
ANNUAL PERFORMANCE REPORT

1994

MINNESOTA DEPARTMENT OF MILITARY AFFAIRS

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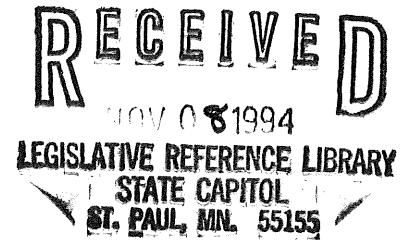
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AGENCY: Military Affairs, Department of**MISSION:**

To provide leadership and management for state programs that insure: 1) adequate training facilities are available to the Army and Air National Guard for administration and training, 2) enlistment incentives are available to maintain authorized strength levels, and 3) forces are available to the governor for state emergencies.

GOALS:

1. Maintain current Army and Air National Guard training and administrative facilities to meet organizational requirements.
2. Operate training and administrative facilities in the efficient and cost effective manner.
3. Maintain Army and Air National Guard Strength at or above authorized levels.
4. Execute a long range facility replacement program to meet organizational needs.
6. Be available and ready to support local law enforcement authorities in emergencies when call to duty by the governor.

Table 1:

<u>Program</u>	<u>Estimated Expenditures (\$ in Thousands)</u>	<u>Percent of Total</u>	<u>FTE Staff Positions</u>	<u>Percent of Total</u>
Maintenance of Training Facilities	\$5,915	60%	110.0	79%
General Support	1,732	17%	28.0	20%
Enlistment Incentives	2,224	23%	1.0	1%
<u>Total General Fund Expenditures</u>	<u>\$9,871</u>	<u>100%</u>	<u>139.0</u>	<u>100%</u>
Federal Reimbursements (See Note 1)	\$11,578		223.6	
<u>Totals</u>	<u>\$21,449</u>		<u>362.6</u>	

Note 1: All federally reimbursed expenditures and associated staff are part of the Maintenance of Training Facilities Program

ORGANIZATION:

M.S. 15.01 includes the department of Military Affairs as a department of state government. M.S. 190.05, subd 5., states that The Department of Military Affairs "... 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 and facilities owned or controlled by the state for military purposes..." Contemporarily, the department is the headquarters for the Army and Air National Guard. Chapters 190, 191, 192, 192A and 193 of Minnesota Statutes, also known as the military code, all deal with the department of Military Affairs, the state militia, the national guard, discipline thereof, and facilities for their activities. M.S. 190.09 states

that "The Adjutant General shall be the chief of staff to the commander-in-chief (governor) and the administrative head of the military department. Because of this statutory designation, the Adjutant General acts in the capacity of a commissioner.

The **service population** of the department is the approximately 11,600 members of the Army and Air National Guard and, to a lesser degree, the citizens of Minnesota in times of emergencies. The primary focus of the department of Military Affairs, as a state agency, is to **provide facilities** (Maintenance of Training Facilities budget program) for use by the National Guard and **provide enlistment incentives** (Enlistment Incentives budget program) that encourage people to join the National Guard and, once a member, to remain a member. To these purposes, 84% of the agency's general fund budget is dedicated. The remaining 16% of the general fund budget is committed to the General Support budget program that is primarily administrative in nature. It will be discussed in this report but it does not contain any major state programs. In addition to the stated mission of the agency, a separate and distinct federally funded structure exists within the department that is responsible for the training, administration and logistical support of the Minnesota Army and Air National Guard in preparation for the defense of our nation. There are approximately 1650 federal civil service and active duty National Guard officers and enlisted personnel that are directly support the approximately 9200 Army National Guard members and 2400 Air National Guard members.

In addition to the 1650 federal employees, there are 223.6 FTE (state) positions dedicated to the support of training, maintenance, and administration of the National Guard (See Table 1). Through federal/state funding agreements, the federal government reimburses the state in various percentages for employee costs associated with these agreements. M.S. 190.16 empowers The Adjutant General to "cooperate with the government of the United States or any agency or department thereof in the construction, improvement, or maintenance of buildings, air bases, roads, utilities and any or all other structures or facilities required in the training, housing, and maintenance of the military forces of the state . . ."

WAYS TO IMPROVE PROGRAM OUTCOMES:

Maintenance of Training Facilities:

Army National Guard

Current appropriations restrict providing the facilities management office sufficient funds to meet our goal of reducing the backlog of maintenance and repair by 3% each year. There are numerous requirements to cover such unfunded obligations as workers compensation payments, unemployment compensation benefits, insurance benefits for early retirement programs, and portions of employee cost of living raises that come out of existing appropriations. The only ways the department has to meet these obligations is to 1) delay maintenance and repair which increases the backlog and 2) reduce the size of our facility maintenance staff through attrition. Many of our facilities are receiving only a fraction of the daily maintenance support needed to adequately protect the state's investment.

The department is studying reorganization of the facility maintenance program assuming that resources will continue to decline. An automated work order system and associated data base files will have to be developed to provide us better and more current information as we continue to perform maintenance and repair on facilities. This will require some investment of state dollars, however, much of the computer hardware is already in place. Appropriate software will have to be purchased and data entry will have to be done.

Air National Guard

Current appropriations also restrict the civil engineers at the two air bases in maintaining base facilities, utilities, mechanical systems, roads, camps, grounds and the total base infrastructure. The continued decline in resources makes it more difficult to maintain and operate the bases at the level expected to reach maximum efficiency and command expectations. Both bases have insufficient maintenance personnel to get ahead of the backlog. They both are manned at approximately 75% of their authorized maintenance positions. Those personnel must concentrate on daily routine operations and maintenance. The employment of summer student workers has helped to some degree but only with routine daily maintenance.

General Support:

To a lesser degree, this program is affected by the same problem of unfunded obligations discussed above. To the extent this budget program is discussed in this report, the department's leadership is able to adequately pursue congressional funding for new construction.

Enlistment incentives:

Current appropriations restricted our ability to continue a significant portion of this program - the **reenlistment bonus**. Because that appropriation remained at the "same level" or was reduced in the biennium following enactment, we were forced to suspend new accessions to the program in December of 1991 because our projected future obligations could not be met without increases in the appropriation each year. This caused significant morale problems among members of the National Guard at the time of suspension. Maintaining authorized strength levels requires an aggressive **recruiting** program to bring new members into the National Guard and a solid **retention** program to keep people in the National Guard after their initial term of enlistment expires.

Changes to current law requested:

The department seeks relief from the reporting requirements of M.S. 190.09 as it pertains to an annual report to the governor.

M.S. 190.09 requires an annual report from the adjutant general to the governor if so requested, of all the transactions of the Military Affairs department, setting for the number, strength and condition of the national guard, and such other matters as deemed important. We are seeking relief from that portion of 190.09 because this Annual Performance Report provides all the information contemplated by the statute. The third sentence of the second paragraph of M.S. 190.09 could be amended to read:

The adjutant general shall make and transmit to the federal government the returns required by the laws of the United States.

The department seeks relief from the reporting requirements of M.S. 192.501, Subd. 3.

M.S. 192.501, Subd 3 required the department to report to the legislature on the effectiveness of the reenlistment bonus and tuition reimbursement program in retaining and recruiting members for the Minnesota National Guard. The report also requires information be provided on the effect of the reenlistment bonus and tuition reimbursement program on recruiting and retaining members by rank, unit location, race and sex. This Annual Performance Report provides all the information required by the cited reference except information on rank and unit location which have little bearing on the effectiveness of the program. Because the department considers the Enlistment Incentive budget program a major state program, it will always be part in the department's Annual Performance Report.

SUMMARY

AGENCY: Military Affairs, Department of
PROGRAM: 01 - Maintenance of Training Facilities

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 17,455	
From State Funds	\$ 5,915	60% of department's general fund budget
From Federal Funds	\$ 11,540	
 Number of FTE Staff:	 333.6	 139 FTE are general fund employees

PROGRAM GOALS:

■ Maintain and operate current Army and Air National Guard training and administrative facilities to meet organizational and customer needs (M.S. 190.11, M.S. 190.16).

■ Develop and implement a comprehensive energy management plan (M.S. 190.11).

■ Insure facilities comply with federal and state health, safety and other regulatory standards.

Three objectives and associated measures have been developed that will help the department move toward our overall goals.

1. Reduce backlog of maintenance and repair (BMAR) by 5% each year.
2. Maintain all facilities to meet Building Owners and Managers Association (BOMA) standards (\$4.25/sf).
3. Develop and execute a comprehensive energy monitoring and cost management plan by F.Y. 1997.

DESCRIPTION OF SERVICES:

The Adjutant General is statutorily charged with the operation, care and preservation of existing facilities and installations on all state military reservations as noted above. This is accomplished with a combination of state general fund dollars and federal dollars in the form of reimbursements (see "From Federal Funds" in the table above). These facilities are used by the Army and Air National Guard for military training, administration, logistical support and state emergency operations and are available for community use when not needed for military purposes.

