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Department of Military Affairs

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AT A GLANCE

- Support over 13,000 citizen Airmen and Soldiers who serve federal, state, and community missions
- Since 9/11, the Minnesota National Guard has deployed more than 35,000 Army and Air Guard members to more than 37 countries worldwide
- Responsible for approximately \$500 - \$700 million per year from the federal government
- 375 full-time equivalents (FTEs) across the state - only 36 FTEs are 100% funded by the general fund
- Provided assistance to over 48 state active duty missions and 154,061 state active duty days in response to floods, fire, blizzards, and other natural disasters or other emergencies since 2012

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 by the President.

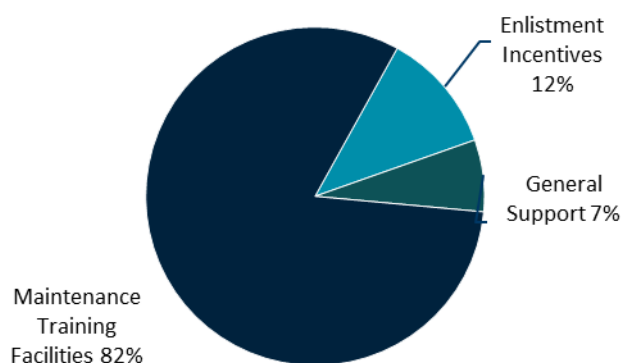
State: As a state entity, the Minnesota National Guard provides support to local law enforcement and other state and local agencies during natural disasters and other emergencies at the direction of the Governor.

Community: The Minnesota National Guard is also involved in community support projects throughout the state. These projects give Soldiers and Airmen a chance to “give back to the community.”

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

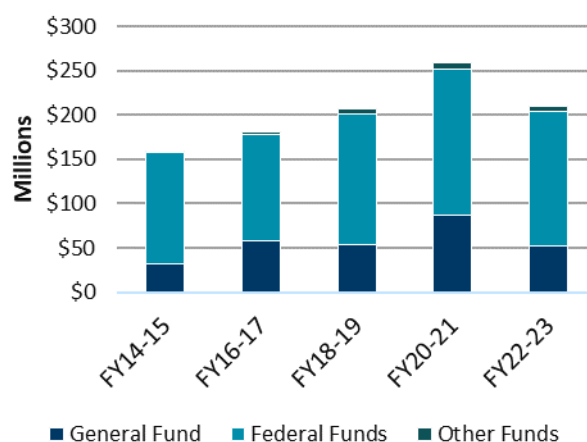
BUDGET

**Spending by Program
FY 2023 Actual**

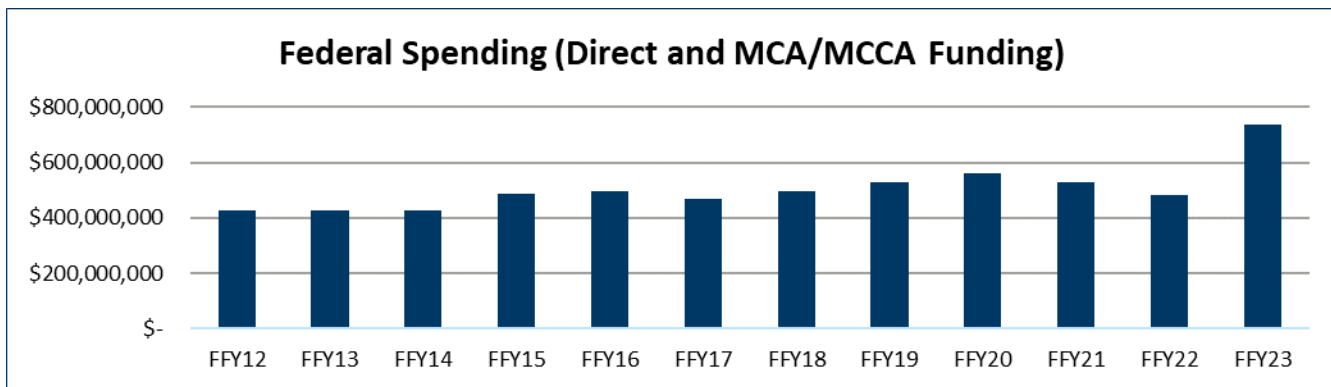


Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Does not include federal direct spending
Source: Consolidated Fund Statement



Source: Minnesota National Guard Annual Reports

Ninety-five percent of the 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 economically disadvantaged school students. The department’s staff includes 375 FTEs, and only 36 FTEs are 100% funded by the state general fund. The remainder are predominantly federally funded – some at 100% and most others at 75% or 80%.

STRATEGIES

The Department integrates state resources to support the Adjutant General’s priorities of People, Modernization, and Partnerships. We accomplish this by actively engaging with the predominantly federally focused staff sections of the Minnesota National Guard to collaboratively assist and inform regarding opportunities and constraints that the state agency perspective lends to mission support. When units of the National Guard are called into state service, the agency provides direct logistical and contracting support to ensure the units have the resources necessary to provide the desired support to local authorities as directed by the governor.

The Department has four core programs that support the Adjutant General’s priorities:

- The **Maintenance of Military Training Facilities Program** maintains the state’s facilities used to train and house members of the Minnesota National Guard and protect state’s infrastructure investments including the MN State Armory Building Commission (MSABC) facilities. Each Air National Guard base has a civil engineering team responsible for maintaining the federal facilities supported by state and federal dollars.
- The **Enlistment Incentives Program** supports and manages the department’s enlistment and retention incentives along with its 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 department operations. It also supports the following programs:
 - Beyond the Yellow Ribbon initiatives help service members and families throughout the deployment cycle.
 - The Cyber Coordination Cell program ensures that the Minnesota National Guard can assist in the cyber realm when and where appropriate.
 - The Holistic Health and Fitness program focuses on preventing injuries and fitness failures preparing Guard members to support state and federal missions.
 - The Emergency Communications Replacement program allows the department to update communications systems primarily for our state mission.

The Department of Military Affairs’ legal authority is specified in M.S. 190 - 195 (<https://www.revisor.mn.gov/statutes/part/MILITARY%2520AFFAIRS>).

