



# Oklahoma Military Department

**FY 2025 Budget Hearing Presentation**

**Submitted by: MG Thomas Mancino, Adjutant General**

# MG Thomas Mancino

## Adjutant General



The Oklahoma Military Department (OMD) serves as the administrative agency for all matters concerning the Oklahoma Army and Air National Guard. The Military Department traces its history to 1890 when the U.S. Congress authorized one regiment of organized militia for the Oklahoma Territory which later became the Oklahoma National Guard. Officially established in 1951, the OMD, now encompasses the following divisions: Administrative Services, Support Services, Facility Maintenance, Museum Management, Youth Programs, Federal Programs, ISD Data Processing, and Military Construction. These divisions fall under two overarching programs, National Guard Administration and Youth Programs, which are operated and managed by OMD through Cooperative Agreements between the National Guard Bureau and the State of Oklahoma. These programs rely heavily on federal funding to conduct the majority of operations. The OMD provides both tremendous capability to OK citizens as well as an excellent monetary ROI (return on Investment) to the state.

# OMD Vision, Mission and Core Values

- **Federal** Primary Combat Reserve for the Nation
- **State** State's Emergency Reserve and Federal Grants Management
- **Civic** Youth Services, Civic Support, Citizenship Development, History/Museum
- **Personnel** Mental Health Services



# OMD Accomplishments

## Top accomplishments for FY 2023 – FY 2024

- 1) As the nation's top Youth Challenge Program, Oklahoma was awarded \$2.5M federal funding to start up the Sooner Job Challenge program. The program is a 20-week in-resident follow-on to the Thunderbird Challenge program designed to assist graduates with career training and job placement. This program will not only benefit the graduates and their families but also our communities and the State as they become productive members of society.
- 2) Initiated a new recruiting program that has proven to be a very successful tool to increase Oklahoma National Guard enlistments. GRIP, the Guard Recruiting Incentive Program, kicked off in March 2023 and produced 78 new enlistments in eight months. We expect to achieve double those numbers for 2024.
- 3) Completed a three-year remediation project on the 1972 OMD Joint Force Headquarters building after a major flood in the facility. The project gave us the opportunity to extend the service life of the building by a minimum of 25 years with improvements to ADA, security, and fire protection systems, the installation of newer energy-efficient windows, HVAC and environmental management systems, and the replacement of inadequate plumbing, electrical, and insulation.
- 4) Secured additional legislative funding to safeguard our three ARPA projects from increased inflation costs: 1) a health and wellness center, 2) an expansion of the Thunderbird Challenge Program, and 3) a new Joint Operations Center (JOC). All three projects are currently in the design phase.
- 5) Deployed Army and Air National Guardsmen to provide thirty days of security support to the SW Border mission in Texas.
- 6) Activated Guardsmen on state active-duty to support multiple emergency management operations to include the delivery of 285,022 gallons of potable water to the town of Braggs, an aviation crew and equipment in support of a medical emergency rescue in Comanche County, and aviation fire support requested by the State of Louisiana.



# OMD Challenges

## Top Challenges (current & upcoming years)

- 1) **Inflation** – With significant construction projects under way, the risk of inflationary pressure could force a reduction in project scope or additional funds to complete the projects. OMD is watching these developments carefully and has plans to mitigate through scope reduction if necessary.
- 2) **Federal Continuing Resolutions** - The inability of the Federal Legislative process to consistently produce a timely budget puts OMD at risk of future short term budget cuts, or reimbursement shortfalls. OMD has management controls in place to closely monitor this situation (a national issue) and plans to mitigate as required.
- 3) **Recruiting and Retention** - The ability of the Oklahoma National Guard to fulfill its state and federal missions is dependent on recruiting and retention. Currently, the nation is experience one of the worst recruiting and retention environments since Vietnam. The GRIP program initiated in 2023 has proven to be an excellent tool, however, the requirement for Soldiers and Airmen to register as state payees is very cumbersome and time consuming.
- 4) **OMES IT support and Integration** - OMD and OMES, despite a great working relationship, have challenges in IT support. This is due to the fact that OMD operates on the Federal, not State, IT infrastructure and network to meet security and DoD requirements. We may need additional custom development assistance as @Workday becomes more active. We are also looking at 3<sup>rd</sup> party solutions, such as a payment processor for payments to Soldiers on State Active duty, for instance, where such integration makes policy and fiscal sense.



# Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
<b>Federal reimbursements of CPP</b>	Request federal reimbursements when authorized for shared services (Accounting & Finance, HR, & purchasing personnel)	Personnel Salaries	<b>\$725,000</b>	<b>\$878,199</b>	<b>\$904,500</b>
<b>Federal Government Furnished Equipment</b>	The National Guard provides OMD state employees with IT equipment and software to operate on the military network.	Computer hardware/software	<b>\$153,000</b>	<b>\$160,000</b>	<b>\$160,000</b>
<b>Federal Government Network Usage</b>	National Guard also provides desktop support, email, security, user storage, backup, helpdesk support, telephones, voicemail, and internet connectivity.	IT network infrastructure and support costs avoided by using the military network	<b>\$192,000</b>	<b>\$220,000</b>	<b>\$220,000</b>

\* Hours, FTE, square feet, etc.



# Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
1	Modernize all twenty National Guard Readiness Centers to post 9/11 military standards.	Number of Readiness Center modernization projects * Funds were used in FY21-23 to renovate the HQs building after a major flood in the basement.	0*	0*	0*	2 – Vinita and Bartlesville RC
2	Improve the quality of life for cadets at the Thunderbird Youth Challenge Program (TCP).	TCP Facility Improvement Projects	1 – Barracks bldg. 306	1 – Barracks bldg. 310	1 – ARPA Barracks and dining facility	1 - Gym
3	Meet or exceed the required number of graduates/participants in OMD’s two youth programs, Thunderbird Challenge and STARBASE.	TCP Graduates National standard - 250	256	252	250	250
4	Operate OMD’s two youth programs at the highest levels of federal compliance.	DoD STARBASE Participants National standard - 3,500 students/150 classes	2,590/127* School bus funding issues	3,078/134* Program restructuring	3,500/150	3,500/150
5						



# Projects for FY 2024 - 2025

## Projects

- 1) Continue construction on the Small Arms Range Facility at the Tulsa Air National Guard Base - \$8.2M federal funding.
- 2) Continue design and construction of the \$13M ARPA funded housing and dining facility at the Thunderbird Challenge Program to address educational disparities among cadets through academic, social, and emotional services.
- 3) Continue design and construction on the \$8.8M ARPA funded state-of-the-art command and control Joint Operations Center to provide National Guard resources to the Governor and civic leaders for domestic operations such as security, winter storms, floods, wildfires, etc.
- 4) Continue design and construction of the \$24.3M ARPA funded wellness center designed to meet the comprehensive physical, spiritual, and mental health needs of our State's service members and first responders.
- 5) Start construction on the new Oklahoma National Guard museum facility - \$45M in Bonds.
- 6) Start design on a new Shawnee Readiness Center estimated at \$28M federal funding.
- 7) Start the design process on a new Army Aviation Facility in Tulsa, an \$18M federally funded project.
- 8) Start the design process to renovate Regional Training Institute buildings for the new Sooner Job Challenge program to include housing, dining, and administrative areas - \$2M federal and \$1M state funding.





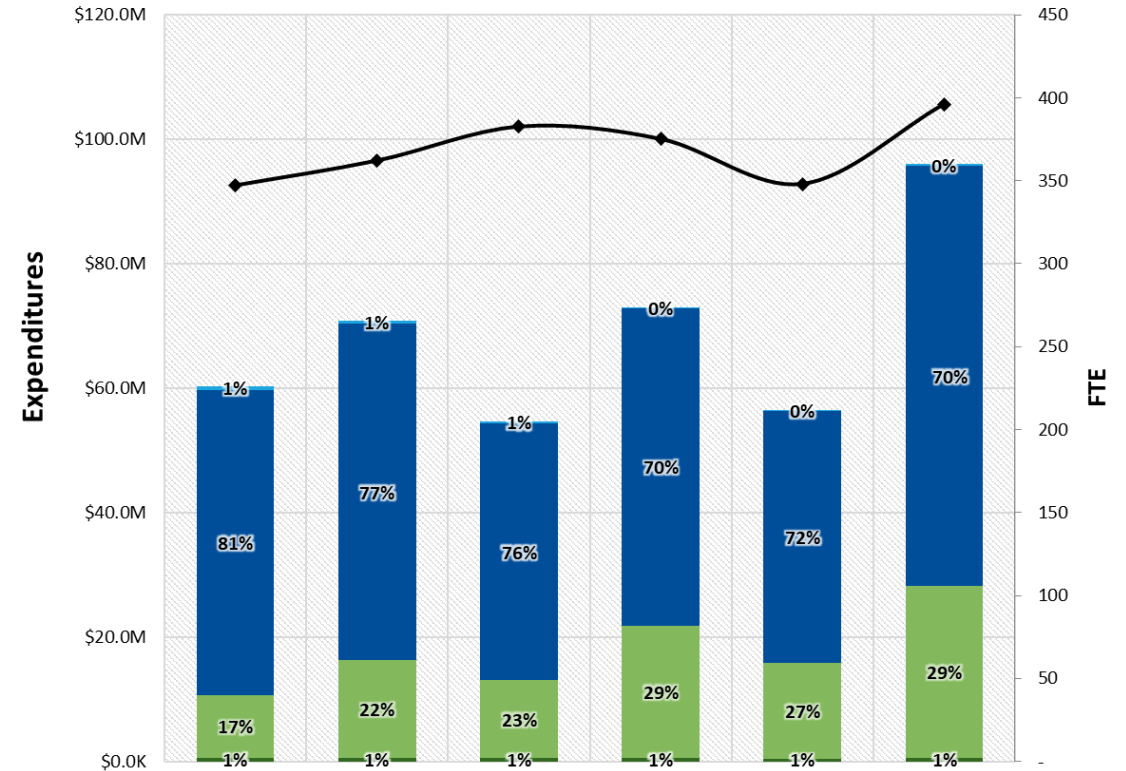
# Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

