

Oklahoma Military Department - 025

Lead Administrator: Major General Michael C. Thompson

Lead Financial Officer: Mrs. Angela Tackett

FY'19 Projected Division/Program Funding By Source						
Division	Appropriations	Federal	Revolving	Local	Other*	Total
Administration	\$3,319,847	\$2,470,000	\$0	\$0	\$0	\$5,789,847
Support Services/ Military Const.	\$2,357,099	\$12,600,000	\$445,000	\$1,000,000	\$0	\$16,402,099
Armory Maintenance	\$1,649,606	\$4,000,000	\$0	\$0	\$0	\$5,649,606
Museum Management	\$331,657	\$0	\$30,000	\$0	\$0	\$361,657
Youth Programs	\$1,047,700	\$4,500,000	\$0	\$0	\$0	\$5,547,700
Federal Programs	\$1,271,347	\$20,036,911	\$0	\$0	\$0	\$21,308,258
ISD	\$218,000	\$1,980,000	\$25,000	\$0	\$0	\$2,223,000
Total	\$10,195,256	\$45,586,911	\$500,000	\$1,000,000	\$0	\$57,282,167

*Source of "Other" and % of "Other" total for each.
 * \$1M budget requested in Dept 200206 for State Active Duty missions. Funding source is OEM.

FY'18 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'18 Carryover	\$349,181	\$0		0	0	
	\$0					\$349,181

*Source of "Other" and % of "Other" total for each.
 *All OMD revolving accounts have specific statutory requirements.

What Changes did the Agency Make between FY'18 and FY'19?

1.) Are there any services no longer provided because of budget cuts?
 The cuts we took in Fiscal Year 2017 resulted in the termination of the State Transition and Reintegration System (STARS) Program. No further services were cut due to the FY-2019 cuts.

2.) What services are provided at a higher cost to the user?
 We are unable to pass along any costs to the end user due to the nature of our agency.

3.) What services are still provided but with a slower response rate?
 Due to the nature of our agency and the large percentage of Federal employees, we respond to the Governor at the same speed. Unfortunately, further reductions in funding will most likely cause our servicemen and women that support State Active Duty missions to be reimbursed at a slower rate. So those Soldiers and Airmen responding to tornadoes, fires, and floods may not receive their pay in as timely a manner as we would like.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?
 Yes, in some instances, in order to retain qualified personnel, we provided increases to employees that were given substantial additional duties and/or responsibilities many of which were reimbursed by the Federal Government at 100%. Our salary rate is still below the midpoint of like positions across other State agencies. Further, the majority of our salaries are heavily subsidized by the Federal Government, with the average State cost share at only 26%.

FY'20 Requested Division/Program Funding By Source						
Division	Appropriations	Federal	Revolving	Other	Total	% Change
Administration	\$3,319,847	\$2,495,000	\$0	\$0	\$5,814,847	0.43%
Support Services/Military Const.	\$5,557,099	\$28,030,000	\$445,000	\$1,000,000	\$35,032,099	113.58%
Armory Maintenance	\$2,649,606	\$5,700,000	\$0	\$0	\$8,349,606	47.79%
Museum Management	\$831,657	\$0	\$30,000	\$0	\$861,657	138.25%
Youth Programs	\$2,047,700	\$5,000,000	\$0	\$0	\$7,047,700	27.04%
Federal Programs	\$1,271,347	\$16,075,000	\$0	\$0	\$17,346,347	-18.59%
ISD	\$218,000	\$1,969,000	\$25,000	\$0	\$2,212,000	-0.49%
Total	\$15,895,256	\$59,269,000	\$500,000	\$1,000,000	\$76,664,256	33.84%

*Source of "Other" and % of "Other" total for each.
 Note: Military Construction plans to construct a new fire department at the Camp Gruber Training Site for \$15M with 100% federal funds.
 * \$1M budget requested in Dept 200206 for State Active Duty missions. Funding source is OEM.