These facilities have operating, maintenance and repair costs. When dollars are not sufficient to meet all maintenance and repair requirements, a backlog list of maintenance and repair items (BMAR) is developed. Identification of the backlog is not complete and accurate in all cases. To develop an accurate picture of the condition of all our facilities, each one must be individually surveyed and the data recorded using appropriate software. Containment and reduction of that backlog is a major department objective in striving to reach the first goal noted above.

The management of department facilities and the maintenance and repair program is the responsibility of the Facilities Management Officer for Army National Guard facilities and base civil engineers for the Air National Guard Bases in Duluth and Twin Cities. National Guard facilities are maintained and repaired using a combination of federal and state dollars. Armory maintenance and repair is totally a state responsibility.

Facilities served by this budget program and the state/federal support ratios are:

<u>Type of Facility</u>	<u>% State Support</u>	<u>% Federal Support</u>
62 armories (training and community centers) statewide	100%	0%
19 organizational maintenance shops and 5 vehicle storage buildings	25%	75%
2 Air National Guard bases (Duluth and Minneapolis-St. Paul Intl. Airport)	25%	75%
An Army Aviation Support Facility at Holman Field (St. Paul downtown airport)	25%	75%
Training facilities at the 53,000 acre military reservation at Camp Ripley	0%	100%
Several logistical facilities at Camp Ripley	25%	75%

BACKGROUND INFORMATION:

MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
O	Percentage of reduction of identified maintenance and repair items	4.3%	6%
UC	Cost to maintain Army Guard facilities per square foot.	\$ 2.80	\$2.70
A	Number of facilities under detailed energy monitoring	7	14
W	Number of energy audits conducted in a year	5	7
UC	Facility energy cost per square foot	\$.59	\$.64

PROGRAM DRIVERS:

Because The Adjutant General is charged by statute to provide and maintain facilities for the National Guard, he must also determine how many, what size and what type of facilities are needed. In addition to the need for military training, our armory facilities are also a community center type facility in many communities. They also serve as a base of operations for state emergency operations. The Adjutant General is committed to maintaining armory facilities in as many communities as are needed, first for federal training needs and second for community support needs. The current number (62) is adequate for the current Army National Guard force structure. Should we suffer further, significant force reductions, we may study the possibility of more armory closings - this is unlikely at this time.

Training, administrative and logistical support facilities must first meet organizational needs of the National Guard. Certain sizes and types of military organizations and units have unique facility needs. For example, units occupying armories in the northwestern part of the state recently received updated armored vehicles. This required additional training, storage and maintenance space at each armory requiring renovation and expansion of each armory. Reorganizations seldom require armory expansion, however, in some instances, sweeping organizational changes require shifting of certain units to facilities that accommodate increases in authorized strength or equipment. Changes in aircraft or military missions within the Air National Guard often require facility modification.

With the continuing reduction in the defense budget, federal dollars for training support of the reserve components is being reduced significantly. There is going to be an increased emphasis on simulator training in both the Army and Air National Guard that requires upgrade of our training facilities.

Many of our armory buildings are in excess of 50 years old. There are numerous facility related issues to deal with if we want to continue to efficiently use these facilities for their intended purpose:

- Safety, health and other regulatory concerns such as asbestos abatement, kitchen remodeling, parking lot replacement, and sidewalk replacement. Federally mandated phase out of chlorofluorocarbon (CF12, CF22) and related refrigerants is already consuming additional man-hours and resources. Within the next few years, major costs will be incurred as air conditioning equipment is changed out to the new environmentally approved refrigerants. The confined space and lockout tag out programs are other examples of OSHA programs that require training of workers and take resources and time.

- New federal accessibility standards, i.e. Americans with Disability Act. Our accessibility requirements were determined by *Access 92*, a program managed by the Department of Administration. Although money to begin our movement toward compliance **is not** part of our operating budget (provided by department of Administration), the disability access issue is considered a major facilities management issue.

- Federal mandates requiring underground tank removal and/or replacement by the late 1990s.

- Reduction in the percentage of federal support for Air National Guard and some Camp Ripley facilities will require increased support with state dollars if our goal is to be realized.

- Continuing reductions in state support necessitated closing of 12 armories in 1992. Because of rising employee and operational costs, routine daily maintenance support at many facilities has been cut back by nearly 50% in some instances with no significant reduction in maintenance requirements or customer expectations.

As noted previously, our armory facilities are often a key facility in communities that are available for community use when not being used for military purposes. Trade shows, craft shows, weddings, community education activities, school sports programs, auctions, senior citizen walking, headstart and driver license examining are just a few of the representative uses by the community. Because of this commitment to the community, our facilities must be accessible to all members of the community, including people with disabilities. A significant amount of dollars are going to be required over the next several years to bring us into compliance with requirements of the Americans with Disabilities Act.

AGENCY: Military Affairs, Department of
PROGRAM: Maintenance of Training Facilities (01)

OBJECTIVE, MEASURE

Objective 1: Reduce backlog of identified Backlog of Maintenance and Repair (BMAR) by 5% each year.

Measure (01-1): Dollars (\$000) invested and percentage of reduction of identified BMAR items.

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army Guard Facilities						
Identified BMAR	\$ 13,468	\$ 12,749	\$12,194			
Gen fund \$\$ spent	\$ 517	\$ 136	\$ 251			
CAPRA \$\$ spent	\$ 202	\$ 419	\$ 210			
Capital budget \$\$	0	0	\$ 183			
% reduction	5.3%	4.3%	5%			
Air NG Facilities						
See NOTE below						
Targets						
Army Guard Facilities						
Identified BMAR				\$ 11,550	\$ 10,555	\$ 9,218
Est Gen fund \$\$				\$ 362	\$ 362	\$ 362
Est CAPRA \$\$				\$ 450	\$ 900	\$ 900
Est Capital budget				\$ 183	\$ 165	\$ 165
% reduction				8%	13%	15%
Air Guard Facilities						
See NOTE below						

NOTE: Reduction of the backlog of maintenance and repair at the Air National Guard bases is accomplished with federal funds only, that do not flow through the state treasury.

DEFINITION, RATIONALE, DATA SOURCE:

Maintenance and repair encompasses such projects as painting, plumbing, electrical upgrades, minor construction, road and parking lot resurfacing, interior remodeling, replacement of unsafe fixtures, upgrading of heating, ventilating and air conditioning systems, tuckpointing, asbestos removal, underground tank removal and other similar projects. Routine facility and grounds work performed by custodial personnel does not fall within the definition of maintenance and repair. "Identified BMAR" in the table above is the estimated dollars it would take to completely eliminate all backlog at beginning of each F.Y. An annual target of 5% reduction was chosen because of the uncertainty of future CAPRA and Capital Budget dollars. If operating budget levels remain constant or continue to decline, the 5% target will be difficult to reach.

The Army National Guard's facilities management staff continually evaluates the condition of facilities to identify maintenance and repair requirements. As noted on the program summary page, no federal support is provided for maintenance and repair of armory facilities. The army aviation flight facility, some logistical facilities and most of the Camp Ripley training facilities receive federal support funds in percentages that range from 75% to 100%. The ARNG facilities management office maintains records of their BMAR. The records are continually being updated as new requirements are identified and when projects are completed. We currently do not have computer data bases that can easily provide this information to us. It will take a considerable amount of time to develop detailed information that is easily retrievable.

Since its inception, the resources available from the Capital Asset Preservation and Replacement Account (CAPRA), have greatly assisted our major capitol improvement program and reduction of BMAR. CAPRA funds are dedicated to Army National Guard Facilities only. In addition to CAPRA funds, Capital Budget funds allocated to the department also help reduce the backlog. Because Air National Guard buildings are built with federal dollars and are on federal property, they are not eligible for Capital Budget or CAPRA support.

DISCUSSION OF PAST PERFORMANCE:

A large backlog of maintenance and repair has existed for department facilities for many years. Most of the backlog exists in our armory facilities, many of which were built prior to 1930. Prior to closing of 12 armory facilities in 1992, 25 armories were over 50 years old, some as old as 70-80. Those armory closings and subsequent sale helped reduce the backlog, however, because we did not anticipate significant state budget cuts and federal mandated downsizing, we had already completed some of the major maintenance and repair items on those armories, e.g. roofs, windows, tuckpointing. Because non-emergency maintenance and repair are usually discretionary, decisions were made to defer maintenance when budget cuts were levied against the department. Since F.Y. 89, the department has sustained cuts to its operating budget that total nearly \$3,000,000.

PLAN TO ACHIEVE TARGETS:

The key to reduction of the backlog is to seek funding from all possible sources. In future years, the CAPRA program will be a major source of funds for major repair or replacement projects. Capital budget dollars will also be sought when available. The relatively small amount of general fund dollars available for maintenance and repair is used for smaller projects that often are not on the BMAR list.

