

Table of Contents

Department of Military Affairs

<i>Agency Profile</i>	1
Agency Expenditure Overview (REVISED)	3
Agency Financing by Fund (REVISED)	4
Agency Change Summary (REVISED)	6
<u>Change Item(s)</u>	7
<i>Operating Adjustment</i>	7
<u>Program</u>	8
Maintenance Training Facilities	8
<i>Program Narrative</i>	8
Program Expenditure Overview	10
Program Financing by Fund	11
<u>Program</u>	13
General Support	13
<i>Program Narrative</i>	13
Program Expenditure Overview	15
Program Financing by Fund	16
<u>Program</u>	17
Enlistment Incentives	17
<i>Program Narrative</i>	17
Program Expenditure Overview	19
Program Financing by Fund	20
<u>Program</u>	21
Emergency Services	21
<i>Program Narrative</i>	21
Program Expenditure Overview (REVISED)	23
Program Financing by Fund (REVISED)	24
<u>Additional Documents</u>	25
<i>Federal Funds Summary</i>	25

AT A GLANCE

- Support over 13,000 citizen Airmen and Soldiers who serve three missions: federal, state, and community.
- Since 9/11, the Minnesota National Guard has deployed more than 32,100 Army and Air Guard members to more than 37 countries worldwide
- Responsible for the expenditure of approximately \$370 - \$500 million per year from the federal government through a Master Cooperative Agreement (MCA) and Master Cooperative Construction Agreements (MCCA) with the Chief of the National Guard Bureau
- 380.23 full-time equivalents (FTEs) across the state - only 28.95 FTEs are 100% funded by the state general fund
- Provided assistance to over 30 state active duty missions in response to floods, fire, blizzards, and other natural disasters or other emergencies since 2012
- Provided more than 56,627 state active duty work days by service members since 2012

PURPOSE

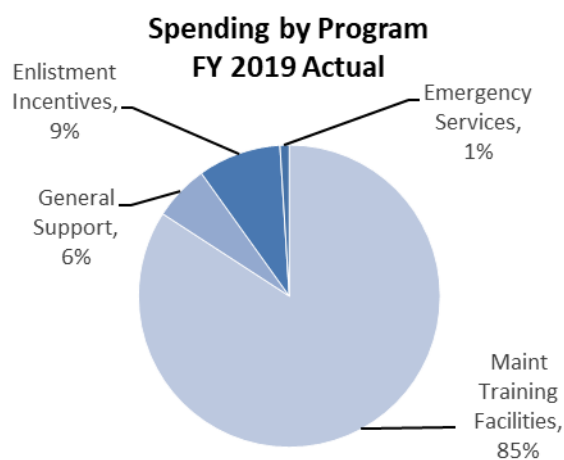
Federal: As a federal entity, military members of the Minnesota National Guard serve as a reserve force for the United States Army and Air Force. They are subject to be called to federal active duty for extended periods by the President.

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

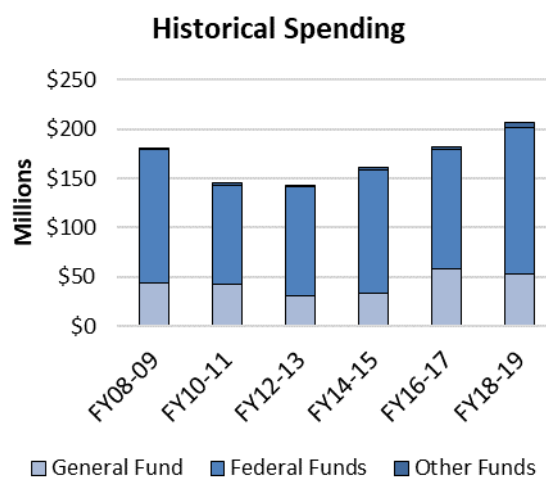
Community: The Minnesota National Guard is also involved in community support projects throughout the state. These projects give Soldiers and Airmen a chance to “give back to the community.”