FY'20 Top Five Appropriation Funding Requests	
	\$ Amount
Request 1: Oklahoma National Guard Armory Modernization. Federal matching funds \$3.2M.	\$3,200,000
Request 2: Oklahoma National Guard Armory Maintenance. Federal matching funds greater than \$1M.	\$1,000,000
Request 3: Thunderbird Challenge Program. Federal matching funds may be available at up to \$3M.	\$1,000,000
Request 4: 45th Infantry Division Museum.	\$500,000
Total Increase above FY-19 Request	\$ 5,700,000

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

Yes, the National Guard Bureau has ruled that paying into the OPERS system for a Pathfinder employee is an unauthorized costs for reimbursement because that individual does not benefit from the contribution to OPERS. The current cost for the agency that would have been reimbursed by the federal government before Pathfinder is \$360K annually. That cost will continue to rise as OPERS retirees are replaced with new hirers placed in the Pathfinder system. NGB has also determined that the percentage over the OPERS actuarially rate of 10.07% is not an authorized cost for reimbursement. The additional cost to the agency to pay the 6.43% above the actuarially rate is \$554K annually. Total cost for these two issues is reaching \$1M for the agency each year that could be used for armory modernization and maintenance.

How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)

A 0% change in appropriations will mean we again fail to capture \$3.2 million in Federal matching funds to modernize the Okmulgee Readiness Center, and we will continue to defer

needed maintenance on our facilities across the State. Because of the increased cost due to the unreimbursed portions of the Pathfinder Retirement Plan, we will curtail hiring to only replacing key losses.

How would the agency handle a 2% appropriation reduction in FY '20?

A 2% (\$204,000) reduction, in addition to the above affects, will cause continued/further deferment of maintenance on our facilities across the state. Due to the increased cost of the unreimbursed portions of the Pathfinder Retirement Plan, we would have to consider cancelling the DoD STARBASE Program to preserve administrative capabilities and recoup those retirement benefit costs.

Is the agency seeking any fee increases for FY '20?

Not Applicable. We do not charge the people of Oklahoma for our services.

\$ Amount

\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

1. Oklahoma National Guard Armory Modernization funds - \$3.2 M.
2. 45th Infantry Division Museum planning - \$500K

\$3,200,000

\$500,000

Federal Funds

	FY 19 projected	FY 18	FY 17	FY 16	FY 15
Federal Funding I Army and Air National Guard Operations and Maintenance CFDA 12.401	\$38,807,911	\$29,429,064	\$29,203,853	\$35,676,359	\$30,194,013
Federal Funding II Army and Air National Guard Youth Programs CFDA 12.404	\$4,779,000	\$4,815,609	\$5,007,546	\$4,024,527	\$4,478,671
Federal Funding III Military Construction CFDA 12.400	\$2,000,000	\$0	\$22,729,175	\$0	\$0

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

All of the Federal funds provided to the agency are based in Article II, Section 2 of the US Constitution - "Congress shall have power to provide for organizing, arming, and disciplining, the militia, and for governing such part of them as may be employed in the service of the United States..." Federal funding provides for the purchase and maintenance of all equipment, and for the training and salaries of all OKNG personnel. These personnel and equipment are available for use by the State at a fair reimbursable rate. The Oklahoma Military Department (State) receives Federal dollars through various Cooperative Agreements which the State must have a matching share. The Federal funds executed for FY18 Operations and Maintenance accounts were \$34,244,673 with a State match of \$9,557,065; Federal funds received for Youth Programs operated by OMD were \$4,872,355 with a State match of \$1,250,478.

2.) Are any of those funds inadequate to pay for the federal mandate?

To date, the Federal Cooperative Agreements have always been fully funded if the State meets its matching share. We have lost Federal matching funds in the past due to the State's inability to meet the required match.

3.) What would the consequences be of ending all of the federal funded programs for your agency?

