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Department of Military Affairs

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

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 33,272 Army and Air Guard members to more than 37 countries worldwide
- Responsible for approximately \$500 - \$600 million per year from the federal government
- 381.11 full-time equivalents (FTEs) across the state - only 29.50 FTEs are 100% funded by the state general fund
- Provided assistance to over 44 state active duty missions in response to floods, fire, blizzards, and other natural disasters or other emergencies since 2012
- Provided more than 152,090 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.

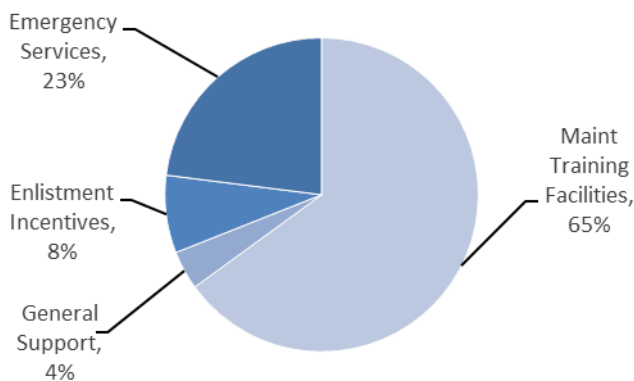
State: As a state entity, the Minnesota National Guard provides support to local law enforcement and other state and local agencies during natural disasters and other emergencies at the direction of the Governor.

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.

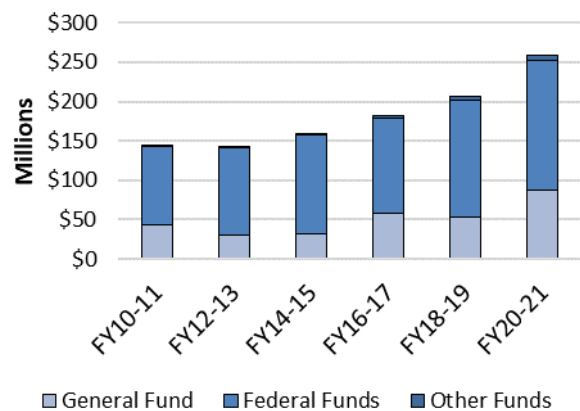
BUDGET

**Spending by Program
FY 2021 Actual**

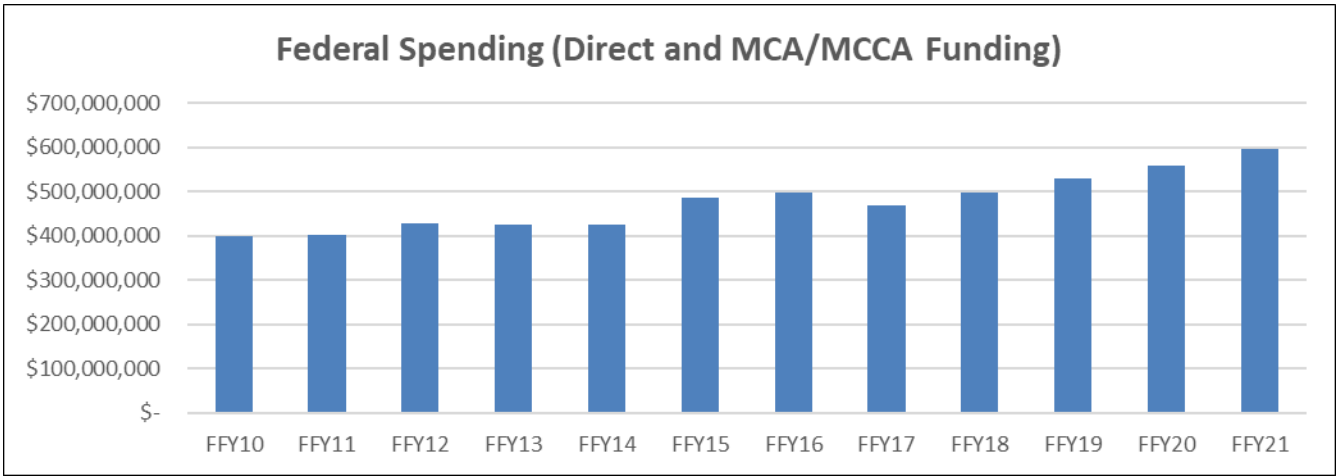


Source: Budget Planning & Analysis System (BPAS)