Military Affairs

Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	25,331	26,658	43,424	54,657	28,598	28,604	31,949	35,402
2000 - Restrict Misc Special Revenue	2,352	2,954	2,442	2,584	2,692	2,732	2,692	2,732
2050 - Environment & Natural Resources				187				
3000 - Federal	75,458	75,655	90,793	92,753	93,952	95,066	93,952	95,066
3015 - ARP-State Fiscal Recovery	883							
Total	104,023	105,267	136,658	150,181	125,242	126,402	128,593	133,200
Biennial Change				77,549		(35,195)		(25,046)
Biennial % Change				37		(12)		(9)
Governor's Change from Base								10,149
Governor's % Change from Base								4

Expenditures by Program

Maintenance of Military Training Facilities	83,868	85,832	100,077	103,154	104,131	105,292	104,131	105,292
General Support	6,198	7,229	22,650	24,765	6,750	6,749	8,101	7,547
Enlistment Incentives	10,631	12,146	13,204	19,731	12,114	12,114	14,114	18,114
Emergency Services	3,326	60	727	2,531	2,247	2,247	2,247	2,247
Total	104,023	105,267	136,658	150,181	125,242	126,402	128,593	133,200

Expenditures by Category

Compensation	35,589	35,475	38,371	45,385	47,019	49,681	50,360	56,459
Operating Expenses	41,881	45,201	58,505	65,869	48,687	48,779	48,697	48,799
Grants, Aids and Subsidies	11,482	13,733	13,347	17,971	9,086	7,632	9,086	7,632
Capital Outlay-Real Property	14,458	9,222	25,780	20,180	19,725	19,725	19,725	19,725
Other Financial Transaction	613	1,636	655	776	725	585	725	585
Total	104,023	105,267	136,658	150,181	125,242	126,402	128,593	133,200

Full-Time Equivalents

385.80	399.66	386.09	393.38	383.96	383.96	383.96	383.96
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Military Affairs

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In	4,245	5,797	5,707	23,432				
Direct Appropriation	24,393	26,789	60,960	29,297	26,674	26,680	30,025	33,478
Open Appropriation	2,443	60	211	1,947	1,947	1,947	1,947	1,947
Transfers In				4				
Transfers Out	54	59	23	23	23	23	23	23
Cancellations		224						
Balance Forward Out	5,697	5,704	23,432					
Expenditures	25,331	26,658	43,424	54,657	28,598	28,604	31,949	35,402
Biennial Change in Expenditures			46,092		(40,879)		(30,730)	
Biennial % Change in Expenditures			89		(42)		(31)	
Governor's Change from Base							10,149	
Governor's % Change from Base							18	
Full-Time Equivalents	40.92	43.56	50.30	55.09	45.67	45.67	45.67	45.67

2000 - Restrict Misc Special Revenue

Balance Forward In	2,860	2,839	2,689	3,170	2,549	2,699	2,549	2,699
Receipts	1,637	2,182	2,211	2,060	2,215	2,262	2,215	2,262
Transfers In	626	544	711	627	627	627	627	627
Transfers Out				724				
Balance Forward Out	2,771	2,610	3,170	2,549	2,699	2,856	2,699	2,856
Expenditures	2,352	2,954	2,442	2,584	2,692	2,732	2,692	2,732
Biennial Change in Expenditures				(280)		398		398
Biennial % Change in Expenditures				(5)		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	20.96	23.43	22.32	24.82	24.82	24.82	24.82	24.82

2050 - Environment & Natural Resources

Balance Forward In	926		187			
Direct Appropriation			187			
Transfers Out	926					
Balance Forward Out			187			
Expenditures			187			

Military Affairs

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Biennial Change in Expenditures				187		(187)		(187)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Balance Forward In	806	1,915	2,182	698	694	694	694	694
Receipts	75,544	75,469	90,344	103,779	93,952	95,066	93,952	95,066
Transfers Out			1,035	11,030				
Balance Forward Out	892	1,729	697	694	694	694	694	694
Expenditures	75,458	75,655	90,793	92,753	93,952	95,066	93,952	95,066
Biennial Change in Expenditures				32,433		5,472		5,472
Biennial % Change in Expenditures				21		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	323.92	332.67	313.47	313.47	313.47	313.47	313.47	313.47

3015 - ARP-State Fiscal Recovery

Balance Forward In		792						
Direct Appropriation	1,675							
Cancellations		792						
Balance Forward Out	792							
Expenditures	883							
Biennial Change in Expenditures				(883)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Military Affairs

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	29,357	29,357	29,357	58,714
Base Adjustments				
Current Law Base Change		(2,633)	(2,627)	(5,260)
Allocated Reduction	(60)	(60)	(60)	(120)
Minnesota Paid Leave Allocation		10	10	20
Forecast Base	29,297	26,674	26,680	53,354
Change Items				
Sustain State Enlistment and Retention Bonus Program to Service Members		2,000	6,000	8,000
Sustain MN Cyber Coordination Cell		353	397	750
Sustain Holistic Health and Fitness		800		800
Operating Adjustment		198	401	599
Total Governor's Recommendations	29,297	30,025	33,478	63,503
Open				
Fund: 1000 - General				
FY2025 Appropriations	2,050	2,050	2,050	4,100
Base Adjustments				
November Forecast Adjustment	(103)	(103)	(103)	(206)
Forecast Base	1,947	1,947	1,947	3,894
Total Governor's Recommendations	1,947	1,947	1,947	3,894
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	2,584	2,692	2,732	5,424
Forecast Base	2,584	2,692	2,732	5,424
Total Governor's Recommendations	2,584	2,692	2,732	5,424
Fund: 3000 - Federal				
Planned Spending	92,753	93,952	95,066	189,018
Forecast Base	92,753	93,952	95,066	189,018
Total Governor's Recommendations	92,753	93,952	95,066	189,018
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	2,060	2,215	2,262	4,477

Military Affairs

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Total Governor's Recommendations	2,060	2,215	2,262	4,477
Fund: 3000 - Federal				
Forecast Revenues	103,779	93,952	95,066	189,018
Total Governor's Recommendations	103,779	93,952	95,066	189,018

Department of Military Affairs

FY 2026-27 Biennial Budget Change Item

Change Item Title: Sustain State Enlistment and Retention Bonus Programs to Service Members

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	2,000	6,000	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,000	6,000	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends an annual increase of \$2 million from the general fund in FY 2026 and \$6 million in FY 2027. This funding is essential to maintain the agency's State Enlistment and Retention programs for service members. The proposed budget adjustments represent increases of approximately 7.48% for FY 2026 and 22.45% for FY 2027 relative to the agency's total annual operating budget.

Rationale/Background:

The Minnesota Department of Military Affairs (MDMA) has established several incentive programs aimed at recruiting and retaining service members:

1. State Tuition Reimbursement Program - This program reimburses up to 100% of tuition for eligible undergraduate courses and 75% for graduate courses at accredited post-secondary institutions. The maximum reimbursement per state fiscal year is \$18,000 for undergraduate and \$28,000 for graduate studies, based on the University of Minnesota - Twin Cities resident rates.
2. State Reenlistment Bonus Program - Service members can receive bonuses of \$4,500 for a 3-year reenlistment and \$15,000 for a 6-year reenlistment. Eligibility requires completion of at least 3 years of service and having less than 20 years of retirement-eligible service. Bonuses are paid annually during the member's anniversary month, contingent on satisfactory completion of each contracted year.
3. State Medic Bonus Program - This program offers a \$1,000 bonus every two years to service members in authorized duty positions requiring EMT certification, contingent on holding a current National Registry of Emergency Medical Technician (NREMT) card and committing to two years of service following recertification.
4. State Reclassification Bonus Program - Targeted at E-1 through E-7 personnel filling critical vacancies in specified Military Occupational Specialties (MOS) and Air Force Specialty Codes (AFSC) identified by the Adjutant General, this program provides a one-time \$10,000 bonus, payable upon the award of the bonus contract.