A significant category of compliance type upgrading was identified through the *Access 92* program introduced and managed by the Department of Administration. The Access 92 survey was initiated because of the Americans with Disability Act. Our facilities management staff has reviewed the data from that survey, prioritized the projects and submitted that plan to the department of Administration for consideration and funding. Although separate state funding is being provided by this program, it is considered a major, long term program that will be administered by our ARNG facilities management office. The department is working closely with the department of Administration who is assisting us in verifying condition of all our facilities so we can identify an accurate backlog of maintenance and repair.

OTHER FACTORS AFFECTING PERFORMANCE:

Because of the age of many of our armories, new maintenance and repair requirements surface each year and, depending on state general fund appropriations, our BMAR list may, in fact, increase. In this instance, we would not be able to attain or make progress towards our objective.

In the case of Air Guard base facilities and Camp Ripley training and logistical facilities, there is 75% federal support involved. For example, if a given repair project at a base is estimated to cost \$12,000, our funding agreement with the federal government says that only \$9,000 in federal funds will be committed to that project, the remaining \$3,000 must be provided by the state. If the state can only provide \$2,200, the project will not be done because no additional federal dollars will be provided. As readers may be aware, the federal defense budget is shrinking and all indications are that it will continue during the current administration. This will translate to less federal dollars being available for facilities but no change in the requirement to operate, maintain and repair those facilities. Either the state will have to support the shortfall or facilities will fall into disrepair and not be adequate or safe for support training, administration or logistics support of National Guard. If the state is unable to meet the shortfall, the department may be forced to look at closing selected facilities similar to the facility closings in 1992.

AGENCY: Military Affairs, Department of
PROGRAM: Maintenance of Training Facilities (01)

OBJECTIVE, MEASURE

Objective 2: Maintain all facilities to meet Building Owners and Managers Association (BOMA) standards (\$4.25/sf).

Measure (01-2): Dollars (\$000) spent annually on facilities operations, maintenance and repairs per square foot (000).

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army NG Facilities						
\$\$\$ spent	\$ 12,119	\$ 12,837	\$ 13,962			
Square feet	3,473	3,536	3,736			
\$ spent per sf	\$ 2.87	\$ 2.80	\$ 2.70			
Air NG Facilities						
\$\$\$ spent	\$ 4,418	\$ 4,513	\$ 4,652			
Square feet	843	905	914			
\$ spent per sf	Note 1	Note 1	Note 1			
Targets						
Army NG Facilities						
\$\$\$ spent				\$ 15,751	\$ 15,573	\$ 15,639
Square feet				3,764	3,898	3,943
\$ spent per sf				\$ 4.18	\$ 3.99	\$ 3.96
Air NG Facilities						
\$\$\$ spent				\$ 5,104	\$ 5,111	\$ 5,111
Square feet				887	935	923
\$ spent per sf				Note 1	Note 1	Note 1

* See NOTE 2 below

NOTE 1: A measure of dollars spent per square foot is not appropriate for Air National Guard facilities because their total maintenance and repair budget is federal dollars not flowing through the state treasury. The dollars spent shown above are a combination of general fund dollars and federally reimbursed state dollars (30 fund).

NOTE 2: Beginning in F.Y. 95 approximately \$8,000,000 in federal military construction (MILCON) dollars will be advanced to the department each year. Those funds were previously paid directly to contractors by the federal government and are now going to be handled by the state as a result of a shift of accounting responsibility from the federal government to the state government. This does not represent an increase in federal dollars dedicated to the Minnesota National Guard, merely a change in the way the money is disbursed.

DEFINITION, RATIONALE, DATA SOURCE:

The Building Owners and Managers Association, commonly referred to as **BOMA**, has established a standard dollar amount that should be spent annually per square foot for facilities: 1) personnel costs, 2) operating costs and 3) maintenance and repair costs. That amount is currently \$4.25 per square foot and has been chosen as our target. That amount is adjusted periodically for inflation. We have also chosen to include the following sources of funding in our calculations:

- State general fund dollars dedicated to maintenance and repair projects.

- Federal match funds that flow through the state treasury dedicated to maintenance and repair projects.
- State Capital Budget dollars
- Capital Asset Preservation and Replacement Account (CAPRA) dollars

Date sources are:

■ **Army National Guard:** Building identification and square footage is recorded on the Federal Installation Support Plan (FISP) for Army National Guard facilities. The FISP identifies all Army National Guard support buildings in Minnesota that require varying levels of support under the federal Real Property and Maintenance program. The range of support is from 0% to 100%. Some building, like armories, receive no federal support, training facilities at Camp Ripley receive 100% federal support. To be a meaningful standard of measurement and a facilities management tool, all buildings must be categorized to type of use, e.g. cold storage buildings require less operating and maintenance cost than intensely used office type buildings. This categorization is not complete for Army Guard facilities.

■ **Air National Guard:** Building identification and the square footage of air base facilities are recorded separately at each base (St. Paul and Duluth) on the United States Air Force Real Property Inventory Report, commonly referred to as the 7115 report. Nearly all air base facilities receive support for operational costs at the ratio of 75% federal funds and 25% state funds. Even though this report deals primarily with state dollars, separate reporting of performance with just state dollar would not give a true picture of the maintenance program. Similar to Army Guard facilities, categorization of Air Guard facilities is not complete.

DISCUSSION OF PAST PERFORMANCE:

The performance of maintenance on facilities is based on three factors: 1) the type of facility and the amount of use it will get, 2) the availability of people to accomplish the work and 3) the availability of funds to maintain the facility and the physical plant to an acceptable standard and as required by the occupants.

Maintenance can be defined by types. Maintenance is either scheduled, unscheduled, preventive, deferred or backlog. Scheduled maintenance is based on operating system equipment and what is required historically to maintain that equipment so it does not fail. If dollars were adequate, the maintenance community could, through life cycle costing and historical run times, have a preventive maintenance program that would insure that equipments and components are never deferred but maintained on schedule.

Backlogs were initially developed as budget management tool to allow fiscal managers to manage cash flow of a business. When cash flow is restricted, maintenance is deferred and when the cash flow is greater, projects on backlog would be accomplished. Management of the department's backlog exactly parallels that of private business. When we have money over and above our operating costs, we can start to reduce the backlog. When we don't have money, the backlog grows.

Over time, maintenance and budget managers could predict maintenance costs for their operations based on the amount of square footage within their operations. The major problem with this management practice versus life cycle costing is if you don't have replacement costs figured and your square foot cost is too low, your backlog continues to grow. Reduction of the backlog will come only after recalculating your operational and replacement costs and then adding a certain amount to reduce the backlog.

Most of the Army National Guard backlog exists in our older armory facilities. These facilities are located statewide.

The Air National Guard bases have had significant new facility construction in the last several years. This is due in large part to an infusion of federal dollars for new construction and major repairs. Customer service at the air bases has been considered adequate, however, continued erosion of their state and federal budget for operating costs (salaries, fuel and utilities, maintenance supplies, etc), may affect their quality of service.

PLAN TO ACHIEVE TARGETS:

There are several ways to reach our objective of increasing our dollar input to facilities operations, maintenance and repair. In the facilities business, it is not necessarily good to spend less money. It often costs more to operate and/or renovate facilities efficiently when maintenance and repair of the physical plant is neglected.

■ First and most important is to seek additional state funding through the biennial budget process, the capital budget process and the CAPRA.

■ Seek efficiencies in energy delivery systems, by replacing obsolete heating, ventilating, air conditioning systems.

■ Reduction of fixed costs (personnel through attrition) can free more dollars for materials.

■ Reduction of square footage served.

The Air National Guard has never established a baseline and a good system to measure its effectiveness in facilities operations and maintenance. They feel that this makes it difficult to judge the true customer satisfaction at each base. This became apparent when they began their first Quality Air Force Assessment. As a result of this assessment, they are now establishing benchmarks and developing better measures of effectiveness. They are using the Air Force Guide for Facility Excellence to assist in developing standards.

OTHER FACTORS AFFECTING PERFORMANCE:

The closing of 12 armory facilities in F.Y. 93 has helped reduce the maintenance and repair backlog, however, has not had a significant impact on reducing the backlog because of the size of the backlog.

Because the department does receive significant federal support for Camp Ripley training facilities (100%), Army NG logistical facilities (75%) and Air NG facilities (75%), the declining federal defense budget will compound the shortfall in staff funding.

We have also found in new facilities construction that new air handling systems and other code related issues have increased our fuel and utility consumption per square foot. Air exchange requirements for rifle ranges in new armories make them an expensive training aid. Armory operating costs are 100% state supported. We are continually looking at ways to reduce these costs.

AGENCY: Military Affairs, Department of
PROGRAM: Maintenance of Training Facilities (01)

OBJECTIVE, MEASURE

Objective 3: Develop and execute a comprehensive energy monitoring and cost management plan by F.Y. 1997.

Measure (01-3): Number of facilities audited, under direct digital control (DDC), & utilities cost per square foot (sf).