Historical Spending



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 4.09% of the budget. Additionally, the Department is responsible for the expenditure of approximately \$500-\$600 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 381.11 FTEs, and only 29.50 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 FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | | Governor's Recommendation | |
|--|----------------|----------------|----------------|------------------|----------------|----------------|------------------------------|----------------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| <u>Expenditures by Fund</u> | | | | | | | | |
| 1000 - General | 33,771 | 53,100 | 25,331 | 34,504 | 27,607 | 27,607 | 31,310 | 31,517 |
| 2000 - Restrict Misc Special Revenue | 4,162 | 1,707 | 2,352 | 2,780 | 2,624 | 2,450 | 2,624 | 2,450 |
| 2050 - Environment & Natural Resources | 74 | | | | | | | |
| 3000 - Federal | 88,860 | 76,726 | 75,458 | 99,941 | 102,785 | 104,446 | 102,785 | 104,446 |
| 3015 - ARP-State Fiscal Recovery | | | 883 | | | | | |
| Total | 126,868 | 131,534 | 104,023 | 137,225 | 133,016 | 134,503 | 136,719 | 138,413 |
| Biennial Change | | | | (17,153) | | 26,271 | | 33,884 |
| Biennial % Change | | | | (7) | | 11 | | 14 |
| Governor's Change from Base | | | | | | | | 7,613 |
| Governor's % Change from Base | | | | | | | | 3 |

Expenditures by Program

| | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Maintenance of Military Training Facilities | 97,753 | 85,810 | 83,868 | 110,397 | 112,399 | 114,097 | 112,508 | 114,319 |
| General Support | 7,544 | 5,811 | 6,198 | 6,908 | 6,425 | 6,214 | 7,919 | 7,902 |
| Enlistment Incentives | 9,127 | 9,850 | 10,631 | 17,842 | 12,114 | 12,114 | 13,614 | 13,614 |
| Emergency Services | 12,443 | 30,063 | 3,326 | 2,078 | 2,078 | 2,078 | 2,678 | 2,578 |
| Total | 126,868 | 131,534 | 104,023 | 137,225 | 133,016 | 134,503 | 136,719 | 138,413 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Compensation | 42,906 | 49,239 | 35,589 | 42,209 | 45,057 | 48,020 | 46,646 | 49,916 |
| Operating Expenses | 48,078 | 55,445 | 41,881 | 48,273 | 47,651 | 48,226 | 48,265 | 48,740 |
| Grants, Aids and Subsidies | 8,660 | 10,112 | 11,482 | 17,650 | 11,324 | 9,451 | 12,824 | 10,951 |
| Capital Outlay-Real Property | 26,852 | 13,975 | 14,458 | 28,423 | 28,314 | 28,136 | 28,314 | 28,136 |
| Other Financial Transaction | 371 | 2,762 | 613 | 670 | 670 | 670 | 670 | 670 |
| Total | 126,868 | 131,534 | 104,023 | 137,225 | 133,016 | 134,503 | 136,719 | 138,413 |

Full-Time Equivalent

| | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 406.05 | 392.83 | 385.80 | 388.52 | 388.52 | 388.52 | 396.52 | 396.52 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|

Military Affairs

Agency Financing by Fund

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | | Governor's Recommendation | |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|---------------|------------------------------|---------------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| 1000 - General | | | | | | | | |
| Balance Forward In | 995 | 4,142 | 4,245 | 5,697 | | | | |
| Direct Appropriation | 24,197 | 24,197 | 24,393 | 26,789 | 25,589 | 25,589 | 29,292 | 29,499 |
| Open Appropriation | 12,443 | 30,063 | 2,443 | 2,078 | 2,078 | 2,078 | 2,078 | 2,078 |
| Transfers Out | 31 | 36 | 54 | 60 | 60 | 60 | 60 | 60 |
| Cancellations | | 1,021 | | | | | | |
| Balance Forward Out | 3,833 | 4,245 | 5,697 | | | | | |
| Expenditures | 33,771 | 53,100 | 25,331 | 34,504 | 27,607 | 27,607 | 31,310 | 31,517 |
| Biennial Change in Expenditures | | | | (27,037) | | (4,621) | | 2,992 |
| Biennial % Change in Expenditures | | | | (31) | | (8) | | 5 |
| Governor's Change from Base | | | | | | | | 7,613 |
| Governor's % Change from Base | | | | | | | | 14 |
| Full-Time Equivalents | 42.81 | 42.33 | 40.92 | 43.65 | 43.65 | 43.65 | 51.65 | 51.65 |

2000 - Restrict Misc Special Revenue

| | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In | 3,589 | 3,394 | 2,860 | 2,771 | 2,420 | 2,118 | 2,420 | 2,118 |
| Receipts | 3,395 | 1,474 | 1,637 | 1,802 | 1,695 | 1,733 | 1,695 | 1,733 |
| Transfers In | 571 | 615 | 626 | 627 | 627 | 627 | 627 | 627 |
| Transfers Out | | 926 | | | | | | |
| Balance Forward Out | 3,393 | 2,850 | 2,771 | 2,420 | 2,118 | 2,028 | 2,118 | 2,028 |
| Expenditures | 4,162 | 1,707 | 2,352 | 2,780 | 2,624 | 2,450 | 2,624 | 2,450 |
| Biennial Change in Expenditures | | | | (737) | | (58) | | (58) |
| Biennial % Change in Expenditures | | | | (13) | | (1) | | (1) |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | 0 |
| Full-Time Equivalents | 23.81 | 21.06 | 20.96 | 20.95 | 20.95 | 20.95 | 20.95 | 20.95 |