## Explanation of Significant Changes and Trends

Through legislative actions, OMD appropriations have steadily increased over the past five years to a stable budget that will help reduce deferred maintenance and fight inflation. The anomaly in FY21 was an 18-month legislative limit that caused a large carryover to FY22 for construction in progress. Also of note, FY24 Appns are skewed with a \$6M defense contract passed thru OMD.

Federal funding received by OMD is on average three to four times that of our state appropriations resulting in a 300-400% ROI (including all OKNG federal funding). The annual federal budget fluctuates based on military construction projects approved in the DOD budget cycle.

### Historic Actual Expenditures and Current Year Budget



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Budget
Appropriated	\$10.0M	\$15.7M	\$12.5M	\$21.3M	\$15.3M	\$27.6M
Revolving	\$609.5K	\$415.6K	\$304.2K	\$103.7K	\$196.9K	\$300.0K
Federal	\$49.1M	\$54.1M	\$41.3M	\$51.0M	\$40.5M	\$67.5M
Agency Special Accounts	\$581.1K	\$547.3K	\$472.7K	\$552.3K	\$439.7K	\$554.0K
<b>Total</b>	<b>\$60.3M</b>	<b>\$70.8M</b>	<b>\$54.6M</b>	<b>\$72.9M</b>	<b>\$56.5M</b>	<b>\$96.0M</b>
<b>FTE</b>	<b>347</b>	<b>362</b>	<b>383</b>	<b>375</b>	<b>348</b>	<b>396</b>