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

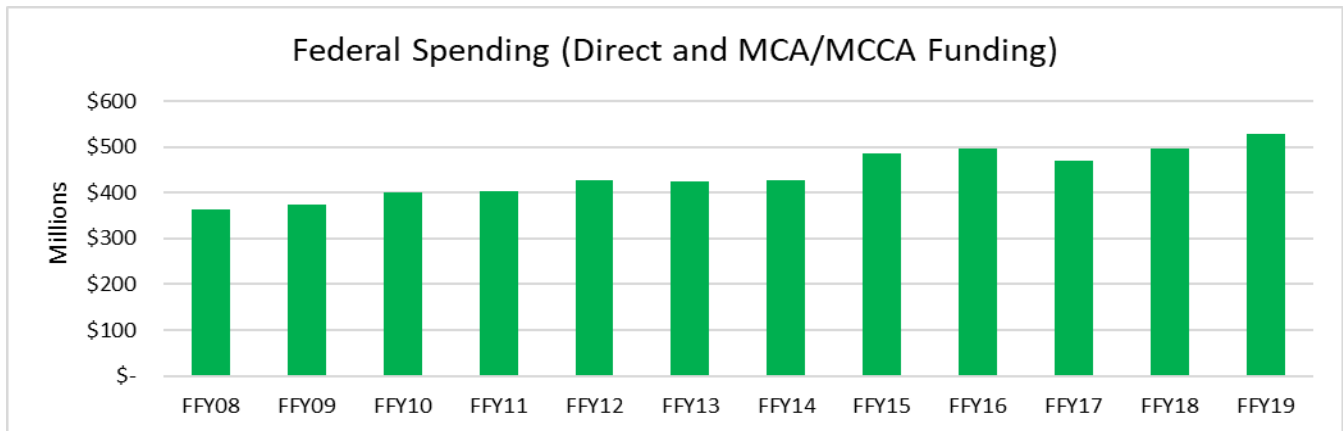
BUDGET



Source: Budget Planning & Analysis System (BPAS)



Does not include federal direct spending
Source: Consolidated Fund Statement



Source: Minnesota National Guard Annual Reports

Ninety-five percent of the total budget comes from the federal government through direct federal funding, cooperative agreements for facilities construction and maintenance, telecommunications, security, firefighting, and the STARBASE educational program serving economically disadvantaged school students. The state general fund accounts for 4.63% of the budget, and approximately 0.37% comes from other sources (local government, facility sales, housing operations, etc.). Additionally, the Department is responsible for the expenditure of approximately \$370-\$500 million per year from the federal government. These funds are paid to individuals and vendors for federal-related activities and do not pass through the state treasury. The department's staff includes 380.23 FTEs, and only 28.95 FTEs are 100% funded by the state general fund. The remainder are predominantly federally funded – some at 100% and most others at 75% or 80%.

STRATEGIES

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

The Department has four core programs that support the Minnesota National Guard and implement these two lines of effort:

- The Maintenance of Military Training Facilities Program maintains the state’s facilities used to train and house the members of the Minnesota National Guard and to protect the state’s investment in facilities including the MN State Armory Building Commission (MSABC) facilities. Each Air National Guard base has a civil engineering function responsible for the maintenance of the federal facilities supported with state and federal dollars.
- The Enlistment Incentives Program supports and manages the department’s enlistment and retention incentives and tuition reimbursement programs. These programs provide incentives to the men and women who enlist and maintain their memberships in the Army and Air National Guard.
- Emergency Services funds emergency response activities at the order of the Governor when the National Guard is activated in response to state emergencies.
- General Support provides the general administrative, financial, accounting, budgeting, project management, strategic planning, and human resource support necessary for the operation of the department. It also supports the Beyond the Yellow Ribbon initiatives that serve service members and families throughout the deployment cycle.

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

Military Affairs

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	26,447	26,629	33,771	44,321	26,370	26,370	26,566	26,762
2000 - Restrict Misc Special Revenue	2,694	2,484	4,162	3,263	2,362	2,401	2,362	2,401
2050 - Environment & Natural Resources			74	926				
3000 - Federal	63,754	84,615	88,860	91,451	92,780	93,514	92,780	93,514
Total	92,896	113,729	126,868	139,961	121,512	122,285	121,708	122,677
Biennial Change				60,204		(23,032)		(22,444)
Biennial % Change				29		(9)		(8)
Governor's Change from Base								588
Governor's % Change from Base								0

Expenditures by Program

Maintenance Training Facilities	73,248	96,976	97,753	102,216	102,190	102,960	102,261	103,101
General Support	5,743	6,423	7,544	7,322	5,998	6,001	6,123	6,252
Enlistment Incentives	12,138	9,666	9,127	14,095	11,114	11,114	11,114	11,114
Emergency Services	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210
Total	92,896	113,729	126,868	139,961	121,512	122,285	121,708	122,677