2050 - Environment & Natural Resources

| | | | | | | | | |
|-----------------------------------|-----------|-----|-----|------|--|---|--|---|
| Balance Forward In | 1,000 | 926 | 926 | | | | | |
| Transfers Out | | | 926 | | | | | |
| Balance Forward Out | 926 | 926 | | | | | | |
| Expenditures | 74 | | | | | | | |
| Biennial Change in Expenditures | | | | (74) | | 0 | | 0 |
| Biennial % Change in Expenditures | | | | | | | | |

Military Affairs

Agency Financing by Fund

(Dollars in Thousands)

| | Actual | Actual | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|-------------------------------|--------|--------|--------|----------|---------------|------|---------------------------|------|
| | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY24 | FY25 |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | |

3000 - Federal

| | | | | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Balance Forward In | 694 | 716 | 806 | 892 | 694 | 694 | 694 | 694 |
| Receipts | 88,860 | 76,704 | 75,544 | 110,267 | 102,785 | 104,446 | 102,785 | 104,446 |
| Transfers Out | | | | 10,524 | | | | |
| Balance Forward Out | 694 | 694 | 892 | 694 | 694 | 694 | 694 | 694 |
| Expenditures | 88,860 | 76,726 | 75,458 | 99,941 | 102,785 | 104,446 | 102,785 | 104,446 |
| Biennial Change in Expenditures | | | | 9,813 | | 31,832 | | 31,832 |
| Biennial % Change in Expenditures | | | | 6 | | 18 | | 18 |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | 0 |
| Full-Time Equivalents | 339.43 | 329.44 | 323.92 | 323.92 | 323.92 | 323.92 | 323.92 | 323.92 |

3015 - ARP-State Fiscal Recovery

| | | | | | | | | |
|-----------------------------------|--|--|------------|-----|--|-------|--|-------|
| Balance Forward In | | | | 792 | | | | |
| Direct Appropriation | | | 1,675 | | | | | |
| Cancellations | | | | 792 | | | | |
| Balance Forward Out | | | 792 | | | | | |
| Expenditures | | | 883 | | | | | |
| Biennial Change in Expenditures | | | | 883 | | (883) | | (883) |
| Biennial % Change in Expenditures | | | | | | | | |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | |

Military Affairs

Agency Change Summary

(Dollars in Thousands)

| | FY23 | FY24 | FY25 | Biennium 2024-25 |
|--|---------------|----------------|----------------|---------------------|
| Direct | | | | |
| Fund: 1000 - General | | | | |
| FY2023 Appropriations | 26,789 | 26,789 | 26,789 | 53,578 |
| Base Adjustments | | | | |
| All Other One-Time Appropriations | | (200) | (200) | (400) |
| Current Law Base Change | | (1,000) | (1,000) | (2,000) |
| Forecast Base | 26,789 | 25,589 | 25,589 | 51,178 |
| Change Items | | | | |
| MN Cyber Coordination Cell (C3) | | 582 | 597 | 1,179 |
| Holistic Health and Fitness (H2F) | | 757 | 775 | 1,532 |
| Sustain Domestic Operations Communication Capabilities | | 600 | 500 | 1,100 |
| Sustain State Enlistment and Retention Bonus Programs to Service Members | | 1,500 | 1,500 | 3,000 |
| Maintain Current Service Levels | | 264 | 538 | 802 |
| Total Governor's Recommendations | 26,789 | 29,292 | 29,499 | 58,791 |
| Open | | | | |
| Fund: 1000 - General | | | | |
| FY2023 Appropriations | 180 | 180 | 180 | 360 |
| Base Adjustments | | | | |
| Forecast Open Appropriation Adjustment | 1,826 | 1,826 | 1,826 | 3,652 |
| November Forecast Adjustment | 72 | 72 | 72 | 144 |
| Forecast Base | 2,078 | 2,078 | 2,078 | 4,156 |
| Total Governor's Recommendations | 2,078 | 2,078 | 2,078 | 4,156 |
| Dedicated | | | | |
| Fund: 2000 - Restrict Misc Special Revenue | | | | |
| Planned Spending | 2,780 | 2,624 | 2,450 | 5,074 |
| Forecast Base | 2,780 | 2,624 | 2,450 | 5,074 |
| Total Governor's Recommendations | 2,780 | 2,624 | 2,450 | 5,074 |
| Fund: 3000 - Federal | | | | |
| Planned Spending | 99,941 | 102,785 | 104,446 | 207,231 |
| Forecast Base | 99,941 | 102,785 | 104,446 | 207,231 |
| Total Governor's Recommendations | 99,941 | 102,785 | 104,446 | 207,231 |
| Revenue Change Summary | | | | |
| Dedicated | | | | |
| Fund: 2000 - Restrict Misc Special Revenue | | | | |