These programs are designed to support the recruitment and retention of service members, ensuring the agency can maintain its operational readiness and effectiveness.

Proposal:

The Governor recommends additional funding to pay for rising tuition costs and increased participation in bonus programs by service members.

The implementation date for this proposal is set for July 1, 2025. Without this additional funding, MDMA may have to reduce the state tuition reimbursement program and potentially eliminate some of the bonus programs, as some bonus programs involve multi-year commitments to service members with executed contracts. Reducing or eliminating current programs will have a negative impact on recruiting new service members and retaining existing ones, ultimately compromising the Minnesota National Guard's operational readiness and its ability to support federal and state emergency missions.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	2,000	6,000	8,000	0	0	0
Total All Funds	2,000	6,000	8,000	0	0	0

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	State Reenlistment, Medic, and Reclassification Bonuses	2,000	6,000	8,000	0	0	0

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Results:Part A: Performance Measures

The overarching goal of this funding request is to ensure sufficient financial support for existing incentive programs over the next four years. A key outcome of this request is to effectively recruit and retain service members in critical shortage job skills and ranks, thereby maintaining a competent and ready force. By securing this funding, MDMA aims to enhance its ability to meet operational demands and uphold readiness for both federal and state missions.

Measure	Measure type	Measure data source	Most recent data	Projected change
Improve and Sustain Retention/Incentives (LOA 2-2). The first step in increasing the diversity of the 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.	Quantity	It is assessed based on the organization's ability to retain qualified personnel within its formations	In May 2024, the score was 3.81 out of 10.	Reverse the trend of declining annual scores and achieve a score of at least 7 out of 10.
Enable People (LOE 1). Enabling people involves providing the training and resources necessary for Soldiers, Airmen, and civilians to successfully complete their assigned missions, while also fostering ongoing personal and professional development.	Result	Each of the following four line of actions is measured with equal weight, meaning that each contributes equally to the total LOA score: LOA #1-1: Individual Training and Skill Proficiency LOA #1-2: Individual Development and Welfare LOA #1-3: Leader Development LOA #1-4: Enable Equity and Inclusion	In August 2024, the score was 4.79 out of 10.	Achieve a score of at least 7 out of 10.
Improve and Sustain Force Structure (LOA 3-1). Ensure our units' composition parity with our active-duty counterparts while maintaining domestic operations preparedness.	Quantity	Different weights are assigned to each of the two lines of action when calculating the total LOA score: LOA #3-1: Successfully Compete for any 34 th Infantry Division Aligned Structure if it Becomes Available (40%) LOA #3-2: Maintain Two Flying Wings (60%)	In May 2024, the score was 8.67 out of 10.	Reverse the trend of declining annual scores and achieve a score of at least 9 out of 10.

Part B: Use of Evidence

The Military Affairs Department has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

The Military Affairs Department has not identified any evidence-based practices that will be supported by the proposal.

Statutory Change(s):

N/A

Department of Military Affairs

FY 2026-27 Biennial Budget Change Item

Change Item Title: Sustain MN Cyber Coordination Cell (C3)

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	353	397	397	397
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	353	397	397	397
FTEs	0	0	0	0

Recommendation:

The Governor recommends an annual general fund increase of \$353,000 in FY 2026 and \$397,000 in each subsequent year to sustain the agency's current Cyber Coordination Cell (C3) program. This budget request represents a 1.32% increase in FY 2026 and a 1.49% increase in FY 2027 to the agency's total annual operating budget.

Rationale/Background:

National and State programming for National Guard units does not provide adequate federal manning authorizations to operate and manage a comprehensive Cyber readiness program. The Minnesota National Guard (MNNG) has relied on non-statutory year-to-year federal Active Duty for Operational Support (ADOS) allocations from the National Guard Bureau (NGB) since 2017, funded through federal cyber training resources. However, due to budget constraints at the NGB, this federal funding has not been available for long-term ADOS positions as of FY 2023. Consequently, the MNARNG Cyber Coordination Cell (C3) program has been funded by the state's general fund since FY 2024.

This long-term state funding has facilitated the creation of four positions to achieve the following objectives:

1. Program Management: Plan, manage, and execute all Cyber Coordination Cell (C3) programs, projects, events, and initiatives, ensuring alignment with state needs, requirements, and strategic direction.
2. Metrics Evaluation: Research, analyze, and evaluate C3 program metrics to enhance the program's effectiveness, demonstrating its value to state interests, and providing iterative roll-up reports to state command.
3. Incident Response Planning: Plan and rehearse collective Cyber Incident Response scenarios involving MNIT, Homeland Security and Emergency Management (HSEM), MNNG, and agency partners for both State Active Duty (SAD) and Title 32 Federal incident response operations.

These initiatives collectively provide a comprehensive solution to enable sustained support for Cyber operations readiness within the Minnesota National Guard.

Proposal:

The Governor recommends additional funding for the existing Cyber Coordination Cell (C3) program. The proposed implementation date for this funding is July 1, 2025. Without this additional funding, MDMA will be forced to reduce the number of C3 positions from four to one, significantly diminishing the Minnesota National

Guard's cyber capabilities during a period of rapid growth in the Cyber domain. This reduction would increase the risk to our ability to respond effectively to Cyber-related support requests.

Additionally, the Minnesota National Guard will begin to lag behind other states that are building or expanding their Joint Force Headquarters Cyber directorates. This could lead to reduced federal funding, fewer direct partnerships, and diminished training opportunities. Ultimately, these setbacks will compromise the Minnesota National Guard's operational readiness and its capacity to support both federal and state emergency missions.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	353	397	750	397	397	794
Total All Funds	353	397	750	397	397	797

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Personnel	353	397	750	397	397	794

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

Results:

The primary goal of this funding request is to ensure sufficient financial support for the existing C3 program that was initiated in FY 2024. A key outcome of this request is to expand cyber capabilities to DMA, MN.IT, and all partners who may need to utilize the Minnesota National Guard.

