

## FY21 Budget Performance Review

### Oklahoma Military Department

Lead Administrator: Major General Michael C. Thompson

Lead Financial Officer: Angela Tackett

#### Agency Mission

The Oklahoma Military Department provides Federal and State resources enabling the Oklahoma National Guard to provide ready units and personnel to the state and nation in three roles: State, Federal and Community. State Role: To provide fully trained units, Soldiers, and Airmen to support civil authorities in times of natural or manmade disasters. Mobilize in order to provide special services in preserving peace, order, and public safety, at any time, on order of the Governor of Oklahoma. Federal Role: As a part of the United States Army and Air Force, to provide fully trained units, Soldiers, and Airmen prepared to mobilize, deploy, and execute all war-time missions on order of the President of the United States. Community Role: Implement and execute Federal Programs in the areas of Drop-Out Recovery/High School Completion; Science, Technology Engineering and Math (STEM) for at risk youth; and participate in local, state, and national programs that add value to America.

#### Division and Program Descriptions

*Note: Please define any acronyms used in program descriptions.*

##### 01 - 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. Also, provides family support to Soldiers and Airmen during deployments and HR personnel services to the agency.

##### 02 - Support Services

Provides and administers all budgetary information, operational expenditures and procurement services for the agency as well as environmental services, security for the facilities and the Director of Engineering management. Dept 91 Military Construction is included in this funding.

##### 03 - Facility Maintenance

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

##### 04 - Museum Management

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.

##### 05 - 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.

##### 06 - 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.

##### 88 - IT Division

Provides automation and technology support to agency.

#### FY'20 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
100100	Adjutant General	3,095,885	900,000				\$3,995,885
100102	DOIM, Information Management	58,985	1,450,000				\$1,508,985
100103	Employee Personnel	565,580	310,000				\$875,580
200201	State Accounting	1,931,790	1,900,000	675,000			\$4,506,790
200202	Environmental	-	1,500,000				\$1,500,000
200203	Plans, Operations & Training	-	1,700,000				\$1,700,000
200204	Director of Engineering	75,900	1,300,000				\$1,375,900
200206	State Active Duty	-	-			1,000,000	\$1,000,000
300301	Facility Maintenance	2,368,927	4,000,000				\$6,368,927
400401	45th Infantry Division Museum	360,000	-	20,500			\$380,500
500502	Thunderbird Challenge Program	2,185,000	3,655,000				\$5,840,000
500503	Starbase youth program	-	1,499,000				\$1,499,000
600605	Camp Gruber Training Site	-	16,242,000				\$16,242,000
600606	Witacker Education Training Site	260,798	-				\$260,798
600607	OKC Air Base Operations and Maintenance	557,510	1,928,016				\$2,485,526
600609	Tulsa Air Base Operations and Maintenance, Firefighters	547,886	3,561,842				\$4,109,728
600610	Tulsa Air Base Security	-	1,141,500				\$1,141,500
8800001	ISD Admin	239,000	1,720,000				\$1,959,000
8800005	ISD Youth	25,000	75,000				\$100,000
8858305	ISD Starbase	-	100,000				\$100,000
9100006	Military Construction	3,286,171	29,200,042				\$32,486,213
							\$0
							\$0
<b>Total</b>		<b>\$15,558,432</b>	<b>\$72,182,400</b>	<b>\$695,500</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$89,436,332</b>

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

Other funding is state active duty funds provided by OEM.

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**FY'19 Carryover by Funding Source**

	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
Carryover	\$311,497	#VALUE!	\$769,718	#VALUE!	\$492,226	#VALUE!
1. Please describe source of Local funding not included in other categories:						
2. Please describe source(s) and % of total of "Other" funding if applicable:		Other is revenue in our 700 Accounts				

