and fire departments to save lives, prevent human suffering and mitigate property damage for the citizens of Minnesota and partner states.

Under the Governor’s Executive Order supporting emergency operations, the Adjutant General submits a funding request to MMB. This open emergency appropriation is used to pay for emergency operations performed by the Army and Air National Guard. The state may be eligible for reimbursement by FEMA, other federal entities, and other supported states.

SERVICES PROVIDED

The Minnesota National Guard conducts **Support to Civil Authorities** operations in support of the Governor of Minnesota, federal agencies or the Department of Defense as stipulated under federal and state laws and statutes. Some of the supported emergency events include Red River Valley Flooding, Duluth Flood, and Northern Minnesota Wildfires.

The Minnesota National Guard develops and maintains an **All Hazard Contingency Plan** considering potential emergency situations which contain provisions for actions to be taken before, during and after disasters.

The Minnesota National Guard maintains **dual-status commander capability** in the case that active federal military support is required during a response. This is an important legal distinction for Command and Control authority of federal assets and personnel that are involved in support of state emergencies.

RESULTS

Specific aspects of these results including objectives, performance measures and results can be found in the Annual Report and Campaign Plan at <http://www.minnesotanationalguard.org/aboutus/>

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	<i>Competent Ready Force (LOA 1).</i> The Minnesota National Guard’s enduring mission is to protect the nation by providing forces and capabilities in support of the Governor, Combatant Commanders and domestic operations. We will accomplish this by achieving and maintaining the required personnel, equipment, training and resourcing levels that ensure our success.	3 of 4 objectives meeting standard	3 of 4 objectives meeting standard	2012 & 2014
Quality	<i>Optimal Force Structure (LOA 2).</i> The Minnesota National Guard will plan to achieve an optimal force structure that provides the capabilities to support federal and state missions effectively. We will continually assess and evaluate the right mix of personnel and equipment to leverage our capabilities while balancing the ideal composition for current and anticipated missions.	0 of 3 objectives meeting standard	0 of 3 objectives meeting standard	2012 & 2014

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	<i>Achieve and Maintain Required Equipment Readiness Levels (LOA 1-2). We will continue to train and maintain our equipment readiness to achieve and maintain capability for our federal, state and local missions.</i>	1 of 4 objectives meeting standard	2 of 4 objectives meeting standard	2012 & 2014

Performance Measures Notes:

LOA = Line of Action

M.S. 192.52 (<https://www.revisor.mn.gov/statutes/?id=192.52>) provides the legal authority for MNDMA's Emergency Services.

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	1,179	355	164	396	423	423	423	423
Total	1,179	355	164	396	423	423	423	423
<i>Biennial Change</i>				(974)		286		286
<i>Biennial % Change</i>				(63)		51		51
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Budget Activity

Budget Activity: Emergency Services	1,179	355	164	396	423	423	423	423
Total	1,179	355	164	396	423	423	423	423

Expenditures by Category

Compensation	492	37	111	113	115	117	115	117
Operating Expenses	687	318	53	283	308	306	308	306
Total	1,179	355	164	396	423	423	423	423
Total Agency Expenditures	1,179	355	164	396	423	423	423	423
Expenditures Less Internal Billing	1,179	355	164	396	423	423	423	423

Program: Emergency Services

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Open Appropriation	1,179	355	164	396	423	423	423	423
Expenditures	1,179	355	164	396	423	423	423	423
<i>Biennial Change in Expenditures</i>				(974)		286		286
<i>Biennial % Change in Expenditures</i>				(63)		51		51
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	0	1,132	1,512	1,512				
Receipts	1,132	380	0	0	0	0	0	0
Net Transfers				(1,512)				
Balance Forward Out	1,132	1,512	1,512					

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In			859	1,024	1,024	1,024	1,024	1,024
Receipts	0	859	165	0	0	0	0	0
Net Transfers			0					
Balance Forward Out	0	859	1,024	1,024	1,024	1,024	1,024	1,024

FY16-17 Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actuals	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
Department of Defense 12.400	National Guard Military Construction: Provide for the acquisition of facilities necessary for the training and administration of Army National Guard (ARNG) units	No	9,065	31,823	31,823	31,823	Yes	0.00
Department of Defense 12.401	National Guard Military Operations and Maintenance (O&M) Projects: Support the operations and maintenance of Army National Guard (ARNG) and Air National Guard (ANG) facilities and provide authorized service support activities to National Guard units and personnel	No	49,420	59,419	54,219	54,219	Yes	270.08
	Budget Activity Total		58,485	91,242	86,042	86,042		270.08
	Program Total		58,485	91,242	86,042	86,042		270.08
Department of Defense 12.404	National Guard Challenge Program: Civilian youth opportunities program, including supervised work experience in community service and conservation projects, to civilian youth who cease to attend secondary school after graduating so as to improve the life skills and employment potential of such youth	No	763	1,028	1,028	1,028	No	0.00
	Budget Activity Total		763	1,028	1,028	1,028		0.00
	Program Total		763	1,028	1,028	1,028		0.00
	Federal Fund – Agency Total		59,248	92,270	87,070	87,070		270.08

Narrative:

The Department of Military Affairs has a Master Cooperative Agreement with the Federal Government through the National Guard Bureau that has a series of funding appendices that provide federal funding for the operation, maintenance and repair of facilities used by the MN National Guard for training service members. The recurring, general operational portion of this funding is about \$45 - \$54M per year. The one-time, construction funding varies from year to year but is generally in the \$40M to \$80M range.

The state is required to hire employees to provide direct services such as base security, airfield firefighting, facilities operation, maintenance and repair, and construction and design services. The state also needs a complement of employees to provide the indirect services such as accounting, budgeting, human resources, planning, safety, and administrative services required to support those activities.

State matches are required in several areas. These vary from 50% to 75% depending on what type of activities and facilities are supported. The recurring portion of these match requirements are approximately \$4M per year. Army National Guard facility construction for facilities not on federally supported land usually require a 25% state contribution. Facilities on supported land are

usually 100% federally funded. These construction projects each require a separate cooperative agreement. Remodeling/renovation projects generally require a 50%-50% match. State funds for those projects are provided through capital bonding appropriations.

Estimates are based on the best federal funding information currently available at the time this document is prepared. Most federal awards that impact state FY 2015-2017 are not yet confirmed. Therefore, we use historical trend information from recent years for ongoing programs along with funding estimates from federal program managers. We anticipate a slowdown in the rate of growth in federal funding over the next several years.