Part A: Performance Measures

Measure	Measure type	Measure data source	Most recent data	Projected change
Improve and Sustain Networks (LOA 4-1 OBJ 4-1-1). Cyber security and systems access for our personnel.	Quality	It is assessed based on the organization's ability to secure network.	In August 2024, the score was 5.18 out of 10.	Achieve a score of at least 7 out of 10.
Critical Services Availability (LOA 4-1 OBJ 4-1-1). Systems available for our personnel.	Results	Different weights are assigned to each of the four tasks when calculating the total LOA score: Task #4-1-2-1: Critical Server Uptime (40%) Task #4-1-2-2: Voice Services Uptime (10%) Task #4-1-2-3: Interoperability Assets to support domestic operations (30%) Task #4-1-2-4: Accessibility to Information and Collaboration Systems (20%)	In June 2024, the score was 6.40 out of 10.	Achieve a score of at least 7.50 out of 10.

Measure	Measure type	Measure data source	Most recent data	Projected change
Improve and Sustain Physical Security (LOA 4-2). Physical force protections measures are in place to protect our networks, equipment and facilities.	Quality	Each of the following two objectives is measured with equal weight, meaning that each contributes equally to the total LOA score: OBJ #4-2-1: Secure and Protect Facilities OBJ #4-2-2: Protect the Force	In August 2024, the score was 6.48.	Achieve a score of at least 7.50 out of 10.

Performance Measures Notes:

LOE = Line of Effort

LOA = Line of Action

OBJ = Objective

Part B: Use of Evidence

The Minnesota Department of Military Affairs has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

This proposal is for operational improvements which cannot be studied through a randomized control trial or quasi-experimental design study.

Statutory Change(s):

N/A

Department of Military Affairs

FY 2026-27 Biennial Budget Change Item

Change Item Title: Sustain Holistic Health and Fitness Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	800	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)	800	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends an annual general fund increase of \$800,000 in FY 2026 to sustain its Holistic Health and Fitness (H2F) program for the Minnesota Army National Guard (MNARNG). This funding is intended for FY 2026 only, as federal H2F program funding is anticipated to be available starting in FY 2027. The proposed budget adjustment reflects a 2.99% increase to the agency's total annual operating budget for FY 2026, ensuring continued support and effectiveness of the H2F program during this transition period.

Rationale/Background:

The Holistic Health & Fitness (H2F) System is the Army's key investment in enhancing service member readiness and lethality. It focuses on optimizing both physical and non-physical performance, reducing injury rates, improving rehabilitation after injuries, and increasing the overall effectiveness of the Force.

Currently, the National and State H2F programming for Army National Guard units lacks federal full-time manning authorizations (AGR/TECH) for the operation and management of the H2F program. As a result, the Minnesota Army National Guard's (MNARNG) H2F program is funded by the state's general fund.

Historically, an overemphasis on physical health without adequate attention to other health aspects has contributed to higher rates of poor overall physical and mental health. The H2F system aims to address all dimensions of wellness, promoting lifelong health both in and out of uniform. This system empowers Soldiers and Airmen, enhancing their war-fighting capabilities and supporting long-term well-being.

The MN National Guard H2F team provides a range of services, including:

1. Individual Consultations: Fitness, nutritional, and spiritual consultations for all Minnesota National Guard service members, including those in the Minnesota Air National Guard.
2. Group Courses and Clinics: Regularly scheduled group courses and open clinics throughout the year.
3. Holistic Health Education: Extensive health education resources disseminated through apps, videos, newsletters, and more.
4. Community Integration: Strong collaboration with internal programs and external community partnerships to enhance service offerings.

These initiatives collectively support the health and readiness of service members, fostering a comprehensive approach to wellness.

Proposal:

The Governor recommends additional funding for the existing Holistic Health and Fitness (H2F) program. The proposed implementation date for this funding is July 1, 2025. Without this additional funding, there will be a gap until federal funding becomes available in FY 2027, resulting in the stoppage of the current H2F program after FY 2025. This would lead to the discontinuation of all services provided to service members and community integration activities, significantly disrupting the program's transition from state to federal funding. Ultimately, this will compromise the Minnesota National Guard's operational readiness and its ability to support both federal and state emergency missions.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	800	0	800	0	0	0
Total All Funds	800	0	800	0	0	0

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Personnel	800	0	800	0	0	0

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Results:Part A: Performance Measures

The primary goal of this funding request is to ensure sufficient financial support for the existing H2F program, initiated in FY 2024, until federal funding becomes available in FY 2027. A key outcome of this request is to expand holistic health-related services and educational program activities. By securing this funding for FY 2026, the Minnesota Department of Military Affairs (MDMA) aims to enhance its capacity to meet operational demands and maintain readiness for both federal and state missions.

Measure	Measure type	Measure data source	Most recent data	Projected change
Individual Development (LOA 1-2, OBJ 1-1). Institutional development and initiatives that seek to support and improve mental fitness.	Quantity	It is assessed based on the organization's ability to promote mental fitness within its formations	In August 2024, the score was 6.26 out of 10.	Achieve a score of at least 8 out of 10.
Individual Development (LOA 1-2, OBJ 1-2/3). Institutional development and initiatives that seek to support and improve physical fitness.	Quantity	It is assessed based on the organization's ability to promote physical fitness within its formations	In August 2024, the score was 7.12 out of 10.	Achieve a score of at least 8 out of 10.
Individual Development (LOA 1-2, OBJ 1-4). Institutional development and initiatives that seek to support and improve spiritual fitness.	Quantity	It is assessed based on the organization's ability to promote spiritual fitness within its formations	In August 2024, the score was 7.50 out of 10.	Achieve a score of at least 8 out of 10.

Performance Measures Notes:

LOE = Line of Effort

LOA = Line of Action

OBJ = Objective

Part B: Use of Evidence

The Minnesota Department of Military Affairs has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

This proposal is for operational improvements which cannot be studied through a randomized control trial or quasi-experimental design study.

Statutory Change(s):

N/A

Department of Military Affairs

FY 2026-27 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	198	401	401	401
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	198	401	401	401
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$198,000 in FY 2026 and \$401,000 in each subsequent year from the general fund to help address operating cost increases at the Department of Military Affairs.

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For the Department of Military Affairs, the following efficiencies have been implemented to help offset rising operating costs:

- Delay or not filling vacant positions.
- Upgrading infrastructure with energy-efficient technologies and optimizing energy consumption through enhanced facilities management helps reduce operational costs and minimize environmental impact.
- An internally developed application designed to manage and track state active-duty payroll costs, ensuring accurate and timely reimbursement for FEMA and Emergency Management Assistance Compact (EMAC) missions.

For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery. Agencies will need additional tools and flexibility, similar to those available in the private sector and other government entities, to help address operating pressures in upcoming biennium.

Without additional resources to address these cost pressures, both in funding and in flexibility to manage internal budgets, services delivered to Minnesotans will be impacted.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For the Department of Military Affairs, this funding will help cover expected growth in employee compensation and insurance, rents, and other operating costs.

Additionally, the Governor recommends providing the Department of Military Affairs with additional management tools to address upcoming operating pressures. This includes:

- the authority to transfer administrative funding between programs, with approval of Minnesota Management and Budget and notification to the legislature,
- the ability for executive branch agencies to carryforward unexpended non-grant operating appropriations for the second year of a biennium into the next beginning in FY 2025 (costs carried in standalone change item in MMB Non-Operating Budget Book).