Military Affairs

Agency Change Summary

(Dollars in Thousands)

| | FY23 | FY24 | FY25 | Biennium 2024-25 |
|---|----------------|----------------|----------------|---------------------|
| Forecast Revenues | 1,802 | 1,695 | 1,733 | 3,428 |
| Total Governor's Recommendations | 1,802 | 1,695 | 1,733 | 3,428 |
| Fund: 3000 - Federal | | | | |
| Forecast Revenues | 110,267 | 102,785 | 104,446 | 207,231 |
| Total Governor's Recommendations | 110,267 | 102,785 | 104,446 | 207,231 |

Department of Military Affairs

FY 2024-25 Biennial Budget Change Item

Change Item Title: MN Cyber Coordination Cell (C3)

| Fiscal Impact (\$000s) | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|--|----------|----------|----------|----------|
| General Fund | | | | |
| Expenditures | 582 | 597 | 612 | 627 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 582 | 597 | 612 | 627 |
| FTEs | 3 | 3 | 3 | 3 |

Recommendation:

The Governor recommends additional funding of \$582,000 in FY 2024 and \$597,000 in FY 2025 from the general fund to create a long-term full time manning solution to staff Cyber specific initiatives across the Minnesota National Guard. Cyber operation teams routinely work in tandem with other state and federal agencies when responding to a cyber related event. These efforts are greatly empowered through prior coordination and diligent planning.

Rationale/Background:

National and State programming for National Guard Units does not provide adequate federal manning authorizations to operate and manage a comprehensive Cyber readiness program Minnesota National Guard (MNNG) Cyber coordination and readiness initiatives have largely been supported since 2017 on a non-statutory year to year federal Active Duty for Operational Support (ADOS) allocation provided by National Guard Bureau (NGB) through federal cyber training fund. Due to NGB budget constraints, this federal funding is no longer authorized to support long term ADOS positions.

Providing long term state funding to create three positions to accomplish the following objectives:

- Plan, manage, and execute of all Cyber Coordination Cell (C3) programs, projects events, and initiatives. Integrates programming to coincide with State needs, requirements, and direction.
- Researches, analyzes, and evaluates C3 program metrics to improve the program, demonstrating its value to State interests, and provide iterative rollup reports to the state command.
- Plan and rehearse collective Cyber Incident Response scenarios between MNIT, HSEM, MNNG, and agency partners for both State Active Duty (SAD) and T32 Federal incident response.

Proposal:

This is a new initiative in creation of full-time cyber program management positions to staff Cyber specific initiatives across the Minnesota National Guard. This program includes cyber program director, cyber program development and cyber planner positions. This initiative will accomplish the following objectives:

- Maintain pace in the rapidly growing Cyber domain, resulting in increased risk to our ability to respond to Cyber related support requests.
- Keep pace with other states who have built or are actively building out JFHQ Cyber directorates, possibly leading to less federal funding, fewer direct partnerships, and fewer training opportunities. State governors from 27 states have invoked their National Guards for cyber defense and response missions a total of 41 times from 2018 until mid-2021. Their missions have included Ransomware response, defense and monitoring of state election infrastructure, and protection of critical digital services related to the

COVID 19 pandemic. Cyber operation teams routinely work in tandem with other state and federal agencies when responding to a cyber related event. These efforts are greatly empowered through prior coordination and diligent planning.

- Development of overall vision and short term and long-term strategy recommendations for State Leadership regarding the Minnesota Cyber program.
- Coordinates with external and internal DoD and State agencies to maximize the efficient use of resources and ensure MNNG participation in key national events.
- Advises on integration into state and federal Cyber related readiness efforts, personnel roles and qualifications, and maintains direction for all Cyber related efforts in the state.
- Liaison with all applicable federal agencies (DHS/CISA, DA, USCC, NGB, FBI, NSA, FEMA, etc.) and state agencies (MNIT, MNNG J6, J3, HSEM, etc.) to ensure appropriate collaboration levels for state Cyber efforts and mission focused Cyber incident response.
- Develops and maintains State Active Duty Incident Response hardware and licensing needs. Moreover, it will support The Adjutant General’s “Modernization” and “Partnerships” priorities and the Governor’s “Public Safety” strategic priority category. The implementation date for this proposal is July 1, 2023.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
 No

Results:

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Current Value</i> | <i>Date</i> | <i>Projected Value (without)</i> | <i>Projected Value (with)</i> | <i>Date</i> |
|------------------------|--|----------------------|-------------|----------------------------------|-------------------------------|-------------|
| Results | Secure the Force (Priority 2, LOE 4): Furthering our cyber security and systems access for our personnel. Additionally, this LOE ensures force protection measures are in place and checked. | 6.36 | 9/30/2022 | 6.36 | 7.27 | 09/30/2023 |
| Results | Relationships that Support (Priority 3, LOE 5): Our ability to engage with our partners and maintains positive and transparent relationships that improve our partners and us. | 8.88 | 09/30/2022 | 8.88 | 9.16 | 09/30/2023 |

Department of Military Affairs

FY 2024-25 Biennial Budget Change Item

Change Item Title: Holistic Health and Fitness (H2F)

| Fiscal Impact (\$000s) | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|--|----------|----------|----------|----------|
| General Fund | | | | |
| Expenditures | 757 | 775 | 795 | 814 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 757 | 775 | 795 | 814 |
| FTEs | 5 | 5 | 5 | 5 |

Recommendation:

The Governor recommends additional funding of \$757,000 in FY 2024 and \$775,000 in FY 2025 from the general fund to develop long-term full-time manning solution to Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard through the acquisition of state military and state employee positions. National and State H2F programming for Army National Guard Units does not include full-time manning authorizations (AGR/TECH) to operate and manage the H2F program. MNARNG H2F initiatives are currently operating on a non-statutory year-to-year ADOS allocation. The State of Minnesota provides a “State funded” manning solution to enable sustained support to H2F programming within the MNARNG.

Rationale/Background:

National and State H2F programming for Army National Guard Units does not include full-time manning authorizations (AGR/TECH) to operate and manage the H2F program. MNARNG H2F initiatives are currently operating on a non-statutory year-to-year ADOS allocation. The State of Minnesota provides a “State funded” manning solution to enable sustained support to H2F programming within the MNARNG.

Proposal:

This is a new initiative in creation and operation of a Holistic Health and Fitness (H2F) program for members of the Minnesota National Guard. This program includes numerous staff to support the program, including a program director, a program developer, a course manager, a physical therapist, and a nutritionist. H2F would be based on an existing federal program and would be designed to enhance readiness through education across five domains: mental, sleep, nutritional, physical, and spiritual. H2F would focus on preventing injuries and fitness failures, preparing Guard members for missions, and educating Guard members on positive self-sustaining cultural change. Moreover, it will support The Adjutant General’s “People” priority and the Governor’s “Public Safety” strategic priority category. The implementation date for this proposal is July 1, 2023.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Current Value</i> | <i>Date</i> | <i>Projected Value (without)</i> | <i>Projected Value (with)</i> | <i>Date</i> |
|------------------------|---|----------------------|-------------|----------------------------------|-------------------------------|-------------|
| Results | Enable People (Priority 1, LOE 1): Institutional professional development and initiatives that seek to support and improve mental, physical, and spiritual fitness. | 5.54 (0 to 10) | 09/30/2022 | 5.54 (0 to 10) | 7.02 (0 to 10) | 09/30/2023 |
| Results | Enable Units (Priority 1, LOE 2): Individual readiness which enable units to excel at accomplishing their assigned missions. | 8.25 (0 to 10) | 09/30/2022 | 8.25 (0 to 10) | 8.42 (0 to 10) | 09/30/2023 |

Department of Military Affairs

FY 2024-25 Biennial Budget Change Item

Change Item Title: Sustain Domestic Operations Communication Capabilities

| Fiscal Impact (\$000s) | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|--|----------|----------|----------|----------|
| General Fund | | | | |
| Expenditures | 600 | 500 | 500 | 500 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 600 | 500 | 500 | 500 |
| FTEs | 0 | 0 | 0 | 0 |

Recommendation:

The Governor recommends additional funding of \$600,000 in FY 2024 and \$500,000 in each subsequent year from the general fund to support the purchase and maintenance of communications equipment. The communication equipment is primarily utilized for emergency state domestic responses within Minnesota or when agreed to, other states and territories.

Rationale/Background:

The MN Department of Military Affairs (MDMA) and Minnesota National Guard lack modern communications equipment that allow communication with emergency responders and statewide partners in times of critical need.

- The Minnesota National Guard has been activated for state active duty and support missions for 137,000 man-days in the last two years. This compares to only 7,000 man-days in the eight years before that. The Minnesota National Guard has become a go-to agency for assisting the state in times of distress. These figures do not include any mobilizations into federal service.
- MDMA maintains 250x 800mhz handheld radios. Those radios are outdated and lack encryption modules that allow secure communications with first responders utilizing the Minnesota Allied Radio Matrix for Emergency Response Program (ARMER) system.
- MDMA currently has three (3) Joint Communication Platforms (JCP) which provide radio retransmission capability and satellite commercial internet at 1.5Mbps. One (1) is mobile truck-based unit and the other two (2) are trailer mounted systems. All three (3) systems are considered largely outdated and require large maintenance budgets. The JCPs are no longer supported by the federal government, and no longer meet the mission demands.
- MDMA currently has four (4) Remote Communication Platforms (RCP) which provide radio retransmission capability via extendable mobile antenna vehicles. All four (4) are mobile truck-based units. All four (4) systems are considered largely outdated and require substantial overhauls. The RCPs are no longer supported by the federal government and no longer meet the mission demands due to changing technology standards.