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army NG Facilities						
# of energy audits	4	5	12			
# under DDC	0	0	1			
Utilities cost (\$000)	\$ 1,697	\$ 1,776	\$ 2,038			
Utilities cost per sf	\$.49	\$.50	\$.55			
Air NG facilities						
# of energy audits	0	2	2			
# under DDC	0	0	3			
Utilities cost (\$000)	\$ 703	\$ 864	\$ 942			
Utilities cost per sf	\$.83	\$.95	\$ 1.03			
Targets						
Army NG Facilities						
# of energy audits				20	20	20
# under DDC				4	3	3
Utilities cost (\$000)				\$ 2,191	\$ 2,257	\$ 2,324
Air NG facilities						
# of energy audits				2	2	1
# under DDC				5	6	6
Utilities cost (\$000)				\$ 1,000	\$ 1,030	1,061

DEFINITION, RATIONALE, DATA SOURCE:

The best way to determine your true energy costs and whether you are operating facilities efficiently is to gather data relating to the size of your physical plant (square feet) and the dollars spent on fuel and utilities to operate that physical plant. A simple division of the dollars spent by the amount of square footage will give an overall or average. If that average is considered a fair representation of what we should be spending per square foot, then individual facilities can be evaluated to determine if they have high, average or low utility costs. Such a measure will also show overall efficiencies, e.g. if square footage goes up and cost remain relatively the same, you are saving or if your costs go down and your square footage remains relatively the same, you are saving. We have not yet determined what an optimum cost per square foot should be because of the many different types of building we manage. Target costs per square foot for future years have not been calculated because of uncertainty of square footage to be served in those years.

Financial data shown in the table above was extracted from the Statewide Accounting System. The calculation of cost per square foot is a combination of the data shown in the above table and the square footage served found in the table included on the Objective 01-2 page. Square footage data is maintained by the Army Guard's facility management office and by the Air Guard's base engineers at Duluth and the Twin Cities.

DISCUSSION OF PAST PERFORMANCE:

During the last few years, the Minnesota Army National Guard has been reviewing the usage of energy in its facilities. During the review of energy usage through audits and past history, it was determined that a plan of action was necessary if we were to contain or even reduce our per square foot energy costs. The Army Guard's facilities management office at Camp Ripley is charged with developing an energy management plan for all Army National Guard facilities. The Air National Guard base civil engineer at each Air NG base is charged with that responsibility for his respective base.

Before the department began its major building "envelop" restoration program in the mid 1980s, most of our older facilities had uninsulated roofs, uninsulated wood windows and severely deteriorating brick mortar. This situation not only resulted in roof leaks and wind blowing through windows, but our heating bills were high. We often said we were insulating with natural gas. Funds primarily from the capital budget and, in some bienniums the operating budget, resulted in a steady improvement in those facilities. Roofs were replaced with insulated roofs, windows were replaced with insulated aluminum windows and brick facilities were tuckpointed. We saw an increase in comfort of our customers and decreases in energy consumption but not necessarily a decrease in cost because of increases in fuel prices.

PLAN TO ACHIEVE TARGETS:

This plan will outline the options available in conducting energy audits and funding for design development and project execution. Secondly, it will outline the phases of when and how the facilities energy reduction program will be executed. Finally, it will outline some of the common elements that will be implemented during energy retrofit and during new construction for reducing and managing energy usage.

We have been working closing with Northern State Power, Minnesota Power, Ottertail Power and other utilities to complete energy audits of our facilities. Funding for the execution of the program will come from: 1) Utilities grant programs, 2) major utility rebate programs, 3) state general fund dollars, and other utility sponsored retrofit programs.

We now executing a plan of energy audits for all our facilities and have installed computer energy monitoring systems (direct digital control - DDC) in one facility. One of our goals is to increase the number of facilities monitored dy direct digital controls. For the first time, we can begin to determine our total energy cost per square foot so we can evaluate the outcome of our monitoring and upgrade efforts. Data bases are being developed that will pinpoint energy usage and help us identify facilities that are operating inefficiently. These are all time consuming tasks that become more difficult when we are unable to provide adequate staffing levels to facilities management groups.

OTHER FACTORS AFFECTING PERFORMANCE:

The Air National Guard is experiencing some difficulty in the maintenance of the new computerized Energy Management Systems installed in three of its newest facilities. We see a critical need for a person trained in monitoring and managing these new complicated operating systems. This problem is also becoming a problem in the newer Army National Guard facilities. Operation of the physical plants has traditionally been handled by General Maintenance Workers at the single employee facilities and we have found some do not have the qualifications to manage complex mechanical systems.

SUMMARY

AGENCY: Military Affairs, Department of
 PROGRAM: 02 - General Support

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 1,732	
From State Funds	\$ 1,732	17% of department's general fund budget
From Federal Funds	\$ 0	
 Number of FTE Staff:	 28	 28 FTE are general fund employees

PROGRAM GOALS:

- Execute a long range facility replacement program to meet organizational and customer needs.
- Provide National Guard personnel and facilities to support local law enforcement authorities in emergency situations when called to duty by the governor.

Two objectives and associated measures have been developed that will help the department move toward our overall goals.

4. Obtain federal dollars to construct 1 training facility and 1 logistical facility each year.
5. Be prepared to support local authorities in emergencies when called to duty by the governor.

DESCRIPTION OF SERVICES:

The General Support budget program provides the leadership, administrative and support services for the department, however is not considered a major state program.

1. An important function of the department's leadership is to develop and execute a long range facility replacement program. To execute the plan, they work closely with the Minnesota congressional delegation to secure "add-on" federal funding for the construction of new facilities. The new facility construction program **is not** part of the Maintenance of Training Facilities budget program because the planning and the acquisition of federal construction funds is accomplished by The Adjutant General and senior members of his staff who are part of the General Support budget program. The facilities management office at Camp Ripley and the Minnesota State Armory Building Commission are charged with the management of the new facilities construction program.

Until 1989, the facilities branch at the National Guard Bureau in Washington provided federal funds for major construction to the states. That role no longer is the responsibility of the bureau and states are left to secure their own funding for armory and logistical facility construction through congressional "add-ons". This process allows us to proceed with our agency's long range plan of replacing 1 armory building per year and logistical facilities when the need arises. This process brings a significant amount of federal money to the state in the form of construction contracts. These federal dollars normally

support up to 75% of the total construction cost for armories. The remaining 25% of the cost is bonded for by the Minnesota State Armory Building Commission (M.S. 193.143 (3)). That bonded indebtedness is retired through armory lease payments from the department of Military Affairs and tax levies from the community where the armory is located. When the bonds are retired, the facility becomes the property of the State of Minnesota. Once constructed, the costs for operating, maintaining and repairing these facilities becomes the **total** responsibility of the State of Minnesota. In the case of logistical facility construction, 100% of the construction costs are provided by the federal government.

2. Another important function of the department is to insure that the National Guard is available for order to state active duty by the governor to support local law enforcement authorities in time of civil disorder, natural disaster or other emergency (M.S. 190.02). State dollars that pay personnel costs and logistical support costs for state active duty operations are paid through the General Support budget program (M.S. 192.49, subd. 1, M.S. 192.51, subd 2, and M.S. 192.52). The training and equipping of National Guard personnel is totally funded with federal dollars. Millions of dollars worth of federally owned military aircraft and other equipment is available to the governor to support the state in times of emergency. There is no expense to the state for this equipment except for operating costs, repair or replacement if damaged during state emergency operations. A well trained, well equipped National Guard is a tremendous asset to the people of Minnesota. It has responded quickly and effectively to the governors call on many occasions to assist and protect citizens of Minnesota.

Because National Guard assistance to local authorities is always in response to unplanned, emergency situations, measurement of our performance is difficult. Numbers of times called to duty, numbers of personnel and equipment provided, how quickly we can assemble a force are all or how much did it cost are all excellent pieces of information. We do not, however, consider them measures of our effectiveness. The best evaluation of how successful we were is an intangible measure: We were called by the governor, we responded with appropriate numbers of trained personnel and equipment and protected the life and property of Minnesota citizens during a critical time.

BACKGROUND INFORMATION:

MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
O	Amount of congressional add-on construction dollars received	\$ 13,700	\$ 7,360
O	Number of new facilities constructed	3	3
A	Number of times responded to a call to state duty	4	6

PROGRAM DRIVERS:

The need for replacement or major expansion of armories and other facilities is determined by:

- Age and condition of the facility
- A continued need for a facility in that geographical location
- Demographic studies that show that the population in the geographical area can support recruiting operations
- A local government or school district that is be willing to support approximately 12.5% of the construction cost
- To a lesser degree, reorganization of units to a different type may require significant facility expansion

Armory replacement is now a 5-7 year process from the time a unit of local government or school district makes a commitment to a new facility. The department now manages 62 armories and under those time constraints, total replacement will not be possible until well into the next century. The uncertainty of federal funding is the single most limiting factor

in our long range facility replacement program. Modern construction techniques probably will significantly increase the life of our newer facilities.