Expenditures by Category

Compensation	31,379	32,717	42,906	49,201	40,951	41,146	41,147	41,538
Operating Expenses	38,276	46,239	48,078	41,769	36,381	36,384	36,381	36,384
Grants, Aids and Subsidies	11,452	9,056	8,660	14,292	11,504	12,094	11,504	12,094
Capital Outlay-Real Property	10,663	24,495	26,852	34,319	32,211	32,196	32,211	32,196
Other Financial Transaction	1,126	1,221	371	380	465	465	465	465
Total	92,896	113,729	126,868	139,961	121,512	122,285	121,708	122,677

Full-Time Equivalents

371.11	387.01	406.05	403.24	404.02	404.02	404.02	404.02
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Military Affairs

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	3,750	4,311	995	3,833				
Direct Appropriation	24,813	22,929	24,197	24,197	24,197	24,197	24,393	24,589
Open Appropriation	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210
Transfers Out	37	36	31	37	37	37	37	37
Cancellations		244						
Balance Forward Out	3,846	995	3,833					
Expenditures	26,447	26,629	33,771	44,321	26,370	26,370	26,566	26,762
Biennial Change in Expenditures				25,016		(25,352)		(24,764)
Biennial % Change in Expenditures				47		(32)		(32)
Governor's Change from Base								588
Governor's % Change from Base								1
Full-Time Equivalents	40.83	42.12	42.81	40.85	40.85	40.85	40.85	40.85

2000 - Restrict Misc Special Revenue

Balance Forward In	3,551	2,912	3,589	3,394	2,157	1,937	2,157	1,937
Receipts	1,447	2,593	3,395	2,402	1,592	1,628	1,592	1,628
Transfers In	559	568	571	550	550	550	550	550
Transfers Out				926				
Balance Forward Out	2,862	3,589	3,393	2,157	1,937	1,714	1,937	1,714
Expenditures	2,694	2,484	4,162	3,263	2,362	2,401	2,362	2,401
Biennial Change in Expenditures				2,246		(2,662)		(2,662)
Biennial % Change in Expenditures				43		(36)		(36)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	20.08	24.55	23.81	22.96	23.74	23.74	23.74	23.74

2050 - Environment & Natural Resources

Balance Forward In		1,000	1,000	926				
Direct Appropriation	1,000							
Balance Forward Out	1,000	1,000	926					
Expenditures			74	926				
Biennial Change in Expenditures				1,000		(1,000)		(1,000)
Biennial % Change in Expenditures						(100)		(100)

Military Affairs

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Balance Forward In	859	853	694	694	694	694	694	694
Receipts	63,589	84,457	88,860	101,777	92,984	93,718	92,984	93,718
Transfers Out				10,326	204	204	204	204
Balance Forward Out	694	694	694	694	694	694	694	694
Expenditures	63,754	84,615	88,860	91,451	92,780	93,514	92,780	93,514
Biennial Change in Expenditures				31,941		5,983		5,983
Biennial % Change in Expenditures				22		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	310.20	320.34	339.43	339.43	339.43	339.43	339.43	339.43

Military Affairs

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	24,197	24,197	24,197	48,394
Forecast Base	24,197	24,197	24,197	48,394
Change Items				
Operating Adjustment		196	392	588
Total Governor's Recommendations	24,197	24,393	24,589	48,982
Open				
Fund: 1000 - General				
FY2021 Appropriations	197	197	197	394
Base Adjustments				
November Forecast Adjustment	8,465	1,385	1,385	2,770
February Forecast Adjustment	7,666	628	628	1,256
Forecast Base	16,328	2,210	2,210	4,420
Total Governor's Recommendations	16,328	2,210	2,210	4,420
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	3,263	2,362	2,401	4,763
Forecast Base	3,263	2,362	2,401	4,763
Total Governor's Recommendations	3,263	2,362	2,401	4,763
Fund: 3000 - Federal				
Planned Spending	91,451	92,780	93,514	186,294
Forecast Base	91,451	92,780	93,514	186,294
Total Governor's Recommendations	91,451	92,780	93,514	186,294
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	2,402	1,592	1,628	3,220
Total Governor's Recommendations	2,402	1,592	1,628	3,220
Fund: 3000 - Federal				
Forecast Revenues	101,777	92,984	93,718	186,702
Total Governor's Recommendations	101,777	92,984	93,718	186,702

Department of Military Affairs

FY 2022-23 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	0	196	392	392	392
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	196	392	392	392
FTEs	0	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$196,000 in FY 2022 and \$392,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Department of Military Affairs.