Proposal:

The equipment and service contracts that will be purchased utilizing this appropriation will replace preexisting equipment with updated communication equipment that better allows the Minnesota National Guard to respond to emergencies in Minnesota. It will ensure interoperability with emergency responders, including police, fire, and EMS.

- The appropriation increase will be used to purchase two (2) Compact Rapid Deployable (CRD) platforms which allow for modern data connections via LTE/5G cellular service and commercial satellite providers. The CRD platforms are \$90-95k to purchase with a \$10k per year maintenance and connections contract. CRD systems provide data at up to 100x faster than our current JCP and RCP platforms.
- The appropriation increase will also be used to purchase movement vehicles for the CRDs as they are stand-alone platforms which require a vehicle to move. The vehicles are to be four-wheel drive vehicles capable of driving in degraded conditions. Additionally, vehicles that are enclosed provide security and protection from sustained weather wear.
- The appropriation increase will also be used to modernize the 800mhz radios. The 800mhz radio is the gold standard for emergency responders nationwide, but specifically in Minnesota due to the Allied Radio Matrix for Emergency Response Program or ARMER developed and maintained by the Minnesota Department of Transportation. It has been proven in the past five years that there is a growing need for Minnesota National Guard members to be able to communicate with emergency responders. These purchases would be made over time to develop a continual replacement process for radios that reach end of life or need upgrades to stay compatible.
- No additional FTEs would be required to implement these upgrades.

This proposal supports the Governor’s “Public Safety” strategic priority category. The appropriation increases will support two main priorities of the Adjutant General: “Modernization and Partnerships”. The implementation date for this proposal is July 1, 2023.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Performance measures will simply measure the number of systems procured and functionality that is restored or improved. The chart below indicates the current equipment and future equipment:

| Systems at end of SFY | Current | 2024 | 2025 | 2026 | 2027 |
|--|---------|------|------|------|------|
| Remote Communication Platform (legacy, no long-term functionality) | 4 | 1 | 1 | 1 | 0 |
| Joint Communication Platform (no functionality) | 3 | 1 | 0 | 0 | 0 |
| Compact Rapid Deployable Platform | 1 | 2 | 3 | 3 | 3 |
| 800mhz Radios unencrypted (limited functionality) | 200 | 160 | 120 | 80 | 40 |
| 800mhz Radios encrypted | 50 | 90 | 130 | 170 | 210 |

Department of Military Affairs

FY 2024-25 Biennial Budget Change Item

Change Item Title: Sustain State Enlistment and Retention Bonus Programs to Service Members

| Fiscal Impact (\$000s) | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|--|----------|----------|----------|----------|
| General Fund | | | | |
| Expenditures | 1,500 | 1,500 | 1,500 | 1,500 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 1,500 | 1,500 | 1,500 | 1,500 |
| FTEs | 0 | 0 | 0 | 0 |

Recommendation:

The Governor recommends additional funding of \$1.5 million in FY 2024 and each subsequent year from the general fund to sustain the agency’s current State Enlistment and Retention programs for service members.

Rationale/Background:

The MN Department of Military Affairs offers the following incentives programs to recruit and retain service members:

1. State Tuition Reimbursement Program - Reimburse up to 100 percent or 75 percent of the tuition charged for eligible coursework for undergraduate or graduate, respectively, at accredited post-secondary institutions. Eligible reimbursement rates are based on the University of Minnesota - Twin Cities (U of M) campus undergraduate or graduate resident semester-hour rates. The graduate program’s maximum amount per state fiscal year is \$28,000.
2. State Reenlistment Bonus Program – Offered to service members that have completed 6 years of service creditable for retirement and must have less than 20 years of service creditable for retirement on their current Expiration Term of Service date.
3. State Medic Bonus Program - Authorized for current service members that are servicing in an authorized duty position that requires the Emergency Medical Technician certification, have a current National Registry of Emergency Medical Technician card, and agree to serve for a period of two years starting the day after NREMT recertification.
4. State Reclassification Bonus Program - Authorized for E-5 through E-7 vacancies in Military Occupational Specialties (MOS) and Air Force Specialty Codes (AFSC) identified by The Adjutant General.