Our response to emergency situations is strictly a reaction to unplanned events. Trained personnel and adequate equipment are always needed and are available because of the military requirements for the National Guard. In most instances, the lack of resources at the local government level causes a call to the governor for assistance.

AGENCY: Military Affairs, Department of
PROGRAM: General Support (02)

OBJECTIVE, MEASURE

Objective 4: Obtain federal dollars to construct 1 training facility and 1 logistical facility per year.

Measure (02-1): Amount of federal construction dollars received and number of new facilities constructed.

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Dollars appropriated	\$ 8,100	\$ 13,700	\$ 7,360			
# facilities approved	3	3	3			
Targets						
Dollars projected				\$ 8,000	\$ 7,700	\$ 2,850
# facilities projected				1	2	1

DEFINITION, RATIONALE, DATA SOURCE:

One of the responsibilities of the department leadership is to work closely with Minnesota's congressional delegation to gain federal funding for **construction of new training and logistics support facilities**. Previously, such funding came from the National Guard Bureau as part of the annual defense appropriation. In 1989, the National Guard Bureau stopped allocating funds in that manner and made it the responsibility of each state to solicit funds from congress directly.

Because our new construction program is totally dependent on the efforts of the senior leadership, a direct measure of their success is the amount of dollars appropriated. The outcome of receiving those dollars is new construction. These federal dollars are project specific and, when received, are placed under the control of the United States Property and Fiscal Office at Camp Ripley. Records of those federal appropriations are kept in that office. Because of contracting and construction schedules, dollars received in a given fiscal year may not result in a new facility being completed within the same fiscal year so the number of facilities approved was chosen as a more meaningful measure.

The dollars reported in the table above reflects federal dollars appropriated and the state fiscal year in which the project(s) and associated federal funds were approved.

DISCUSSION OF PAST PERFORMANCE:

We have been quite successful since the inception of this method of securing federal construction funding. Long-term relationships have been built with certain congressional staff that have resulted in a significant amount of federal dollars being returned to this state. Since 1989, we have constructed 5 new armory facilities in NE Minneapolis, Montevideo, Rosemount, Brainerd, and Camp Ripley and an aircraft simulator facility at the Minneapolis/St. Paul Air National Guard base. Also at Camp Ripley, several large training complexes have been constructed with congressional add-on dollars.

PLAN TO ACHIEVE TARGETS:

A number of requirements must be met **before** congressional funding is sought.

1. There must be a **need** for a new training or logistical facility in a given area. Demographics and known organizational requirements are most important for training facilities (armories). Age and condition of existing facilities are two other important considerations. Logistical facilities are normally built at air bases or at Camp Ripley and occasionally are located in other areas of the state.

2. In the case of an armory, there must be a willingness on the part of the local government or school district in which the new facility is located to contribute, through local tax levies, at least 12.5% of the construction costs plus deed to the state (at no cost to the state) an improved building site with sewer and water. Most new armories we construct are designed and built with a "community center" concept in mind to make them multiple use facilities. Cities often want enhancements such as expanded conference space or kitchens to make it more useful for city purposes when not in use by the National Guard. These enhancements will increase the cost share ratio for the city. We find that most cities where armories are now located are amenable to a new facility at some point, although some more than others. The new construction planning and execution process takes approximately 5-7 years from the time a city commits to final completion.

The long range plan to which our efforts are focused calls for the department leadership to seek federal funds as follows:

- F. Y. 1995: A composite operations/aeromedical facility at the Minneapolis/St. Paul Air NG base.
- F. Y. 1996: A new armory in Stillwater, Phase 2, Combined Support Maintenance Shop at Camp Ripley.
- F. Y. 1997: A new armory in North Minneapolis.

OTHER FACTORS AFFECTING PERFORMANCE:

The continuous reduction in defense spending certainly will have an affect on new construction, however, they are not directly proportional because congressional "add-ons" are not part of the defense appropriations. Without the federal share, new construction will be severely limited.

There were instances in the last several years where tentative plans for a new facility had to be cancelled or changed.

1. A new armory in Windom, wanted by the city and needed because of the age of the old facility, was not built because of a reduction in troop authorizations and poor demographics to support a National Guard unit.
2. A new armory, planned for Apple Valley and wanted by the city, is not going to be built because the unit scheduled to occupy that facility is being removed from the troop authorization structure in two years.
3. A new armory in New Brighton was re-programmed for Rosemount because of withdrawal of city support.
4. A new armory in Zumbrota, wanted by the city and needed because of the age of the old facility, was not built because of a reduction in troop authorizations and poor demographics to support a National Guard unit.

AGENCY: Military Affairs, Department of
PROGRAM: General Support (02)

OBJECTIVE, MEASURE

Objective 5: Be prepared to support local authorities in emergencies when called to duty by the governor.

Measure (02-2): Number of times responding to a call to state duty.

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
# of calls to duty	8	4	6	na	na	na

DEFINITION, RATIONALE, DATA SOURCE:

The measure is how many times in a year the National Guard is called to duty by the governor. There are times during emergencies when local law enforcement authorities don't have the resources to cope with the situation. Those local authorities may request, of the Governor, that the National Guard be called to duty to augment their efforts. Examples of such duty are protecting lives and property in areas ravaged by floods or tornados, searches for lost persons, community support activities like Metro Mobility driver relief and security as a result of the benzene spill in Duluth.

General fund dollars are appropriated in the General Support budget program to pay for personnel and logistical support costs for National Guard members called to state active duty by the governor in local or statewide emergencies. Those dollars can only be used when a call to duty occurs. Unused dollars are returned to the general fund. Rather than considering this measure a result of investment of state dollars, it portrays the level of contribution by the National Guard in emergency situations. An analogy might be the measure of the effectiveness of a volunteer fire department when there are no fires - little or no money is invested, no service is performed.

A data base is maintained by the state finance section in the department headquarters that records state active duty performance.

DISCUSSION OF PAST PERFORMANCE:

The availability of National Guard troops and airmen to support local law enforcement authorities is only possible because of the federally provided personnel, equipment, and training. Such a force is available to the governor as a byproduct of preparation for the federal military mission and costs the state nothing until the service is rendered. There has never been a time when the Guard was not able to respond to a call to duty with the proper number of trained and equipped personnel.

OTHER FACTORS AFFECTING PERFORMANCE:

One of the priorities the department has is to maintain a National Guard presence in as many communities as possible so troops and equipment are prepositioned and available to the governor in a timely manner. When 12 armories were closed in 1992, this eliminated 12 locations for staging state active duty operations. Continued reduction in National Guard forces structure or erosion of our ability to adequately maintain facilities will reduce the number and type of units available for state duty.

It is also vital for state operations that units remaining in the force structure are manned at the highest possible levels. Units that have significant shortfalls in strength will be less effective when called to state duty.

SUMMARY

AGENCY: Military Affairs, Department of
 PROGRAM: 03 - Enlistment Incentives

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 2,224	
From State Funds	\$ 2,224	23% of department's general fund budget
From Federal Funds	\$ 0	
Number of FTE Staff:	1	1 FTE is a general fund employee

PROGRAM GOALS:

- Maintain Army and Air National Guard strength at or above authorized levels.
- Insure maximum participation in the tuition reimbursement program
- Improve the diversity of National Guard membership

Six objectives and associated measures have been developed that will help the department move toward our overall goals:

6. Enlist new members equal to or above annual goal set by recruiting managers.
7. Retain soldiers and airmen at a rate established by National Guard Bureau.
8. Increase the number of National Guard members receiving tuition reimbursement.
9. Increase the number of females in the National Guard.
10. Increase the number of minorities in the National Guard.
11. Attain annual strength levels authorized by the National Guard Bureau

DESCRIPTION OF SERVICES:

Incentives for Minnesota citizens to join and stay in the National Guard were enacted by the legislature in 1989 (M.S. 192.501). The incentives are in two parts, 1) Tuition Reimbursement and 2) Reenlistment Bonus. In addition to the membership incentives, tuition reimbursement benefits are extended to dependents of Guard members killed while performing state active duty or federally supported state active service. Members may be eligible for either tuition reimbursement or the reenlistment bonus but cannot receive money from both programs in the same eligibility period. The incentives program is managed by the Soldier Support Group within the department headquarters. That group is comprised of 3 federal employees and the single state (general fund) employee as noted in the table above.

Tuition reimbursement is extended to National Guard members who are performing their military duties satisfactorily and attending a post secondary institution as defined in M. S. 136A.15. Amount of reimbursement is limited to an amount equal to 50% of the cost of tuition at a **public institution** or for a **private institution**, up to 50% of the cost of tuition for lower division programs in the college of liberal arts at the twin cities campus of the University of Minnesota in the most recent academic year.