This represents a 1.2 percent increase over the Department's FY 2022-2023 biennial direct appropriated general fund base budget.

Rationale/Background:

This operating increase funds a portion of projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT, and legal services also grow. This cost growth puts pressure on operating budgets that remain flat from year to year without enacted increases. Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect.

Proposal:

The Governor recommends increasing agency operating budgets to support the delivery of current services. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by the Department of Military Affairs. This funding will cover compensation and IT cost growth.

Results:

This proposal is intended to allow the Department of Military Affairs to continue to provide current levels of service and information to the public.

Program: Maintenance of Military Training Facilities

<https://minnesotanationalguard.ng.mil/>

AT A GLANCE

In state fiscal year 2020, the Department:

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

PURPOSE & CONTEXT

This program is responsible for maintaining the state's facilities used to train and house the members of the Minnesota National Guard, and to protect the state's investment in these facilities. The Department maintains and develops sustainable infrastructure at the Camp Ripley Training Center, two airbases, two army aviation support facilities, and the Training & Community Centers (TACCs) in 58 communities across the State.

SERVICES PROVIDED

Military Affairs has a series of cooperative agreements in place for operations and maintenance of state owned and licensed facilities, for providing security at the Air Bases, Camp Ripley, and the Army Aviation Support Facilities, and for firefighting services at the Duluth Air Base and Camp Ripley.

The Department supports state facilities that federal forces use to accomplish their mission of preparing soldiers and airmen for federal and state missions. Each Air National Guard Base in Minneapolis and Duluth has a civil engineering function that is responsible for the maintenance of the federal facilities that are supported with state and federal dollars.

RESULTS

Specific aspects of these results including objectives, performance measures, and results can be found in the Annual Report and Campaign Plan at <https://minnesotanationalguard.ng.mil/annual-reports/>. They are also on file in the Minnesota Legislative Reference Library.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	<i>Optimize infrastructure capabilities (LOA 3.1).</i> Optimizing infrastructure capabilities and efficiencies includes training areas, roads, buildings, Training and Community Centers, and Facility Maintenance Shops. The MNNG will optimize its infrastructure capabilities and improve efficiencies in order to reduce net output of greenhouse gas emissions to zero.	2 of 3 objectives meeting targets	2 of 3 objectives meeting targets	2016 & 2018

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	<i>Improve Infrastructure Efficiency to Net-Zero Goal (LOA 3.2).</i> The MNNG will work toward optimizing infrastructure capabilities to improve efficiencies to reduce net consumption of water, energy, and waste. The MNNG will decrease facility energy consumption and track and monitor solid waste disposal in accordance with Federal Executive Order and the Army Sustainability Campaign Plan.	2 of 2 objectives meeting targets	1 of 2 objectives meeting targets	2016 & 2018
Result	<i>Competent Ready Force (LOA 1).</i> The Minnesota National Guard's enduring mission is to protect the nation by providing forces and capabilities in support of the Governor, Combatant Commanders, and domestic operations. The MNNG will accomplish this by achieving and maintaining the required personnel, equipment, training, and resourcing levels that ensure success.	3 of 4 objectives meeting targets	4 of 5 objectives meeting targets	2016 & 2018

Performance Measures Notes:

LOA = Line of Action

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

Maintenance Training Facilities

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	9,884	12,668	9,085	10,317	9,701	9,701	9,772	9,842
2000 - Restrict Misc Special Revenue	1,434	1,114	1,149	1,195	1,334	1,370	1,334	1,370
2050 - Environment & Natural Resources			74	926				
3000 - Federal	61,930	83,195	87,445	89,778	91,155	91,889	91,155	91,889
Total	73,248	96,976	97,753	102,216	102,190	102,960	102,261	103,101
Biennial Change				29,745		5,181		5,393
Biennial % Change				17		3		3
Governor's Change from Base								212
Governor's % Change from Base								0

Expenditures by Activity

Maintenance of Training Facilities	73,248	96,976	97,753	102,216	102,190	102,960	102,261	103,101
Total	73,248	96,976	97,753	102,216	102,190	102,960	102,261	103,101