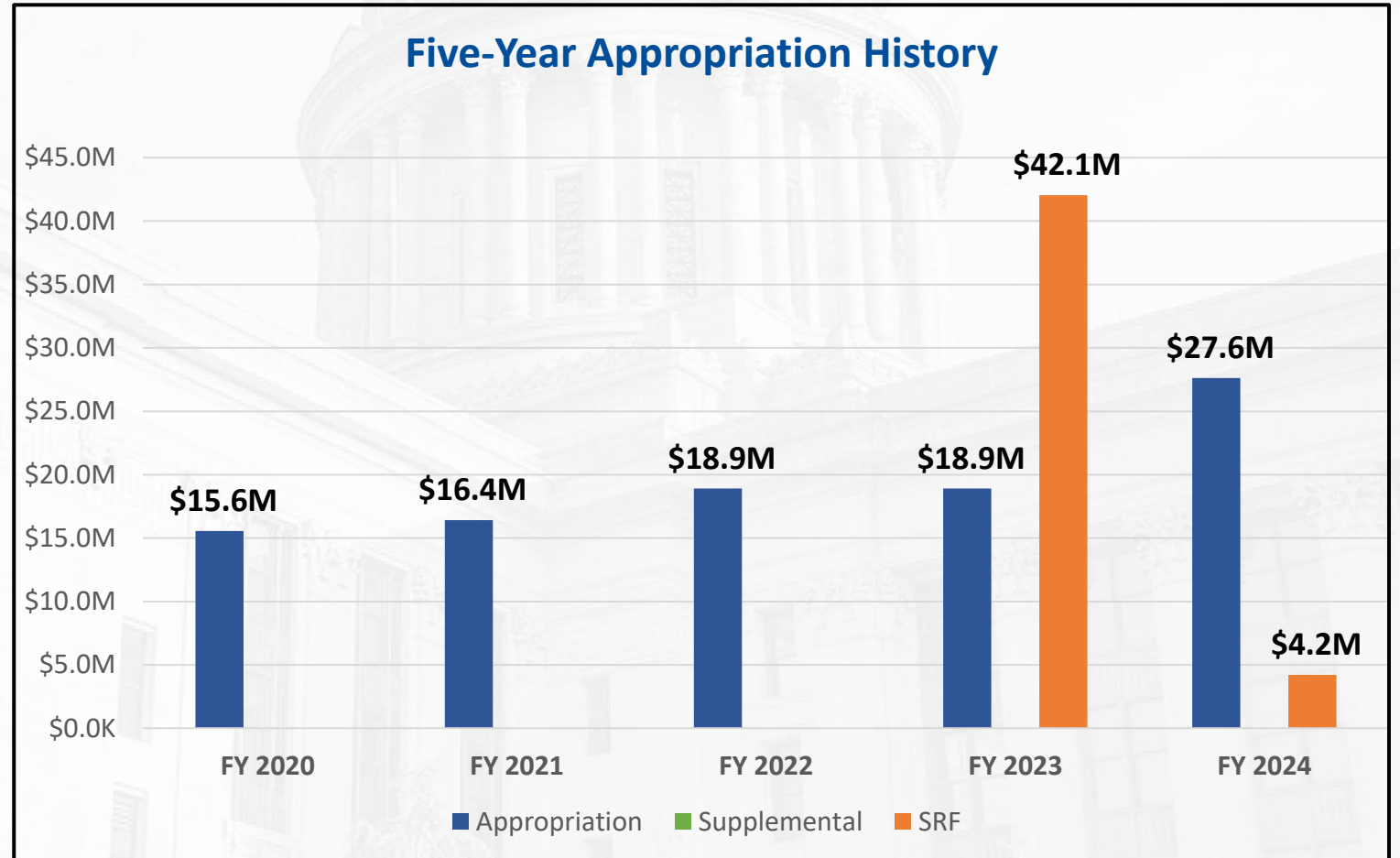


# FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
<b>Total FTE</b>	396
<b>Supervisor FTE</b>	89 – only 8 are 100% state funded
<b>Supervisors to Total FTE Ratio (%)</b>	22%

# Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2020	\$15,558,432
FY 2021	\$16,411,582
FY 2022	\$18,911,582
FY 2023	\$60,961,582
FY 2024	\$31,817,651



\*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.



# Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended (\$)	\$553,530	\$417,250	\$4,309,871 FY21 Appn limit of 18 mths	\$1,724,333

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$584,431	\$567,329	\$511,665	\$560,106

Class Fund # <i>(Unrestricted only)</i>	Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)
#	All OMD revolving funds are restricted	\$
#	by state statutes.	\$
#		\$
#		\$
#		\$
#		\$
	<b>Total Current Unrestricted Fund Cash balance:</b>	\$

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
FY 2024	
FY 2025	
FY 2026	



*Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.*

# FY 2022 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY23 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2022</b>				
Senate provided an increase to offset deferred facility maintenance costs.	\$2,500,000	Y	Y	N/A
	\$			
	\$			
	\$			
	\$			
	\$			
<b>Total adjustment</b>	\$2,500,000			



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2023 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2023</b>				
No adjustments	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
<b>Total adjustment</b>	<b>\$</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2024 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2024</b>				
Museum Bond Debt Service	\$1,701,069	Y	N	Vinita Readiness Center Modernization
Sooner Job Challenge Program	\$1,000,000	Y	Y	
Workforce for defense contracts	\$6,000,000	N		
	\$			
	\$			
	\$			
	\$			
<b>Total adjustment</b>	\$			



*\*Do not include SRF / ARPA appropriation increases.*

# Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplementals}	Type of Request: Operating, One-time, or Supplemental
1	Vinita Readiness Center Modernization	\$587,350	One-time
2			
3			
4			
5			





# (1) Budget Request

<b>Name of Request: Vinita Readiness Center Modernization</b>	
<b>Type: One-Time</b>	<b>\$ Amount Requested for FY 2025 (Or FY 2024, if supplemental) \$587,350</b>
<p>The Vinita Readiness Center is the oldest armory in the OKNG inventory, built in 1954. It is one of four readiness centers remaining on the Legacy Armory list for modernization to a post 9/11 environment. These old armories have numerous deficiencies in force protection and security measures, military equipment and vehicle storage areas, energy efficient HVAC, electrical and plumbing systems, as well as ADA, Fire Code and Life Safety requirements. The measurable monetary return on this project is a 100% federal match (50% State/50% Federal) and will add 25 years of usable life to the Readiness Center. However, the more impactful return on this project is the commitment to our soldiers, families, and communities to provide well maintained facilities to recruit and train Oklahomans to serve and protect our State and Nation. The requested increase of \$587K to our FY24 budget will complete the \$2M state cost share required to match the \$2M federal cost share for this project.</p>	