A **reenlistment bonus** of \$250 for each year of reenlistment was offered to members serving satisfactorily up to December 31, 1991. Due to static or declining appropriations, future obligations could not be guaranteed so the bonus was suspended effective December 31, 1991. Members involved in the program at that time will continue to receive their bonus until their current reenlistment term expires.

The ultimate outcome of full utilization of enlistment incentives is to be able to **meet the year end assigned strength objectives** set by the National Guard Bureau for the Army and Air National Guard. Reaching the year end goal for authorized strength is reasonable goal for the Air National Guard and most often they meet that goal. A goal of 100% of authorized strength may be a long range goal for the Army National Guard, however, intermediate goals, set by the National Guard Bureau are more realistic and intermediate targets to the ultimate goal of 100% of authorized strength. Another of the desired outcomes of the enlistment incentives legislation was to increase the minority and female membership in the National Guard - **improve the diversity**.

BACKGROUND INFORMATION:

MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
A	Number of enlistments per year, Army & Air Guard	1101	1400
A	Annual reenlistment percentage, Army Guard	75.6%	80.2%
A	Annual reenlistment percentage, Air Guard	92.1%	92.2%
A	National Guard members receiving tuition reimbursement	3024	2822
A	Number of females joining the National Guard	146	143
O	Percentage of females assigned to the National Guard	9%	9%
A	Number of minorities joining the National Guard	66	78
O	Percentage of minorities assigned to the National Guard	3.5%	3.5%
O	Percentage of annual strength target attained - Army Guard	104.7%	99.5%
O	Percentage of annual strength target attained - Air Guard	99.2%	99.7%

PROGRAM DRIVERS:

Maintaining strength in the National Guard is influenced by many factors. Both **recruiting and retention** must be strong to achieve and maintain desired strength levels. Factors that directly effect attainment of strength targets are:

1. **Number of positions authorized for fill in local units.** Each Army and Air National Guard unit has organizational documents that tell local commanders how many people can be members of a local unit. For example, Company A in Wadena may be authorized 140 people. If there are 140 people in that unit, adding more may not be authorized.
2. **Year-end targets established by the National Guard Bureau,** The National Guard Bureau is the headquarters for all Army and Air National Guard units in the United States. Depending on congressional strength limitations, strength attainment targets are given to all states. Generally, those targets cannot be exceeded. In recent years, these targets have had varying affects on maintaining strength, and in some instances, have been difficult to attain.
3. **Numbers of potentially eligible people in a given geographic area,** There are elements of our population eligible for membership simply because of age and gender. As this target population declines, there are fewer eligible people to recruit.
4. **Changing attitudes towards military membership.** Societal attitudes towards military membership often effect the propensity of people to enlist because of pressures from peers, teachers, employers, families and other centers of influence. National Guard recruiters find this is often the most difficult obstacle to overcome even though National Guard membership offers tremendous opportunities over a lifetime.
5. **Opportunities offered by other reserve components in the state or the active armed forces.** All other reserve components and active military forces are seeking basically the same target population. Competition is keen for recruits. Because the training pay for all reserve components is virtually the same, the availability of other benefits is often a primary reason for joining one component over another. Although there are some federally provided incentives in addition to pay, no other active or reserve component in Minnesota can offer such an educational assistance program.
6. **The type of unit in a given local area.** Combat type units and combat service support type units are authorized to enlist only males because of their proximity to the battlefield. This effectively reduces the target population when compared to units that have positions that can be filled either by males or females. There has been some liberalization of position authorizations in recent years.

Reorganization and downsizing over the last two years has had a detrimental impact on strength levels. Closing 12 armory facilities because of inadequate appropriations to maintain those facilities has eliminated 12 hometown units and required current members to drive much further to training in many instances. Federally mandated reductions for troop unit authorizations occurred after local decisions were made to close facilities.

The recruiting force has had a difficult time making inroads into the minority community. The propensity for some minority groups to join the active forces is significantly higher than the propensity for that same group to join reserve components. The National Guard continues to put forth special efforts to increase the number of qualified minorities.

In addition to the obvious recruiting benefit of the tuition reimbursement program, another area in which it assists is its use by the officer corp to pursue levels of post secondary education **required** for career progression. For example, to enter into an officer candidate program **requires** a minimum of two years of post secondary education. Each promotion level requires certain levels of post secondary education, usually measured in numbers of credits obtained. In the near future, to be promoted to the grade of captain will require a 4 year degree.

AGENCY: Military Affairs, Department of
PROGRAM: Enlistment Incentives (03)

OBJECTIVE, MEASURE

Objective 6: Enlist new members equal to or above an annual goal set by the recruiting managers.

Measure (03-1): Number of enlistments and percentage of annual mission.

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army Guard						
# of enlistments	1,130	930	1,240			
Enlistment mission	1,510	1,317	1,318			
% of mission	75%	71%	94%			
Air Guard						
# of enlistments	242	171	160			
Enlistment mission	250	180	170			
% of mission	96%	95%	94%			
Targets						
Army Guard						
Est # of enlistments				1,507	1,400	1,400
Air Guard						
Est # of enlistments				170	160	180

DEFINITION, RATIONALE, DATA SOURCE:

One of the key factors of maintaining Army and Air National Guard strength is the **enlistment of new members**, those with prior military service and those without prior military service. One of the unique benefits this state can offer new enlistees is 50% tuition reimbursement. No other branch of the armed forces recruiting in Minnesota can offer this state benefit. It has made the Minnesota National Guard more competitive in the overall recruiting picture.

Each year the managers of the recruiting branches of the Minnesota Army and Air National Guard determine the "enlistment mission" or target for number of enlistments they expected from their respective recruiting forces. These targets are based on guidance received from the National Guard Bureau, previous recruiter production and the number of full-time recruiters assigned. If recruiters are successful in reaching enlistment targets and retention of current Guard members happens at a high rate, the strength objective discussed as Objective 11 will likely be met.

Enlistment targets and records of numbers enlisted are maintained by the Air National Guard recruiting branch in the department headquarters in St. Paul and the Army National Guard recruiting branch located at the Roseville Armory.

DISCUSSION OF PAST PERFORMANCE:

In F.Y. 93, 12 armory facilities were closed and the authorized enlisted manning levels were reduced from 9880 to 7967. During the previous year, F.Y. 91, the Army Guard recruiting force enjoyed its second highest production year since its inception in the mid 1970s. After the armory closings and associated force reorganization, many soldiers became dissatisfied with travel distances to weekend training assemblies or changes in military jobs and decided to leave the Guard. The negative effect of this turmoil carried to F.Y. 93. The table shows the recovery taking place in F.Y. 94 and is continuing into this fiscal year.

In F.Y. 93, the National Guard Bureau directed that all Air National Guard units would reduce (through attrition) their manning level to 98%. This was to meet federal budgetary restrictions. Except for that year, the Minnesota Air National Guard has maintain 100% or more of authorized strength. The tuition reimbursement program has played an important part in that success. The Air National Guard does not experience the same difficulty in maintaining strength that is experienced by the Army National Guard. The Air National Guard units are located only in the two major metropolitan areas of the state where a stable recruiting population base exists. Additionally, a greater percentage of their authorized strength is employed full-time in support of the Air National Guard which requires active membership in the Air National Guard.

PLAN TO ACHIEVE TARGETS:

The Army Guard plans to utilize total quality management initiatives to improve our strength posture. In F.Y. 94, the recruiting and retention force analyzed participative management practices in test programs to determine their overall effect on strength. The techniques tested were then provided to some organizations that needed large improvement in strength to be considered successful and to the same test organizations to verify the process for a second year. Some organizations will also be provided additional federal support funds to be utilized in the retention area through participative management techniques.

The Air National Guard has planned advertising and recruiting activities that are designed and targeted to: 1) Aid in the recruiting and retention of critical skill specialists, 2) attract and retain minority members, and 3) stay competitive with other military and civilian organizations who are seeking the same target population.

OTHER FACTORS AFFECTING PERFORMANCE:

Reorganizations of the Army National Guard in the last two years, to include closing 12 armory facilities, has had a serious impact on recruiting and retention. Travel distances have increased significantly for many soldiers whose units were moved to other armory locations. 12 communities that had Guard units for 70-80 years now have none - traditions have vanished. Propensity to enlist has declined in these areas although recruiters still work there. Retaining members who live in those communities is more difficult.

Because of changing world conditions and changes in the political climate in this country, the federal defense budget has been a target for significant reductions. These reductions have adversely impacted federal benefits offered for Guard (reserve component) members. Even though the cost of a reserve component (National Guard) soldier or airman is significantly less than his or her active duty counterpart, the national Guard still falls victim to the reductions.

It has become more difficult to retain members of the National Guard. Even though federal and state laws protect reserve component members from discrimination by employers, the requirements of many civilian jobs make it difficult to remain in the Guard. What use to be a standard of 1 weekend per month and 15 days of intensified training or 39 days per year in uniform has become a thing of the past. Increases in civilian and military education requirements for promotion has taken a heavy toll on those members who do not have the time to commit. Military training requirements have increased and intensified which also often requires that additional time be spent in uniform. These increased time requirements also results in family conflicts. Medical and mental standards increase each year. This reduces the qualified market and requires recruiters to extensively pre-screen applicants to avoid exhausting time and resources on unqualified people.