Expenditures by Category

Compensation	25,472	27,207	29,508	33,200	35,044	35,829	35,115	35,970
Operating Expenses	36,018	44,706	41,042	34,492	34,469	34,469	34,469	34,469
Grants, Aids and Subsidies	34	11	15	16	16	16	16	16
Capital Outlay-Real Property	10,621	23,974	26,854	34,143	32,211	32,196	32,211	32,196
Other Financial Transaction	1,103	1,077	336	365	450	450	450	450
Total	73,248	96,976	97,753	102,216	102,190	102,960	102,261	103,101

Full-Time Equivalents

345.81	357.99	376.49	376.25	377.03	377.03	377.03	377.03
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Maintenance Training Facilities

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	2,923	3,181		616				
Direct Appropriation	9,677	9,698	9,701	9,701	9,701	9,701	9,772	9,842
Cancellations		211						
Balance Forward Out	2,716		616					
Expenditures	9,884	12,668	9,085	10,317	9,701	9,701	9,772	9,842
Biennial Change in Expenditures				(3,150)		0		212
Biennial % Change in Expenditures				(14)		0		1
Governor's Change from Base								212
Governor's % Change from Base								1
Full-Time Equivalents	17.57	17.67	17.14	16.90	16.90	16.90	16.90	16.90

2000 - Restrict Misc Special Revenue

Balance Forward In	908	587	732	848	931	1,015	931	1,015
Receipts	1,092	1,259	1,264	1,278	1,418	1,454	1,418	1,454
Balance Forward Out	566	732	847	931	1,015	1,099	1,015	1,099
Expenditures	1,434	1,114	1,149	1,195	1,334	1,370	1,334	1,370
Biennial Change in Expenditures				(204)		360		360
Biennial % Change in Expenditures				(8)		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	18.04	19.98	19.92	19.92	20.70	20.70	20.70	20.70

2050 - Environment & Natural Resources

Balance Forward In		1,000	1,000	926				
Direct Appropriation	1,000							
Balance Forward Out	1,000	1,000	926					
Expenditures			74	926				
Biennial Change in Expenditures				1,000		(1,000)		(1,000)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Maintenance Training Facilities

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Balance Forward In	859	853	694	694	694	694	694	694
Receipts	61,765	83,036	87,445	89,778	91,155	91,889	91,155	91,889
Balance Forward Out	694	694	694	694	694	694	694	694
Expenditures	61,930	83,195	87,445	89,778	91,155	91,889	91,155	91,889
Biennial Change in Expenditures				32,098		5,821		5,821
Biennial % Change in Expenditures				22		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	310.20	320.34	339.43	339.43	339.43	339.43	339.43	339.43

Program: General Support

<https://minnesotanationalguard.ng.mil/>

AT A GLANCE

In state fiscal year 2020, the Department of Military Affairs:

- Provided accounting and administrative services to support cooperative agreement projects totaling over \$88.7 million
- Provided human resources, payroll, and administrative services to 380.23 Full-Time Equivalents (FTEs)
- Provided reintegration support throughout the deployment cycle to more than 2,300 service members and families
- Provided grants to service members, family support groups, and other veteran organizations from the proceeds of the Support Our Troops (SOT) license plates

PURPOSE & CONTEXT

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

SERVICES PROVIDED

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

RESULTS

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

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	<i>Sustainable Infrastructure (LOA 3)</i> . The Department will develop Sustainable Infrastructure including two airbases and the facilities in 63 communities across the state. It is crucial that MNNG optimizes the physical capabilities at each location, which will facilitate enhancing partnerships throughout the communities in which it serves.	3 of 4 objectives meeting targets	2 of 4 objectives meeting targets	2016 & 2018

Type of Measure	Name of Measure	Previous	Current	Dates
Result	<i>Support Beyond the Yellow Ribbon Program (LOA 4).</i> The Department will continue development of a comprehensive program that connects Service Members (SM) and their families (MFM) with community support, training, services, and resources in networks.	2 of 5 objectives meeting targets	3 of 5 objectives meeting targets	2016 & 2018
Result	<i>Competent Ready Force (LOA 1).</i> The Minnesota National Guard's enduring mission is to protect the nation by providing forces and capabilities in support of the Governor, Combatant Commanders, and domestic operations. MNNG will accomplish this by achieving and maintaining the required personnel, equipment, training, and resourcing levels that ensure success.	3 of 4 objectives meeting targets	4 of 5 objectives meeting targets	2016 & 2018

Performance Measures Notes:

LOA = Line of Action

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

General Support

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	2,659	3,632	3,116	3,581	3,345	3,345	3,470	3,596
2000 - Restrict Misc Special Revenue	1,260	1,370	3,013	2,068	1,028	1,031	1,028	1,031
3000 - Federal	1,824	1,421	1,415	1,673	1,625	1,625	1,625	1,625
Total	5,743	6,423	7,544	7,322	5,998	6,001	6,123	6,252
Biennial Change				2,700		(2,867)		(2,491)
Biennial % Change				22		(19)		(17)
Governor's Change from Base								376
Governor's % Change from Base								3

Expenditures by Activity

Administrative Services	2,675	3,667	3,228	3,695	3,459	3,459	3,584	3,710
Auxiliary Services	1,031	1,306	1,075	796	801	804	801	804
Starbase Minnesota	1,824	1,421	3,152	2,623	1,625	1,625	1,625	1,625
Camp Ripley Timber Sales	212	29	90	208	113	113	113	113
Total	5,743	6,423	7,544	7,322	5,998	6,001	6,123	6,252

Expenditures by Category

Compensation	1,998	2,316	2,589	2,463	2,582	2,610	2,707	2,861
Operating Expenses	1,238	1,034	2,894	2,377	1,246	1,249	1,246	1,249
Grants, Aids and Subsidies	2,443	2,408	2,033	2,291	2,155	2,127	2,155	2,127
Capital Outlay-Real Property	41	522	(2)	176				
Other Financial Transaction	23	144	30	15	15	15	15	15
Total	5,743	6,423	7,544	7,322	5,998	6,001	6,123	6,252

Full-Time Equivalents

23.32	27.01	26.51	24.99	24.99	24.99	24.99	24.99
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General Support

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	211	582	0	236				
Direct Appropriation	3,067	3,118	3,382	3,382	3,382	3,382	3,507	3,633
Transfers Out	37	36	31	37	37	37	37	37
Cancellations		32						
Balance Forward Out	582	0	236					
Expenditures	2,659	3,632	3,116	3,581	3,345	3,345	3,470	3,596
Biennial Change in Expenditures				406		(7)		369
Biennial % Change in Expenditures				6		(0)		6
Governor's Change from Base								376
Governor's % Change from Base								6
Full-Time Equivalents	21.28	22.44	22.62	21.95	21.95	21.95	21.95	21.95

2000 - Restrict Misc Special Revenue

Balance Forward In	2,643	2,321	2,089	1,620	1,226	922	1,226	922
Receipts	351	570	1,973	1,124	174	174	174	174
Transfers In	559	568	571	550	550	550	550	550
Balance Forward Out	2,292	2,089	1,620	1,226	922	615	922	615
Expenditures	1,260	1,370	3,013	2,068	1,028	1,031	1,028	1,031
Biennial Change in Expenditures				2,450		(3,022)		(3,022)
Biennial % Change in Expenditures				93		(59)		(59)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.04	4.57	3.89	3.04	3.04	3.04	3.04	3.04

3000 - Federal

Receipts	1,824	1,421	1,415	1,673	1,625	1,625	1,625	1,625
Expenditures	1,824	1,421	1,415	1,673	1,625	1,625	1,625	1,625
Biennial Change in Expenditures				(157)		162		162
Biennial % Change in Expenditures				(5)		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Enlistment Incentives

<https://minnesotanationalguard.ng.mil/>

AT A GLANCE

In state fiscal year 2020, the Department disbursed:

- \$6.613 million for the State Tuition Reimbursement (STR) program
- \$1.402 million for the State Reenlistment (SRB) program
- \$0.059 million for the State Medic Bonus (SMB) program
- \$0.720 million for the State Enlistment Bonus (SEB) program
- \$0.194 million for the State Reclassification Bonus (SRCB) program

PURPOSE & CONTEXT

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

SERVICES PROVIDED

The Department manages programs and provides funding for the state's enlistment incentives program to recruit and retain service members in shortage job skills and grades to maintain a competent and ready force. The Department executes and updates Minnesota National Guard Circular 621-5-1, which describes the eligibility criteria and procedures for administering the Minnesota State Incentive Programs. The Department reviews and updates the incentive programs annually based on both the state and federal financial environment.

RESULTS

Specific aspects of these results including objectives, performance measures and results can be found in the Annual Report and Campaign Plan at <https://minnesotanationalguard.ng.mil/annual-reports/>. They are also on file with the Minnesota Legislative Reference Library.