**What changes did the agency make between FY'19 and FY'20?**

- 1.) Are there any services no longer provided because of budget cuts?**  
No
- 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'21 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
100100	Adjutant General	\$3,100,000	\$900,000	\$0	\$0	\$4,000,000	0.10%
100102	DOIM, Information Management	\$59,000	\$1,450,000	\$0	\$0	\$1,509,000	0.00%
100103	Employee Personnel	\$566,000	\$310,000	\$0	\$0	\$876,000	0.05%
200201	State Accounting	\$1,932,000	\$1,900,000	\$675,000	\$0	\$4,507,000	0.00%
200202	Environmental	\$0	\$1,500,000	\$0	\$0	\$1,500,000	0.00%
200203	Plans, Operations & Training	\$0	\$1,700,000	\$0	\$0	\$1,700,000	0.00%
200204	Director of Engineering	\$80,000	\$1,300,000	\$0	\$0	\$1,380,000	0.30%
200206	State Active Duty	\$0	\$0	\$0	\$1,000,000	\$1,000,000	0.00%
300301	Facility Maintenance	\$2,945,432	\$4,000,000	\$0	\$0	\$6,945,432	9.05%
400401	45th Infantry Division Museum	\$760,000	\$0	\$20,500	\$0	\$780,500	105.12%
500502	Thunderbird Challenge Program	\$2,185,000	\$6,655,000	\$0	\$0	\$8,840,000	51.37%
500503	Starbase youth program	\$0	\$1,499,000	\$0	\$0	\$1,499,000	0.00%
600605	Camp Gruber Training Site	\$0	\$10,000,000	\$0	\$0	\$10,000,000	-38.43%
600606	Witacker Education Training Site	\$261,000	\$0	\$0	\$0	\$261,000	0.08%
600607	OKC Air Base Operations and Maintenance	\$558,000	\$1,928,016	\$0	\$0	\$2,486,016	0.02%
600609	Tulsa Air Base Operations and Maintenance, Firefighters	\$548,000	\$3,561,842	\$0	\$0	\$4,109,842	0.00%
600610	Tulsa Air Base Security	\$0	\$1,141,500	\$0	\$0	\$1,141,500	0.00%
8800001	ISD Admin	\$239,000	\$1,720,000	\$0	\$0	\$1,959,000	0.00%
8800005	ISD Youth	\$25,000	\$75,000	\$0	\$0	\$100,000	0.00%
8858305	ISD Starbase	\$0	\$100,000	\$0	\$0	\$100,000	0.00%
9100006	Military Construction	\$2,100,000	\$17,800,000	\$0	\$0	\$19,900,000	-38.74%
<b>Total</b>		<b>\$15,358,432</b>	<b>\$57,540,358</b>	<b>\$695,500</b>	<b>\$1,000,000</b>	<b>\$74,594,290</b>	<b>-16.60%</b>

1. Please describe source(s) and % of total of "Other" funding for each department: Other funding is state active duty funds reimbursed from OEM.

**FY'21 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Remediation of OMD Headquarters basement due to flooding	\$2,100,000
Request 2:	Deferred Maintenance Backlog	\$1,500,000
Request 3:	Thunderbird Challenge Facilities Improvement	\$1,000,000
Request 4:	45th Infantry Division Museum Facilities Plan	\$400,000
<b>Top Four Requests Subtotal:</b>		<b>\$5,000,000</b>
This is actually a decrease from our FY20 appropriated budget by \$200K. We received an additional \$5.2M appropriated funds in FY20 for line item projects and OMD is requesting to annualize the \$5M in FY21 for the line item projects listed above and beyond.		<b>\$5,000,000</b>
Difference between Top Four requests and total requests:		\$0

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**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 cost 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 \$380K annually. That cost will continue to rise as OPERS retirees are replaced with new hires 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 \$570K 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 '21 as was received in FY '20? (Flat/ 0% change)**

A 0% change in appropriations will allow the agency to continue working down the deferred maintenance plan on our facilities, as well as meet the federal match to remediate the OMD Headquarters Building from 2019 flooding and to renovate facilities at the Thunderbird Challenge Program.

**How would the agency handle a 2% appropriation reduction in FY '21?**

A 2% (\$311,000) reduction from FY20 funding levels, will eliminate the study for a new 45th Infantry Division Museum facility and location.

**Is the agency seeking any fee increases for FY '21?**

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1   Not Applicable. We do not charge the people of Oklahoma for our services.		