The Oklahoma Army and Air National Guard would cease to exist. The OKNG must receive Federal funds to recruit, train, house, and equip its personnel to meet its Federal and State mission requirements. The Cooperative Agreement funds 50-100% of State employee salaries that support the OKNG's mission through operations and maintenance of its facilities. Ending all Federally funded Cooperative Agreements would drastically reduce the FTE of the OMD as well as all other areas that rely on a Federal share, ie. utilities, maintenance, security, youth programs. The budget request for the OMD would see an increase from \$12M to well over \$50M. It should be noted that TOTAL Federal spending on the OKNG is between \$250 million and \$300 million per year.

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

We do not foresee any Federal Budget cuts for the Department of Defense for the coming Fiscal Year. Our program is healthy if not for the budget cuts from the State of Oklahoma.

5.) Has the agency requested any additional federal earmarks or increases?

The agency requested \$3.2M in additional funds to execute the Okmulgee Readiness Center modernization project.

Division and Program Descriptions

Administrative Services

Responsible for the implementation of all regulations and statutes regarding the accomplishment of the State and Federal Mission of the Oklahoma National Guard.

Support Services

Provides and administers all budgetary information, operational expenditures and procurement services for the agency. Dept 91 Military Construction is included in this funding.

Facility Maintenance

Provides maintenance, construction and renovation for facilities owned or leased by the agency.

Museum Mangement

Educating and inspiring our citizens on the history, heritage, and selfless service of Oklahoma National Guard Soldiers and Airmen through historical exhibits and interactive displays.

<p>Youth Programs Thunderbird Youth Academy: A residential 22 week program working with 16-18 year old at-risk youth and an additional 1 year mentoring. STARBASE: A DOD program that focuses on elementary students, primarily 5th graders. The program serves students that are historically under-represented in Science, Technology, Engineering and Math to help inspire them as they continue their education.</p>
<p>Federal Programs Administers operational activities for the Camp Gruber Training Site which is 100% federally funded, and the Oklahoma City and Tulsa Air National Guard Bases that are 100% federally funded for security and fire protection and 75/25 for all other expenses.</p>
<p>IT Division Provides automation and technology support to agency.</p>

FY'20 Budgeted FTE							
Division	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$	
Administration	4	5	43	3	38	7	
Support Services/Military Const.	13	7	58	16	42	7	
Armory Maintenance	14	5	33	10	27	1	
Museum Management	1	2	2	0	3	1	
Youth Programs	15	0	78	37	39	2	
Federal Programs	20	21	103	38	85	1	
Total	67	40	317	104	234	19	

FTE History					
Division	2019 Budgeted	2018	2017	2015	2010
Administration	46	39	39	36	38
Support Services/Military Const.	61	55	55	48	42
Armory Maintenance	38	37	37	36	30
Museum Management	4	4	4	4	4
Youth Programs	78	74	90	85	102
Federal Programs	130	116	114	124	130
Total	357	325	339	333	346

Performance Measure Review					
	FY 18	FY 17	FY 16	FY 15	FY 14
Measure I Maintain OKNG facilities at required standards Execute 100% of Federal funds	100%	99%	99%		
Measure II Execution of full-time employee requirements State full-time workforce Facility Maintenance workforce	No longer a measure	95%	94%		
Measure III Build or modernize readiness centers Execute one modernization project	0	0	1	1	1

Revolving Funds (200 Series Funds)			
	FY'16-18 Avg. Revenues	FY'16-18 Avg. Expenditures	June '18 Balance
Revolving Fund 205 Museum Fund Operations and maintenance of the 45th Inf Division Museum. Funds from donations and sale of Veterans Motorcycle License Plates.	\$17,088	\$18,475	\$9,000
Revolving Fund 210 OMD Fund Operations and maintenance, construction, and equipment for Oklahoma National Guard facilities. Funds from donations, sale of surplus equipment and refunds.	\$502,219	\$406,954	\$687,464
Revolving Fund 220 NG Relief Fund Provides emergency financial support to members of the Oklahoma	\$22,110	\$1,772	\$162,517