Proposal:

This is a change to funding levels of existing programs and will allow the agency to meet our on-going financial needs to fund current enlistment incentives programs to recruit and retain service members. It is necessitated by increasing tuition costs and unanticipated increases in service member participation. It will support The Adjutant General’s “People First” priority and the Governor’s “Public Safety” strategic priority category. The implementation date for this proposal is July 1, 2023.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Current Value</i> | <i>Date</i> | <i>Projected Value (without)</i> | <i>Projected Value (with)</i> | <i>Date</i> |
|------------------------|---|----------------------|-------------|----------------------------------|-------------------------------|-------------|
| Results | Enable Units (Priority 1, LOE 2): Improve and Sustain Retention and Incentives. | 3.90 | 9/30/2022 | 3.90 | 4.88 | 09/30/2023 |
| Results | Relationships (Priority 3, LOE 5) that Support our ability to engage with our partners and maintains positive and transparent relationships that improve our partners and us. | 8.88 | 09/30/2022 | 8.88 | 9.16 | 09/30/2023 |

Department of Military Affairs

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Current Service Levels

| Fiscal Impact (\$000s) | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|--|----------|----------|----------|----------|
| General Fund | | | | |
| Expenditures | 264 | 538 | 538 | 538 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 264 | 538 | 538 | 538 |
| FTEs | 0 | 0 | 0 | 0 |

Recommendation:

The Governor recommends additional funding of \$264,000 in FY 2024 and \$538,000 in each subsequent year from the general fund to maintain the current level of service delivery at the MN Department of Military Affairs (MDMA).

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For MDMA, the following efficiencies have been implemented to help offset rising operating costs:

- Delay hiring or not filling vacant positions
- Improving facilities management energy efficiency

However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For the MDMA, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff complement in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services MDMA delivers to Minnesotans will be impacted. Without this funding, there is an increased risk that the agency may lose federal funding allocations.

Proposal:

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For MDMA, this funding will cover expected and anticipated employee compensation and other operating costs growth.

Results:

This proposal is intended to allow MDMA 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 2022, 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 AND 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.

| Type of Measure | Name of Measure | Previous | Current | Dates |
|------------------------|--|-----------------------------------|-----------------------------------|--------------|
| 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 |
| 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 of Military Training Facilities

Program Expenditure Overview

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | | Governor's Recommendation | |
|--|----------------|----------------|----------------|------------------|----------------|----------------|------------------------------|----------------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| <u>Expenditures by Fund</u> | | | | | | | | |
| 1000 - General | 9,085 | 10,014 | 8,939 | 10,675 | 9,842 | 9,842 | 9,951 | 10,064 |
| 2000 - Restrict Misc Special Revenue | 1,149 | 1,121 | 1,084 | 1,406 | 1,397 | 1,434 | 1,397 | 1,434 |
| 2050 - Environment & Natural Resources | 74 | | | | | | | |
| 3000 - Federal | 87,445 | 74,675 | 73,845 | 98,316 | 101,160 | 102,821 | 101,160 | 102,821 |
| Total | 97,753 | 85,810 | 83,868 | 110,397 | 112,399 | 114,097 | 112,508 | 114,319 |
| Biennial Change | | | | 10,702 | | 32,231 | | 32,562 |
| Biennial % Change | | | | 6 | | 17 | | 17 |
| Governor's Change from Base | | | | | | | | 331 |
| Governor's % Change from Base | | | | | | | | 0 |

Expenditures by Activity

| | | | | | | | | |
|------------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Maintenance of Training Facilities | 97,753 | 85,810 | 83,868 | 110,397 | 112,399 | 114,097 | 112,508 | 114,319 |
| Total | 97,753 | 85,810 | 83,868 | 110,397 | 112,399 | 114,097 | 112,508 | 114,319 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Compensation | 29,508 | 30,054 | 30,381 | 35,600 | 38,087 | 39,342 | 38,196 | 39,564 |
| Operating Expenses | 41,042 | 39,258 | 38,467 | 45,835 | 45,350 | 45,918 | 45,350 | 45,918 |
| Grants, Aids and Subsidies | 15 | 10 | 30 | 31 | 31 | 31 | 31 | 31 |
| Capital Outlay-Real Property | 26,854 | 13,742 | 14,394 | 28,261 | 28,261 | 28,136 | 28,261 | 28,136 |
| Other Financial Transaction | 336 | 2,747 | 596 | 670 | 670 | 670 | 670 | 670 |
| Total | 97,753 | 85,810 | 83,868 | 110,397 | 112,399 | 114,097 | 112,508 | 114,319 |

Full-Time Equivalent

| | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| | 376.49 | 364.63 | 358.49 | 360.77 | 360.77 | 360.77 | 360.77 | 360.77 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|