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

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 Remediation of OMD Headquarters basement due to flooding	\$2,100,000	Yes
Priority 2 Thunderbird Challenge Program Facilities Improvement	\$1,000,000	No

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 20 budgeted	FY 19	FY 18	FY 17	FY 16
12.401	Army and Air National Guard Operations and Maintenance	100100, 100102, 200202, 200203, 200204, 300301, 400401, 600605, 600607, 600609, 600610, 8800001, 9100006	\$44,853,358	\$44,260,900	\$34,545,000	\$35,400,000	\$35,676,359
12.404	Army and Air National Guard Youth Programs	500502, 500503, 8800005, 8858305	\$5,329,000	\$5,138,000	\$4,845,000	\$5,007,000	\$4,024,500
12.400	Military Construction	9100006	\$22,000,000	\$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.
- 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 each State employee's salary that supports 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 upcoming Fiscal Year. Our program is healthy if not for the prior lack of funds from the State of Oklahoma.
- 5.) Has the agency requested any additional federal earmarks or increases?**  
The agency requested \$8M in additional funds to execute the Tulsa Air National Guard Small Arms Range project, \$11M for the Lexington Storage Facility, and \$3M for a Fire Station at Camp Gruber. All three projects are 100% federally funded.

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FY'20 Budgeted FTE							
Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
1	Administration	4	5	43	3	38	7
2	Support Services/Military Const.	13	7	53	12	41	7
3	Armory Maintenance	14	5	33	10	27	1
4	Museum Management	1	1	3	0	3	1
5	Youth Programs	14	0	77	37	39	1
6	Federal Programs	19	19	129	45	102	1
<b>Total</b>		<b>65</b>	<b>37</b>	<b>338</b>	<b>107</b>	<b>250</b>	<b>18</b>

FTE History						
Division #	Division Name	2020 Budgeted	2019	2018	2016	2011
1	Administration	48.0	44	39	39.0	38.0
2	Support Services/Military Const.	60.0	53	55	54.0	42.0
3	Armory Maintenance	38.0	37	37	36.0	30.0
4	Museum Management	4.0	4	4	4.0	4.0
5	Youth Programs	77.0	69	74	89.0	99.0
6	Federal Programs	148.0	123	116	114.0	129.0
<b>Total</b>		<b>375.0</b>	<b>330.0</b>	<b>325.0</b>	<b>336.0</b>	<b>342.0</b>

Performance Measure Review					
Program Name	FY 19	FY 18	FY 17	FY 16	FY 15
National Guard Administration - Readiness Center Modernization Project	0	0	0	1	1
National Guard Administration - Deferred Maintenance Backlog Reduction	5%	-5%	New PM	New PM	New PM
National Guard Youth Programs - Facility Improvement Funding	\$0	\$0	\$0	\$0	\$0
National Guard Youth Programs - Remodel/Modernization of Thunderbird Facilities	1	0	0	-	-
National Guard Youth Programs - Thunderbird Challenge Program Graduates Starbase Student Participation	214 4032	212 3,955	201 4012	196 3,968	185 3,825

Revolving Funds (200 Series Funds)			
Please provide fund number, fund name, description, and revenue source	FY'17-19 Avg. Revenues	FY'17-19 Avg. Expenditures	June '19 Balance
<b>Revolving Fund 205 Museum Fund</b>			
Operations and maintenance of the 45th Inf Division Museum. Funds from donations and sale of Veterans Motorcycle License Plates.	\$16,395	\$17,909	\$5,668
<b>Revolving Fund 210 OMD Fund</b>			
Operations and maintenance, construction, and equipment for Oklahoma National Guard facilities. Funds from donations, sale of surplus equipment and refunds.	\$496,479	\$465,543	\$465,777
<b>Revolving Fund 220 NG Relief Fund</b>			
Provides emergency financial support to members of the Oklahoma National Guard. Funds from Income Tax Checkoff.	\$23,128	\$9,302	\$159,391
<b>Revolving Fund 225 Patriot License plate Fd</b>			
Deployment related purposes for members of the Oklahoma National Guard. Funds from the fees authorized for the Patriot License Plate.	\$9,140	\$16,266	\$43,690
<b>Revolving Fund 230 Military Justice Fund</b>			
Used to pay fees and travel expenses for witnesses, experts, victims, interpreters, etc., for Military Justice cases. Funds appropriated by the legislature in 2007.	\$0	\$0	\$5,000