Type of Measure	Name of Measure	Previous	Current	Dates
Result	<i>Competent Ready Force (LOA 1).</i> The Minnesota National Guard's enduring mission is to protect the nation by providing forces and capabilities in support of the Governor, Combatant Commanders, and domestic operations. The MNNG will accomplish this by achieving and maintaining the required personnel, equipment, training, and resourcing levels that ensure success.	3 of 4 objectives meeting targets	4 of 5 objectives meeting targets	2016 & 2018
Quantity	<i>Increase diversity among first-term enlistments (LOA 5-1).</i> The first step in increasing the diversity of the force is to recruit a large pool of diverse Soldiers/Airmen that can subsequently be retained and promoted to all levels of the organization as their careers progress.	6 of 12 objectives meeting targets	5 of 12 objectives meeting targets	2016 & 2018

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	<i>Increase diversity among mid-grades (LOA 5-2).</i> Having a large pool of diverse first-term enlistments will assist toward achieving this objective, but other initiatives are required to ensure continued success. It must begin with career development programs implemented at all levels of command. These programs will help service members envision and develop plans for their future service, which will provide them with the tools to successfully manage their careers.	2 of 6 objectives meeting targets	2 of 6 objectives meeting targets	2016 & 2018

Performance Measures Notes:

LOA = Line of Action

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

Enlistment Incentives

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23

Expenditures by Fund

1000 - General	12,138	9,666	9,127	14,095	11,114	11,114	11,114	11,114
Total	12,138	9,666	9,127	14,095	11,114	11,114	11,114	11,114
Biennial Change				1,418		(994)		(994)
Biennial % Change				7		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Enlistment Incentives	12,138	9,666	9,127	14,095	11,114	11,114	11,114	11,114
Total	12,138	9,666	9,127	14,095	11,114	11,114	11,114	11,114

Expenditures by Category

Compensation	3,163	3,027	2,513	2,109	1,778	1,160	1,778	1,160
Operating Expenses		2	1	1	3	3	3	3
Grants, Aids and Subsidies	8,975	6,637	6,613	11,985	9,333	9,951	9,333	9,951
Total	12,138	9,666	9,127	14,095	11,114	11,114	11,114	11,114

Full-Time Equivalents

	1.98	2.01	2.01	2.00	2.00	2.00	2.00	2.00
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Enlistment Incentives

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	616	547	994	2,981				
Direct Appropriation	12,069	10,113	11,114	11,114	11,114	11,114	11,114	11,114
Balance Forward Out	547	994	2,981					
Expenditures	12,138	9,666	9,127	14,095	11,114	11,114	11,114	11,114
Biennial Change in Expenditures			1,418		(994)		(994)	
Biennial % Change in Expenditures			7		(4)		(4)	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	1.98	2.01	2.01	2.00	2.00	2.00	2.00	2.00

Program: Emergency Services<https://minnesotanationalguard.ng.mil/>**AT A GLANCE**

In state fiscal years 2019-20, the Department:

- Supported winter storm rescue missions, flood and wildfire response missions, civil disturbance response missions, and provided assistance to the states of Florida, North Carolina, and Nebraska.
- Provided ongoing support for COVID-19 response missions since March 21, 2020
- Provided 53,604 state active duty work days and equipment to assist local authorities during state active duty missions

PURPOSE & CONTEXT

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

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

SERVICES PROVIDED

The Minnesota National Guard conducts **Support to Civil Authorities** operations in support of the Governor of Minnesota, federal agencies, or the Department of Defense as stipulated under federal and state laws and statutes. Some of the supported emergency events in FY2019-20 included: Emergency Management Assistance Compact (EMAC) assistance to the states of Florida, North Carolina, and Nebraska; provided immediate response to protect life, safety, and property during civil disturbances; opened armories for winter storm shelter; and provided support to flood and wildfire responses. Beginning March 21, 2020, the Department provided ongoing support to the state's COVID-19 pandemic response, including support to Minnesota Department of Health warehouse operations and the State Emergency Operations Center, as well as conducting mobile testing at long-term care facilities.