AGENCY: Military Affairs, Department of
 PROGRAM: Enlistment Incentives (03)

OBJECTIVE, MEASURE

Objective 7: Retain soldiers and airmen at a rate established by National Guard Bureau (NGB).

Measure (03-2): Year end rate of retention of Army and Air National Guard members.

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army NG retention %	77.4%	75.6%	80.2%			
Army NGB goal	80%	80%	80%			
Air NG retention %	90.7%	92.1%	92.2%			
Air NGB goal	92%	92%	92%			
Targets						
Army NGB goal				80%	80%	80%
Air NGB goal				92%	92%	92%

DEFINITION, RATIONALE, DATA SOURCE:

The second component of a strength maintenance program is retaining soldiers and airmen in the Guard past the expiration of their term of enlistment. Each person retained is one less person that recruiters have to replace. It makes more sense for our organization to keep soldiers and airmen who already have the knowledge and experience rather than have to convince a new person to join and wait years for that person to develop that knowledge and experience. In many instances, the tuition reimbursement program has an impact on retaining soldiers and airmen wishing to continue their education after their initial term of enlistment expires.

A reader might wonder why not strive for 100% retention of all National Guard members. In order to provide continuing advancement opportunities for all ranks, officer and enlisted, there must be a controlled attrition program to make senior officer and non-commissioned officer positions available for promotion purposes.

Target retention rates are set by the respective Army and Air National Guard recruiting headquarters at the National Guard Bureau and often not too far in advance. The retention rates shown in the table above are determined by dividing the number of soldiers and airmen reenlisting by the total number of those eligible for discharge or separation for expiration of term of service or other "manageable" reasons. Meaningful and reasonable targets are set so standards are attainable.

DISCUSSION OF PAST PERFORMANCE:

The table above does not reflect the Army NG F.Y. 91 retention rate of 85%. The table does show a drop in that rate for the Army NG in 1992 and 1993. This was primarily the result of force structure reductions and the closing of 12 armory facilities in 1992. That process caused much turmoil within the Army National Guard. The force structure has stabilized in the last year and this is reflected in an increased retention rate.

The Air National Guard has enjoyed an above average retention rate, normally exceeding the national rate by over 7%. Because retaining current members has much to do with the quality of leadership and other intrinsic benefits it is difficult to accurately measure the affect of the tuition reimbursement program on retention.

PLAN TO ACHIEVE TARGETS:

The Army National Guard leadership and recruiting/retention personnel are making every effort to reduce the impact of force structure decisions made at the national level. Performance standards are being formulated that will emphasize retention initiatives to improve strength levels. If we are able to maintain a high level of strength in the Army Guard, it could have positive results for the state if increases in forces structure (more units) are being contemplated at the national level. There will be more emphasis placed on utilization of the tuition reimbursement program by people who have been in the Guard for some time.

In the Air National Guard more emphasis is being placed on retention as authorized force structure levels decline. Recruiting and retention personnel will work under a team concept instead of separate entities, the common goal being to recruit and retain enough people to meet strength authorization goals.

The program does not offer reimbursement for post baccalaureate degree course work, however, that is being considered to help retain some of those pursuing those courses of study.

OTHER FACTORS AFFECTING PERFORMANCE:

Some of the same factors that affect recruiting affect the ability to retain members past their initial enlistment period which is usually between 6 and 8 years. Reorganization of units, closing of facilities, changes in unit missions, family pressures and employment pressures are often roadblocks to retaining soldiers and airmen.

The tuition reimbursement program has a positive although limited impact on retaining members. Although use of the program is more common during first term members, pursuit of post secondary education often begins or continues into the late 20s and 30s due to career changes, requirements for military promotion or other civilian job requirements.

Some members chose to leave "part-time" service in the National Guard and join the active forces because of the full-time career opportunities available.

AGENCY: Military Affairs, Department of
PROGRAM: Enlistment Incentives (03)

OBJECTIVE, MEASURE

Objective 8: Increase the number of National Guard members receiving tuition reimbursement by 1% each year.

Measure (03-3): Number of Army and Air National Guard members who received tuition reimbursement.

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army Guard						
# reimbursed	2610	2484	2235			
% reimbursed*	25%	26%	24%			
Air Guard						
# reimbursed	510	540	587			
% reimbursed*	24%	25%	28%			
 Total # reimbursed	 3120	 3024	 2822			
Targets						
Army Guard						
# reimbursed				2257	2280	2302
% reimbursed*				23%	24%	24%
Air Guard						
# reimbursed				580	580	580
% reimbursed*				28	28	28

* See Note

Note: Calculation: The **total number who received reimbursement** divided by the **total assigned strength**.

DEFINITION, RATIONALE, DATA SOURCE:

The number of soldiers and airmen who received tuition reimbursement in a given year gauges the utilization of the benefit. By looking at the **percentage** of guard members using the program, we will see how effective we are in marking the benefit to our members. A target the department has set is to have 25% of our total force involved in the program at any given time. This seems to be a percentage that has remained fairly steady for several years despite downsizing and relocation of numerous units. If we strive to make all current and potential members aware of the benefit, this should increase the participation and improve the outcome, which is ultimately to attain annual strength targets and maintain that level. This is discussed in more detail in Objective 11.

The information portrayed above is documented in computer data bases maintained in the Soldier Support Group offices located in the department headquarters in St. Paul.

DISCUSSION OF PAST PERFORMANCE:

Annual program usage has varied only minimally since the program's inception. The participation levels for fiscal years 1990 and 1991 were 2701 and 2921 respectively. The participation levels increased in 1992 and now show a slight decline in number but a rather consistent percentage of usage based on our total assigned strength.

When the program began, we were reimbursing students for credits in which they received "D". A factor contributing to the slight decline in participation is the fact that reimbursement is only granted for grade of "C" or above.

Recruiting and retention personnel all agree that tuition reimbursement is one of the best benefits the National Guard has to offer. They feel that the more people who are participating in the program, the more chances we have retaining quality people.

PLAN TO ACHIEVE TARGETS:

The Education Services staff that administers the program frequently gives presentations to full-time staff and other members of the National Guard on the benefits and usage of the tuition reimbursement program. Revisions are made as necessary to the rules governing the program to help make it more easily understood. Making the program "user friendly" promotes usage and increases the percentage of members who use the program. Articles will be published in the department's internal publication, the Minnesota Militia, outlining the program's benefits, publishing success stories and featuring other highlights about the program and the people who use it.

The Minnesota Army National Guard has acquired a tool to assist potential students plan and select their educational opportunities. The group charged with retaining current members uses the College Level Examination Program (CLEP) to provide current members under graduate college credits depending on how well they do on these tests. By encouraging members to take CLEP tests, it opens post-secondary educational opportunities and reimbursement for tuition when a person decides to use those CLEP credits to pursue an on-campus program.

Both Army and Air National Guard recruiting and plans call for increased advertising within the National Guard utilizing the command information program and outside the Guard using media designed to reach potential recruits. As members of our retention team interview those contemplating leaving the National Guard, they will continue to stress the benefits the Guard has to offer.

OTHER FACTORS AFFECTING PERFORMANCE:

The Army National Guard's federal incentives programs are currently under suspension. When that suspension will be lifted is uncertain and in what form those incentives will take when reinstated is uncertain. Due to the lack of federal incentives, the tuition reimbursement program offered by the state of Minnesota will serve as the key incentive program to draw new members into the National Guard.

AGENCY: Military Affairs, Department of
PROGRAM: Enlistment Incentives (03)

OBJECTIVE, MEASURE

Objective 9: Increase the number of females in the National Guard by 1% per year.

Measure (03-4): Number of females joining the National Guard and percentage of total strength.

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army Guard						
Females joined	102	111	122			
Females assigned	688	778	757			
% of strength	7.1%	8.4%	8.2%			
Air Guard						
Females joined	44	35	21			
Females assigned	299	326	323			
% of strength	12%	13%	14%			
Total females assigned	987	1104	1080			
Total % of strength	7%	9%	9%			
Targets						
Army Guard						
Females joined				127	132	137
Females assigned				822	810	819
% of strength				8.5%	8.6%	8.8%
Air Guard						
Females joined				23	20	29
Females assigned				327	329	335
% of strength				14%	14%	14%

DEFINITION, RATIONALE, DATA SOURCE:

The "females joined" measure in the table above reflects our effort at a targeted category of potential enlistees or appointees (officers) - **females**. The legislation enabling the tuition reimbursement program requires an annual report to the legislature on the effectiveness of the program. The legislation requires that the department "make a specific effort to recruit and retain women and members of minority groups into the Guard through the use of the tuition reimbursement and reenlistment bonus programs". (M.S. 192.501, subd. 3). Because the reenlistment bonus portion of the incentives package has been suspended (for lack of funds) for nearly 3 years, it has no impact on enlistment of new members but may still be of some benefit to members currently enrolled in the program. Because the tuition reimbursement program is utilized by both officer and enlisted personnel, it is necessary to include both categories of accessions to the Guard. The minority recruitment program is discussed in Objective 10 in this program.