These new authorities will provide agencies with additional flexibility to manage through cost pressures within agency divisions and prioritize needs to help minimize impacts on services to Minnesotans.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	198	401	599	401	401	802
Total All Funds	198	401	599	401	401	802

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Operating Costs	2,000	6,000	8,000	0	0	0

Results:

This recommendation is intended to help the Department of Military Affairs address rising cost pressures and mitigate impacts to current levels of service and information to the public.

Program: Maintenance of Military Training Facilities<https://mn.gov/mdma>**AT A GLANCE**

In state fiscal year 2024, the Department:

- Maintained 61 Training and Community Centers (TACCs) – commonly known as armories – as well as two airbases, two Army Aviation Support Facilities, and nine maintenance facilities in 58 communities
- Provided construction and professional service contracting services for the agency
- Provided procurement services for goods, fixed assets, and services for the agency

PURPOSE AND CONTEXT

This program is responsible for maintaining the state's facilities used to train and house the members of the Minnesota National Guard, including to protect the state's investment in these facilities. The Department maintains and develops sustainable infrastructure at the Camp Ripley Training Center (CRTC), two airbases, two Army Aviation Support Facilities (AASFs), and the TACCs in 58 communities across the State.

SERVICES PROVIDED

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, CRTC, and the AASFs, and for firefighting services at the Duluth Air Base and CRTC.

The Department supports state facilities that federal forces use to accomplish their mission of preparing soldiers and airmen for federal and state missions. Both Minnesota Air National Guard Bases, located in Minneapolis and Duluth respectively, have 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 <https://minnesotanationalguard.ng.mil/annual-reports/>. These reports are also filed with the Legislative Reference Library yearly in November or December.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
<i>Improve and Sustain Facilities (LOA 3-2). Optimizing infrastructure capabilities and efficiencies.</i>	Quality	<i>Each of the following four objectives is measured with equal weight, meaning that each contributes equally to the total LOA score: OBJ #3-2-1: Improve and Sustain Facilities OBJ #3-2-2: Improve and Sustain Energy Use OBJ #3-2-3: Improve and Sustain Waste Streams OBJ #3-2-4: Improve and Sustain Water Reduction</i>	<i>Annual scores have been trending higher, increasing from a score of 5.48 in CY2021 to a year-to-date score of 7.30 in CY2024.</i>	<i>In August 2024, the score was 7.96 out of 10.</i>

Measure name	Measure type	Measure data source	Historical trend	Most recent data
<i>Improve and Sustain Training Area (LOA 3-3).</i> Modernize training areas and airspace for future missions.	Quantity	Each of the following two objectives is measured with equal weight, meaning that each contributes equally to the total LOA score: <i>OBJ #3-3-1: Improve CRTC Facilities and Increase Man Days</i> <i>OBJ #3-3-2: Modernize Training Airspace – Reshape Current Airspace to Facilitate Current and Future Missions</i>	Annual scores have been steadily trending higher, increasing from 7.61 in CY2021 to a year-to-date score of 8.33 in CY2024.	<i>In May 2024, the score was 8.19 out of 10.</i>
<i>Enable People (LOE 1).</i> Providing the training and resources necessary for Soldiers, Airmen, and civilians to successfully complete their assigned missions, while also fostering ongoing personal and professional development	Result	Each of the following four line of actions is measured with equal weight, meaning that each contributes equally to the total LOA score: LOA #1-1: Individual Training and Skill Proficiency LOA #1-2: Individual Development and Welfare LOA #1-3: Leader Development LOA #1-4: Enable Equity and Inclusion	Annual scores have generally been trending higher, rising from 4.34 in CY2021 to a year-to-date score of 5.78 in CY2024.	<i>In August 2024, the score was 4.79 out of 10.</i>

Performance Measures Notes:

LOE = Line of Effort

LOA = Line of Action

OBJ = Objective

MDMA's legal authority is provided from M.S. 190 – 195
<https://www.revisor.mn.gov/statutes/part/MILITARY%2520AFFAIRS>).

Maintenance of Military Training Facilities

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	8,939	10,533	9,760	10,255	10,067	10,067	10,067	10,067
2000 - Restrict Misc Special Revenue	1,084	1,375	1,456	1,768	1,921	1,968	1,921	1,968
2050 - Environment & Natural Resources				187				
3000 - Federal	73,845	73,924	88,861	90,944	92,143	93,257	92,143	93,257
Total	83,868	85,832	100,077	103,154	104,131	105,292	104,131	105,292
Biennial Change				33,531		6,192		6,192
Biennial % Change				20		3		3
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Maintenance of Training Facilities	83,868	85,832	100,077	103,154	104,131	105,292	104,131	105,292
Total	83,868	85,832	100,077	103,154	104,131	105,292	104,131	105,292

Expenditures by Category

Compensation	30,381	31,373	32,366	34,781	36,127	37,288	36,127	37,288
Operating Expenses	38,467	43,985	41,815	47,526	47,157	47,257	47,157	47,257
Grants, Aids and Subsidies	30	0	1	542	542	542	542	542
Capital Outlay-Real Property	14,394	8,922	25,384	19,635	19,635	19,635	19,635	19,635
Other Financial Transaction	596	1,551	511	670	670	570	670	570
Total	83,868	85,832	100,077	103,154	104,131	105,292	104,131	105,292

Full-Time Equivalents

	358.49	369.71	350.40	355.60	355.60	355.60	355.60
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Maintenance of Military Training Facilities

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		900		191				
Direct Appropriation	9,772	9,842	9,951	10,064	10,067	10,067	10,067	10,067
Cancellations		208						
Balance Forward Out	833		191					
Expenditures	8,939	10,533	9,760	10,255	10,067	10,067	10,067	10,067
Biennial Change in Expenditures				543		119		119
Biennial % Change in Expenditures				3		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	16.42	18.13	18.35	18.35	18.35	18.35	18.35	18.35

2000 - Restrict Misc Special Revenue

Balance Forward In	940	1,161	1,324	1,461	1,585	1,711	1,585	1,711
Receipts	1,239	1,519	1,593	1,892	2,047	2,094	2,047	2,094
Balance Forward Out	1,094	1,306	1,461	1,585	1,711	1,837	1,711	1,837
Expenditures	1,084	1,375	1,456	1,768	1,921	1,968	1,921	1,968
Biennial Change in Expenditures				765		665		665
Biennial % Change in Expenditures				31		21		21
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	18.15	18.91	18.58	23.78	23.78	23.78	23.78	23.78

2050 - Environment & Natural Resources

Balance Forward In	926		187			
Direct Appropriation			187			
Transfers Out	926					
Balance Forward Out			187			
Expenditures			187			
Biennial Change in Expenditures			187		(187)	(187)
Biennial % Change in Expenditures						
Governor's Change from Base						0
Governor's % Change from Base						