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

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

RESULTS

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

Type of Measure	Name of Measure	Previous	Current	Dates
Result	<i>Competent Ready Force (LOA 1).</i> The Minnesota National Guard's enduring mission is to protect the nation by providing forces and capabilities in support of the Governor, Combatant Commanders, and domestic operations. The MNNG will accomplish this by achieving and maintaining the required personnel, equipment, training, and resourcing levels that ensure success.	3 of 4 objectives meeting targets	4 of 5 objectives meeting targets	2016 & 2018
Quality	<i>Optimal Force Structure (LOA 2).</i> The Minnesota National Guard will plan to achieve an optimal force structure that provides the capabilities to support federal and state missions effectively. The MNNG will continually assess and evaluate the right mix of personnel and equipment to leverage capabilities while balancing the ideal composition for current and anticipated missions.	2 of 3 objectives meeting targets	2 of 3 objectives meeting targets	2016 & 2018
Result	<i>Achieve and Maintain Required Equipment Readiness Levels (LOA 1-2).</i> The MNNG will continue to train and maintain equipment readiness to achieve and maintain capability for federal, state, and local missions.	1 of 3 objectives meeting targets	3 of 4 objectives meeting targets	2016 & 2018

Performance Measures Notes:

LOA = Line of Action

M.S. 192.52 provides the legal authority for the Department of Military Affairs' Emergency Services program. (<https://www.revisor.mn.gov/statutes/cite/192.52>).

Emergency Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210
Total	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210
Biennial Change				26,341		(24,351)		(24,351)
Biennial % Change				1,084		(85)		(85)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Emergency Services	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210
Total	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210

Expenditures by Category

Compensation	746	166	8,296	11,429	1,547	1,547	1,547	1,547
Operating Expenses	1,020	497	4,141	4,899	663	663	663	663
Other Financial Transaction			6					
Total	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210

Full-Time Equivalents

	1.04		
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Emergency Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Open Appropriation	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210
Expenditures	1,766	664	12,443	16,328	2,210	2,210	2,210	2,210
Biennial Change in Expenditures				26,341		(24,351)		(24,351)
Biennial % Change in Expenditures				1,084		(85)		(85)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.04					

2000 - Restrict Misc Special Revenue

Balance Forward In		4	767	926		
Receipts	4	764	158			
Transfers Out				926		
Balance Forward Out	4	767	926			

3000 - Federal

Receipts			10,326	204	204	204	204
Transfers Out			10,326	204	204	204	204

Department of Military Affairs

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
Department of Defense; 12.400	National Guard Military Construction Cooperative Agreement (MCCA) to provide support to the Army National Guard (ARNG) and Air National Guard (ANG) for the construction of military facilities, real property improvements, design services and other projects authorized and directed by Congress or the Department of Defense to be performed by the grantees and the National Guard Bureau (NGB).	No	\$ 27,350	\$ 28,152	\$ 28,152	\$ 28,152	State Match	0.00
Department of Defense; 12.401	National Guard Military Operations and Maintenance of Training Facilities (Provide federal funding for the operation, maintenance and repair of facilities used by the MN Army National Guard for training service members)	No	\$ 60,095	\$ 61,626	\$ 63,003	\$ 63,737	State Match	339.43
	Program Total - Maintenance of Military Training Facilities		\$ 87,445	\$ 89,778	\$ 91,155	\$ 91,889		339.43
Department of Defense; 12.404	STARBASE MN (Established in 1993, the program's purpose is to increase the knowledge, skills, and interest of inner city youth in science, mathematics, technology, and engineering for greater academic and lifelong success.)	No	\$ 1,415	\$ 1,673	\$ 1,625	\$ 1,625	MOE	0.00
	Program Total - General Support		\$ 1,415	\$ 1,673	\$ 1,625	\$ 1,625		0.00
	Federal Fund – Agency Total		\$ 88,860	\$ 91,451	\$ 92,780	\$ 93,514		339.43

Narrative

The Department of Military Affairs has a Master Cooperative Agreement with the Federal Government through the National Guard Bureau that has a series of funding appendices that provide federal funding for the operation, maintenance and repair of facilities used by the MN National Guard for training service members. The recurring, general operational portion of this funding is approximately \$57M per year. The one-time, construction funding varies from year to year but is generally in the \$25M to \$80M range.

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

State matches are required in several areas. These vary from 50% to 75% or 80% depending on what type of activities and facilities are supported. Army National Guard facility construction for facilities not on federally supported land usually require a 25% state contribution. Facilities on supported land are usually 100% federally funded. These construction projects each require a separate cooperative agreement.

Remodeling/renovation projects generally require a 50%-50% match. State funds for those projects are provided through capital bonding appropriations.

Estimates are based on the best federal funding information currently available at the time this document is prepared. Most federal awards that impact state fiscal years 2022-2023 are not yet confirmed. Therefore, we use historical trend information from recent years for ongoing programs along with funding estimates from federal program managers. We anticipate a slowdown in the rate of growth in federal funding over the next several years.