The data shown in the table is available from the department headquarters in St. Paul.

DISCUSSION OF PAST PERFORMANCE:

The Air National Guard continues to increase the time and money dedicated to female recruiting and retention. They continue to recruit more females than the Army National Guard. The two primary reasons for this is that all or nearly all Air Guard position can be filled with either male or female and Air Guard units are located only in the two major metropolitan areas in Minnesota, the Twin Cities and Duluth.

PLAN TO ACHIEVE TARGETS:

The Army Guard recruiting force is placing special emphasis on recruiting females in those units that are authorized to accept females. The offering of the tuition reimbursement program will be an integral part of emphasis.

In calendar year 1995, The Air NG section of the department headquarters will hire a minority human resource manager. This individual will work with primarily the Minneapolis/St. Paul Air Guard units to aid them in their female and minority recruiting and retention efforts.

OTHER FACTORS AFFECTING PERFORMANCE:

The major military structure of the Minnesota Army National Guard is an infantry division. As such, a majority of the positions available are in combat units, i.e infantry, artillery, armory, combat engineers, etc. Few positions in those types of unit are authorized for females. This eliminates a sizeable recruiting population (females) in some geographical areas. The recruiting branch has tried to enlist people from one area for duty to another and found that not to be ideal because of travel distances and other factors. All or nearly all Air National Guard positions can be held by either male or female so lack of positions in the Air Guard is not an issue.

AGENCY: Military Affairs, Department of
PROGRAM: Enlistment Incentives (03)

OBJECTIVE, MEASURE

Objective 10: Increase the total number of minorities in the National Guard by 1/2% per year.

Measure (03-5): Number of minorities joined, total assigned and percentage of total strength
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	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Actual Performance						
Army Guard						
Minorities joined	50	60	71			
Minorities assigned	332	323	318			
% of strength	3.4%	3.5%	3.5%			
Air Guard						
Minorities joined	7	6	7			
Minorities assigned	75	89	91			
% of strength	3%	4%	4%			
Total minorities asg.	407	412	409			
% of total strength	3.2%	3.5%	3.5%			
Targets						
Army Guard						
Minorities joined				80	85	80
Minorities assigned				330	335	340
% of strength				3.4%	3.5%	3.6%
Air Guard						
Minorities joined				12	25	25
Minorities assigned				100	120	130
% of strength				4%	5%	5%

DEFINITION, RATIONALE, DATA SOURCE:

Another area where the department places special emphasis is recruiting in the minority community. The legislation enabling the tuition reimbursement program requires an annual report to the legislature on the effectiveness of the program. The legislation requires that the department "make a specific effort to recruit and retain women and members of minority groups into the Guard through the use of the tuition reimbursement and reenlistment bonus programs". (M.S. 192.501, subd. 3). The reenlistment bonus portion of the incentives package has been suspended (for lack of funds) for nearly 3 years and has had no impact on enlistment of new members. Because the tuition reimbursement program is utilized by both officer and enlisted personnel, it is necessary to include both categories but they are not reported separately.

Records of the number of minority members who joined the National Guard and the total number assigned are maintained at the department headquarters in St. Paul.

reduced that *authorized strength* to 9038 or nearly a 20% reduction in force size. The authorized positions were gone but the **people** were still there accounting for the apparent high percentage of accomplishment. Our recruiting efforts cannot keep up with our inability to retain current guard members. We still are experiencing the backlash from downsizing turmoil in 1992 and 1993. The force structure has stabilized in the last year, however, we may experience further reductions in the future.

The Air National Guard has enjoyed nearly full strength levels for many years. There are many factors that could account for this, some of those are:

1. Smaller authorized strength statewide (25%) of the Army Guard's strength.
2. An above average retention rate which means there are less vacancies to recruit to.
3. Units are located only in the two largest metropolitan areas - Twin Cities and Duluth
4. A high percentage of full-time employees require guard membership.
5. A close knit organization with a tradition of full-strength units.
6. An attractive, exciting mission that is performed daily.

When we step back and look at our performance over the last two years, especially in the Army Guard, we get the impression that we aren't doing very well and there is disappointment at the commander level relative to our overall strength. Minnesota is not the only state that has undergone significant cuts in Army Guard strength - the cuts were felt by every state. We tend to look at the negative too much and forget that the Minnesota National Guard:

- Is ahead of the national average in percentage of attaining its F.Y. 94 enlistment mission.
- Has a higher than average reenlistment rate.
- Has a low percentage of assigned soldiers who perform unsatisfactorily.
- Is ahead of the national average in attaining the F.Y. 94 officer recruiting mission.
- Is ahead of the national average in attaining its F.Y. 94 year end strength target.

PLAN TO ACHIEVE TARGETS:

As noted above, to reach this objective, all the preceding objectives should be totally or partially met. If commanders, recruiters and retention personnel work diligently to recruit more people, showcase the tuition reimbursement program, embrace the principal of total quality leadership management, and market the Guard statewide we will reach or come close to the outcome we reach for. The preceding pages in this program discuss some of the details of achieving this **goal**.

Critical to our reaching our annual strength goals is the tuition reimbursement program. As certain markets offer less and less "recruitable" population, we must have every tool and advantage to be competitive. Recruiting is a "sales program". People buy the best products from those they trust. The Army and Air National Guard both have highly professional recruiting and retention forces, totally funded by the federal government. Those recruiters continually tell the department leadership that, without the tuition reimbursement, they would find it significantly more difficult if not impossible to attain the goals for year end strength.

OTHER FACTORS AFFECTING PERFORMANCE:

Factors that will impede us from reaching our ultimate objective have been discussed on previous pages in this program. There are possibilities that other reserve components located in Minnesota and in towns in states adjacent to Minnesota may experience reorganization and downsizing. The United States Army Reserve units located in Minnesota are experiencing a significant downsizing. A number of our Army National Guard organizations have assisted displaced US Army Reserve members in guard units. This was an unexpected pool of new accessions to the guard. Similar benefits could come to the Air National Guard should downsizing take place in the US Air Force Reserve in Minnesota.

APPENDIX 1

Department of Military Affairs

The development of the annual performance for the Department of Military Affairs began early in the fall of 1993 to meet deadlines established by the Department of Finance and the Legislative Auditor. Numerous training and informational sessions were attended by the agency's Executive Director, Military Auditor and Fiscal Administrator. The relationship of the report to future biennial budget was understood.

The first draft of the report was developed to parallel the agency's biennial budget structure of three programs: 1) Maintenance of Training Facilities, 2) General Support, and 3) Enlistment Incentives. Narrative language and possible effectiveness measures were retrieved from previous biennial budget narratives as a starting point. In developing the report, minimal new input was sought from other department personnel or members of the National Guard pending return of our initial draft by the legislative auditor staff to determine if we were on the right track. We felt we would have ample time to redirect our focus if necessary and develop appropriate goals, objectives and measures and meet the September 1, 1994 submission deadline. The draft report was submitted to the Department of Finance on October 27, 1993.

We subsequently began forming a workers participation committee. The Adjutant General designated key members of his staff as committee members. Employee bargaining units were queried for their committee representatives. The committee was inactive during the period of November 1993 - July 1994. The legislative auditor staff briefed members of the department staff on July 11, 1994 and provided a number of comments on our initial draft report. Because of their review, substantial work was needed to bring the report into the proper perspective. The department's mission statement was modified to reflect the **department's** mission and goals versus the mission and goals of the **National Guard**. We found in this process that true measures of what we do with state dollars is difficult because of the mixture of state and federal dollars in almost all our programs. We also soon found that our data sources were lacking or non-existent in several cases. Much time was spent agonizing over what data to report, trying to determine if we had the capability to capture it without substantial investment of time and money and are the measures we selected as a meaningful report card of what our department does.

Once an appropriate mission statement was formulated and new supporting goals, objectives and measures were developed, a new draft packet was mailed to each member of the workers participation committee for their review and input. We felt there was not enough time to gather the committee in formal session - geographical dispersion made this difficult. We gathered varying degrees of input from *some* committee members and molded that data into the report you have just read.

Because of time constraints and the difficulty we had defining what we wanted to measure, we feel there is room for improvement and that, as this report matures in future years, it will be a more informative document for the intended readers as well as a useful management tool for the department.

Because we defined our customers as the members of the Army and Air National Guard and because many members of the workers participation committee were members of the National Guard, we did not seek input from a great number of part-time Guard personnel. To some degree, citizens of Minnesota are also our customers when the Guard is called to state duty by the Governor in emergency situations, however, soliciting their input would not significantly change the form of or the data in the report.