Maintenance of Military Training Facilities

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27

3000 - Federal

Balance Forward In	805	768	1,143	694	694	694	694	694
Receipts	73,734	73,849	88,412	90,944	92,143	93,257	92,143	93,257
Balance Forward Out	694	694	694	694	694	694	694	694
Expenditures	73,845	73,924	88,861	90,944	92,143	93,257	92,143	93,257
Biennial Change in Expenditures				32,036		5,595		5,595
Biennial % Change in Expenditures				22		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	323.92	332.67	313.47	313.47	313.47	313.47	313.47	313.47

Program: General Support<https://mn.gov/mdma>**AT A GLANCE**

In state fiscal year 2024, the Department of Military Affairs:

- Provided accounting and administrative services to support cooperative agreement projects totaling over \$88.8 million
- Provided human resources, payroll, and administrative services to 375 Full-Time Equivalents (FTEs)
- Provided reintegration support throughout the deployment cycle to more than 2,300 service members and families
- Provided grants to service members, family support groups, and other veteran organizations from the proceeds of the Support Our Troops (SOT) license plates
- Command, Control, and Communications (C3) and Holistic Health and Fitness (H2F)

PURPOSE AND CONTEXT

General Support funding 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 General Support activity, the Department provides 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. The Department administers programs that support military members of the Minnesota National Guard. They also provide the leadership, planning, technical, and administrative support for the state agency in addition to conduct training and exercises to enhance readiness to perform support to civil authorities. Additionally, the Department provides the support for the following main programs and grants authorized by the legislature:

- Cyber Coordination Cell Program
- Holistic Health and Fitness Program
- Domestic Operations Emergency Communications Replacement Program
- Beyond the Yellow Ribbon (BTYR) Program
- Reintegration Program
- Support Our Troops Grants

RESULTS

Specific aspects of these results including objectives, performance measures, and results can be found in the Annual Report and Campaign Plan at <https://minnesotanationalguard.ng.mil/annual-reports/>. These reports are also filed with the Legislative Reference Library yearly in November or December.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
<i>Enable People (LOE 1).</i> Enabling people involves providing the training and resources necessary for Soldiers, Airmen, and civilians to successfully complete their assigned missions, while also fostering ongoing personal and professional development	Result	Each of the following four line of actions is measured with equal weight, meaning that each contributes equally to the total LOA score: LOA #1-1: Individual Training and Skill Proficiency LOA #1-2: Individual Development and Welfare LOA #1-3: Leader Development LOA #1-4: Enable Equity and Inclusion	Annual scores have generally been trending higher, rising from 4.34 in Calendar Year (CY)2021 to a year-to-date score of 5.78 in CY2024.	<i>In August 2024, the score was 4.79 out of 10.</i>
<i>Relationships that Support (Strategic Comms) (LOE 5).</i> Measures our ability to engage with our partners and maintains positive and transparent relationships that improve our partners and us.	Quality	Different weights are assigned to each of the six lines of action when calculating the total LOA score: LOA #5-1: Community Networks (10%) LOA #5-2: Key Partners (20%) LOA #5-3: BTYR Companies and Organizations (10%) LOA #5-4: Federal Congressional Delegates (20%) LOA #5-5: State Congressional Delegates (20%) LOA #5-6: Governor's Office (20%)	Annual scores have generally been trending higher, rising from 7.59 in CY2021 to a year-to-date score of 8.27 in CY2024.	<i>In August 2024, the score was 9.00 out of 10.</i>

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Protection (LOE 4). Ensures force protection measures are in place and checked. It mitigates extremist activity and ensures we are diligent in identifying insider threats.	Quantity	Each of the following two line of actions is measured with equal weight, meaning that each contributes equally to the total LOA score: LOA #4-1: Improve and Sustain Networks LOA #4-2: Improve and Sustain Physical Security	Annual scores have shown minimal improvement, increasing from 5.39 in CY2021 to 5.48 year-to-date in CY2024.	<i>In August 2024, the score was 6.00 out of 10.</i>

Performance Measures Notes:

LOE = Line of Effort

LOA = Line of Action

OBJ = Objective

MDMA's legal authority is provided from M.S. 190 – 195

(<https://www.revisor.mn.gov/statutes/part/MILITARY%2520AFFAIRS>).

General Support

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	3,317	3,919	19,733	22,140	4,170	4,176	5,521	4,974
2000 - Restrict Misc Special Revenue	1,268	1,579	986	816	771	764	771	764
3000 - Federal	1,613	1,731	1,931	1,809	1,809	1,809	1,809	1,809
Total	6,198	7,229	22,650	24,765	6,750	6,749	8,101	7,547
Biennial Change				33,988		(33,916)		(31,767)
Biennial % Change				253		(72)		(67)
Governor's Change from Base								2,149
Governor's % Change from Base								16

Expenditures by Activity

Administrative Services	3,368	4,017	19,846	22,223	4,235	4,234	5,586	5,032
Auxiliary Services	1,056	1,267	750	633	606	606	606	606
Starbase Minnesota	1,613	1,731	1,931	1,809	1,809	1,809	1,809	1,809
Camp Ripley Timber Sales	161	214	122	100	100	100	100	100
Total	6,198	7,229	22,650	24,765	6,750	6,749	8,101	7,547

Expenditures by Category

Compensation	2,503	2,774	3,615	4,433	3,453	3,533	4,794	4,311
Operating Expenses	1,181	1,163	16,451	17,502	789	781	799	801
Grants, Aids and Subsidies	2,497	2,907	2,465	2,413	2,413	2,380	2,413	2,380
Capital Outlay-Real Property		300		321	50	50	50	50
Other Financial Transaction	17	85	119	96	45	5	45	5
Total	6,198	7,229	22,650	24,765	6,750	6,749	8,101	7,547

Full-Time Equivalents

24.44	28.00	32.97	34.78	25.36	25.36	25.36	25.36
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General Support

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		160		16,940				
Direct Appropriation	3,507	3,833	36,695	5,219	4,193	4,199	5,544	4,997
Transfers In				4				
Transfers Out	54	59	23	23	23	23	23	23
Cancellations		15						
Balance Forward Out	136		16,940					
Expenditures	3,317	3,919	19,733	22,140	4,170	4,176	5,521	4,974
Biennial Change in Expenditures				34,637		(33,527)		(31,378)
Biennial % Change in Expenditures				479		(80)		(75)
Governor's Change from Base								2,149
Governor's % Change from Base								26
Full-Time Equivalents	21.63	23.48	29.23	33.74	24.32	24.32	24.32	24.32

2000 - Restrict Misc Special Revenue

Balance Forward In	1,903	1,440	1,128	985	964	988	964	988
Receipts	177	662	133	168	168	168	168	168
Transfers In	626	544	711	627	627	627	627	627
Balance Forward Out	1,439	1,066	986	964	988	1,019	988	1,019
Expenditures	1,268	1,579	986	816	771	764	771	764
Biennial Change in Expenditures				(1,045)		(267)		(267)
Biennial % Change in Expenditures				(37)		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.81	4.52	3.74	1.04	1.04	1.04	1.04	1.04

3000 - Federal

Balance Forward In	1	949						
Receipts	1,612	782	1,931	1,809	1,809	1,809	1,809	1,809
Expenditures	1,613	1,731	1,931	1,809	1,809	1,809	1,809	1,809
Biennial Change in Expenditures				396		(122)		(122)
Biennial % Change in Expenditures				12		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Enlistment Incentives<https://mn.gov/mdma>**AT A GLANCE**

In state fiscal year 2024, the Department disbursed:

- \$10.88 million for the State Tuition Reimbursement (STR) program
- \$1.71 million for the State Reenlistment (SRB) program
- \$0.08 million for the State Medic Bonus (SMB) program
- \$0.08 million for the State Enlistment Bonus (SEB) program
- \$0.23 million for the State Reclassification Bonus (SRCB) program

PURPOSE AND 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 the military force. These incentives allow the Minnesota National Guard to compete with neighboring states and other services in recruitment.

SERVICES PROVIDED

The Department manages programs and provides funding for the state's enlistment incentives program. Its intent is to recruit and retain service members in shortage job skills, ranks to maintain a competent, ready force. The Department executes and updates Minnesota National Guard Circular 621-5-1, which describes the eligibility criteria as well as the procedures for administering the Minnesota State Incentive Programs. The Department reviews and updates 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 <https://minnesotanationalguard.ng.mil/annual-reports/>. These reports are also filed with the Legislative Reference Library yearly in November or December.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
<i>Enable People (LOE 1)</i> . Enabling people involves providing the training and resources necessary for Soldiers, Airmen, and civilians to successfully complete their assigned missions, while also fostering ongoing personal and professional development.	Result	Each of the following four line of actions is measured with equal weight, meaning that each contributes equally to the total LOA score: LOA #1-1: Individual Training and Skill Proficiency LOA #1-2: Individual Development and Welfare LOA #1-3: Leader Development LOA #1-4: Enable Equity and Inclusion	Annual scores have generally been trending higher, rising from 4.34 in CY2021 to a year-to-date score of 5.78 in CY2024.	<i>In August 2024, the score was 4.79 out of 10.</i>

Measure name	Measure type	Measure data source	Historical trend	Most recent data
<i>Improve and Sustain Retention/Incentives (LOA 2-2).</i> The first step in increasing the diversity of the 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.	Quantity	It is assessed based on the organization's ability to retain qualified personnel within its formations	Annual scores have generally been declining, decreasing from 5.70 in calendar year 2021 to a year-to-date score of 4.43 in calendar year 2024.	<i>In May 2024, the score was 3.81 out of 10.</i>
Improve and Sustain Force Structure (LOA 3-1). Ensure our units' composition parity with our active-duty counterparts while maintaining domestic operations preparedness.	Quantity	Different weights are assigned to each of the six lines of action when calculating the total LOA score: LOA #3-1: Successfully Compete for any 34 th Infantry Division Aligned Structure if it Becomes Available (40%) LOA #3-2: Maintain Two Flying Wings (60%)	Annual scores have generally been declining, decreasing from 10.00 in calendar year 2021 to a year-to-date score of 8.67 in calendar year 2024.	<i>In May 2024, the score was 8.67 out of 10.</i>

Performance Measures Notes:

LOE = Line of Effort

LOA = Line of Action

OBJ = Objective

MDMA's legal authority is provided from M.S. 190 – 195

(<https://www.revisor.mn.gov/statutes/part/MILITARY%2520AFFAIRS>).

Enlistment Incentives

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	10,631	12,146	13,204	19,731	12,114	12,114	14,114	18,114
Total	10,631	12,146	13,204	19,731	12,114	12,114	14,114	18,114
Biennial Change				10,157		(8,707)		(707)
Biennial % Change				45		(26)		(2)
Governor's Change from Base								8,000
Governor's % Change from Base								33

Expenditures by Activity

Enlistment Incentives	10,631	12,146	13,204	19,731	12,114	12,114	14,114	18,114
Total	10,631	12,146	13,204	19,731	12,114	12,114	14,114	18,114

Expenditures by Category

Compensation	1,674	1,322	2,324	4,711	5,979	7,400	7,979	13,400
Operating Expenses	2			4	4	4	4	4
Grants, Aids and Subsidies	8,955	10,825	10,880	15,016	6,131	4,710	6,131	4,710
Total	10,631	12,146	13,204	19,731	12,114	12,114	14,114	18,114

Full-Time Equivalents

	1.94	1.95	2.72	3.00	3.00	3.00	3.00	3.00
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Enlistment Incentives

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
1000 - General								
Balance Forward In	4,245	4,737	5,707	6,117				
Direct Appropriation	11,114	13,114	13,614	13,614	12,114	12,114	14,114	18,114
Balance Forward Out	4,727	5,704	6,117					
Expenditures	10,631	12,146	13,204	19,731	12,114	12,114	14,114	18,114
Biennial Change in Expenditures				10,157		(8,707)		(707)
Biennial % Change in Expenditures				45		(26)		(2)
Governor's Change from Base								8,000
Governor's % Change from Base								33
Full-Time Equivalents	1.94	1.95	2.72	3.00	3.00	3.00	3.00	3.00

Program: Emergency Services<https://mn.gov/mdma>**AT A GLANCE**

In state fiscal years 2023-24, the Department:

- Supported search & rescue mission and flood response mission
- Provided 77 state active duty workdays and equipment to assist local authorities during state active duty missions

PURPOSE AND CONTEXT

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

Upon issuance of a Governor's Executive Order authorizing state active duty operations, the Adjutant General submits a funding request to Minnesota Management and Budget (MMB). This emergency open appropriation is used to pay for emergency operations performed by the Minnesota Army and/or Air National Guard. The state may be eligible for reimbursement by FEMA, other federal entities, and other supported states for some missions through an Emergency Management Assistance Compact (EMAC).

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 as well as state laws and statutes. Some of the supported emergency events in FY2019-20 included: EMAC assistance to the states of Florida, North Carolina, and Nebraska; immediate response to protect life, safety, and property during civil disturbances; opening armories for winter storm shelter; and providing support to flood and wildfire responses. Beginning March 21, 2020, the Department provided support to the state's COVID-19 pandemic response. This included support to Minnesota Department of Health warehouse operations, the State Emergency Operations Center, Certified Nursing Assist missions, as well as conducting mobile testing at long-term care facilities.

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 <https://minnesotanationalguard.ng.mil/annual-reports/>. These reports are also filed with the Legislative Reference Library yearly in November or December.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
<i>Enable People (LOE 1).</i> Enabling people involves providing the training and resources necessary for Soldiers, Airmen, and civilians to successfully complete their assigned missions, while also fostering ongoing personal and professional development	Result	Each of the following four line of actions is measured with equal weight, meaning that each contributes equally to the total LOA score: LOA #1-1: Individual Training and Skill Proficiency LOA #1-2: Individual Development and Welfare LOA #1-3: Leader Development LOA #1-4: Enable Equity and Inclusion	Annual scores have generally been trending higher, rising from 4.34 in calendar year (CY)2021 to a year-to-date score of 5.78 in CY2024.	<i>In August 2024, the score was 4.79 out of 10.</i>
Improve and Sustain Force Structure (LOA 3-1). Ensure our unit's composition parity with our active-duty counterparts while maintaining domestic operations preparedness.	Quantity	Different weights are assigned to each of the six lines of action when calculating the total LOA score: LOA #3-1: Successfully Compete for any 34 th Infantry Division Aligned Structure if it Becomes Available (40%) LOA #3-2: Maintain Two Flying Wings (60%)	Annual scores have generally been declining, decreasing from 10.00 in CY2021 to a year-to-date score of 8.67 in CY2024.	<i>In May 2024, the score was 8.67 out of 10.</i>
Improve and Sustain Equipment Readiness (LOA 2-3). The Minnesota National Guard will continue to train and maintain equipment readiness to achieve and maintain capability for federal, state, and local missions.	Quality	<i>Each of the following two objectives is measured with equal weight, meaning that each contributes equally to the total LOA score:</i> <i>OBJ #2-3-1: Assigned Equipment is Ready and Deployable</i> <i>OBJ #2-3-2: Achieve Standardized Implementation of Regulatory Requirements</i>	Annual scores have steadily declined, dropping from 6.09 in calendar year 2021 to a year-to-date score of 3.98 in calendar year 2024.	<i>In August 2024, the score was 6.67 out of 10.</i>

Performance Measures Notes:

LOE = Line of Effort

LOA = Line of Action

OBJ = Objective

MDMA's legal authority is provided from M.S. 190 – 195

(<https://www.revisor.mn.gov/statutes/part/MILITARY%2520AFFAIRS>).

Emergency Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	2,443	60	727	2,531	2,247	2,247	2,247	2,247
3015 - ARP-State Fiscal Recovery	883							
Total	3,326	60	727	2,531	2,247	2,247	2,247	2,247
Biennial Change				(127)		1,236		1,236
Biennial % Change				(4)		38		38
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Emergency Services	3,326	60	727	2,531	2,247	2,247	2,247	2,247
Total	3,326	60	727	2,531	2,247	2,247	2,247	2,247

Expenditures by Category

Compensation	1,031	6	67	1,460	1,460	1,460	1,460	1,460
Operating Expenses	2,231	53	240	837	737	737	737	737
Capital Outlay-Real Property	64		396	224	40	40	40	40
Other Financial Transaction			25	10	10	10	10	10
Total	3,326	60	727	2,531	2,247	2,247	2,247	2,247

Full-Time Equivalents

0.93			
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Emergency Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				184				
Direct Appropriation			700	400	300	300	300	300
Open Appropriation	2,443	60	211	1,947	1,947	1,947	1,947	1,947
Balance Forward Out			184					
Expenditures	2,443	60	727	2,531	2,247	2,247	2,247	2,247
Biennial Change in Expenditures				756		1,236		1,236
Biennial % Change in Expenditures				30		38		38
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.93							

2000 - Restrict Misc Special Revenue

Balance Forward In	17	238	238	724		
Receipts	221		486			
Transfers Out				724		
Balance Forward Out	238	238	724			

3000 - Federal

Balance Forward In		198	1,039	4		
Receipts	198	837		11,026		
Transfers Out			1,035	11,030		
Balance Forward Out	198	1,035	4			

3015 - ARP-State Fiscal Recovery

Balance Forward In		792				
Direct Appropriation	1,675					
Cancellations		792				
Balance Forward Out	792					
Expenditures	883					
Biennial Change in Expenditures			(883)		0	0
Biennial % Change in Expenditures						
Governor's Change from Base						0
Governor's % Change from Base						

Department of Military Affairs

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Department of Defense 12.400	National Guard Military Construction Cooperative Agreement (MCCA) - Provides support to the Army National Guard (ARNG) and Air National Guard (ANG) for the construction of military facilities, real property improvements, design services and other projects authorized and directed by Congress or the Department of Defense to be performed by the grantees and the National Guard Bureau (NGB).	\$ 13,320	\$ 15,000	\$ 15,000	\$ 15,000	State Match	0
Department of Defense 12.401	National Guard Military Operations and Maintenance of Training Facilities - Provide federal funding for the operation, maintenance and repair of facilities used by the MN Army National Guard for training service members)	\$ 75,541	\$ 75,944	\$ 77,143	\$ 78,257	State Match	313.47
Department of Defense 12.404	STARBASE MN - Established in 1993, the program's purpose is to increase the knowledge, skills, and interest of inner city youth in science, mathematics, technology, and engineering for greater academic and lifelong success.	\$ 1,931	\$ 1,809	\$ 1,809	\$ 1,809	MOE	0
	Federal Fund – Agency Total	\$ 90,793	\$ 92,753	\$ 93,952	\$ 95,066		313.47

Narrative

The Department of Military Affairs (DMA) has a Cooperative Agreement with the federal government, managed through the National Guard Bureau. This agreement includes several funding awards that provide federal support for the operation, maintenance, and repair of facilities used by the Minnesota National Guard for training purposes. The recurring annual operational funding typically ranges from \$65 million to \$80 million, while one-time construction funding varies each year, generally between \$25 million and \$80 million.

The state is required to hire employees for direct services, including base security, airfield firefighting, facilities operation, maintenance, and repair, as well as construction and design. Additionally, a workforce is needed to provide indirect services, such as accounting, budgeting, human resources, planning, safety, and administrative support for these operations.

State matching contributions are required in several areas, ranging from 50% to 75% or 80%, depending on the type of activities and facilities being supported. For Army National Guard facility construction on non-federally supported land, a 25% state contribution is typically required. However, facilities located on federally supported land are generally funded 100% by the federal government. Each construction project requires a separate cooperative agreement.

Remodeling and renovation projects typically require a 50%-50% state-federal funding match. State funding for these projects is provided through capital bonding appropriations.

The estimates are based on the most current federal funding information available at the time of preparation. Since most federal awards affecting state fiscal years 2026-2027 have not yet been confirmed, historical trends from recent years, along with funding estimates from federal program managers, have been used for ongoing programs. We anticipate a slowdown in the growth rate of federal funding over the next several years.