Maintenance of Military Training Facilities

Program Financing by Fund

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base FY24 FY25 | | Governor's Recommendation FY24 FY25 | |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------------------|--------------|---|---------------|
| 1000 - General | | | | | | | | |
| Balance Forward In | | 921 | | 833 | | | | |
| Direct Appropriation | 9,701 | 9,701 | 9,772 | 9,842 | 9,842 | 9,842 | 9,951 | 10,064 |
| Cancellations | | 608 | | | | | | |
| Balance Forward Out | 616 | | 833 | | | | | |
| Expenditures | 9,085 | 10,014 | 8,939 | 10,675 | 9,842 | 9,842 | 9,951 | 10,064 |
| Biennial Change in Expenditures | | | | 514 | | 70 | | 401 |
| Biennial % Change in Expenditures | | | | 3 | | 0 | | 2 |
| Governor's Change from Base | | | | | | | | 331 |
| Governor's % Change from Base | | | | | | | | 2 |
| Full-Time Equivalents | 17.14 | 17.18 | 16.42 | 18.70 | 18.70 | 18.70 | 18.70 | 18.70 |

2000 - Restrict Misc Special Revenue

| | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In | 732 | 848 | 940 | 1,094 | 1,161 | 1,230 | 1,161 | 1,230 |
| Receipts | 1,264 | 1,204 | 1,239 | 1,473 | 1,466 | 1,503 | 1,466 | 1,503 |
| Balance Forward Out | 847 | 931 | 1,094 | 1,161 | 1,230 | 1,299 | 1,230 | 1,299 |
| Expenditures | 1,149 | 1,121 | 1,084 | 1,406 | 1,397 | 1,434 | 1,397 | 1,434 |
| Biennial Change in Expenditures | | | | 221 | | 341 | | 341 |
| Biennial % Change in Expenditures | | | | 10 | | 14 | | 14 |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | 0 |
| Full-Time Equivalents | 19.92 | 18.01 | 18.15 | 18.15 | 18.15 | 18.15 | 18.15 | 18.15 |

2050 - Environment & Natural Resources

| | | | | | | | | |
|-----------------------------------|-----------|-----|-----|------|--|---|--|---|
| Balance Forward In | 1,000 | 926 | 926 | | | | | |
| Transfers Out | | | 926 | | | | | |
| Balance Forward Out | 926 | 926 | | | | | | |
| Expenditures | 74 | | | | | | | |
| Biennial Change in Expenditures | | | | (74) | | 0 | | 0 |
| Biennial % Change in Expenditures | | | | | | | | |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | |

3000 - Federal

Maintenance of Military Training Facilities

Program Financing by Fund

(Dollars in Thousands)

| | Actual | Actual | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|-----------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------------------|----------------|
| | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY24 | FY25 |
| Balance Forward In | 694 | 716 | 805 | 694 | 694 | 694 | 694 | 694 |
| Receipts | 87,445 | 74,653 | 73,734 | 98,316 | 101,160 | 102,821 | 101,160 | 102,821 |
| Balance Forward Out | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 |
| Expenditures | 87,445 | 74,675 | 73,845 | 98,316 | 101,160 | 102,821 | 101,160 | 102,821 |
| Biennial Change in Expenditures | | | | 10,041 | | 31,820 | | 31,820 |
| Biennial % Change in Expenditures | | | | 6 | | 18 | | 18 |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | 0 |
| Full-Time Equivalents | 339.43 | 329.44 | 323.92 | 323.92 | 323.92 | 323.92 | 323.92 | 323.92 |

Program: General Support<https://minnesotanationalguard.ng.mil/>**AT A GLANCE**

In state fiscal year 2022, the Department of Military Affairs:

- Provided accounting and administrative services to support cooperative agreement projects totaling over \$77.8 million
- Provided human resources, payroll, and administrative services to 381.11 Full-Time Equivalents (FTEs)
- Provided reintegration support throughout the deployment cycle to more than 2,340 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 AND 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.

| Type of Measure | Name of Measure | Previous | Current | Dates |
|------------------------|---|-----------------------------------|-----------------------------------|--------------|
| 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 |
| 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 FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| <u>Expenditures by Fund</u> | | | | | | | | |
| 1000 - General | 3,116 | 3,173 | 3,317 | 3,909 | 3,573 | 3,573 | 5,067 | 5,261 |
| 2000 - Restrict Misc Special Revenue | 3,013 | 587 | 1,268 | 1,374 | 1,227 | 1,016 | 1,227 | 1,016 |
| 3000 - Federal | 1,415 | 2,052 | 1,613 | 1,625 | 1,625 | 1,625 | 1,625 | 1,625 |
| Total | 7,544 | 5,811 | 6,198 | 6,908 | 6,425 | 6,214 | 7,919 | 7,902 |
| Biennial Change | | | | (249) | | (467) | | 2,715 |
| Biennial % Change | | | | (2) | | (4) | | 21 |
| Governor's Change from Base | | | | | | | | 3,182 |
| Governor's % Change from Base | | | | | | | | 25 |

Expenditures by Activity

| | | | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Administrative Services | 3,228 | 3,236 | 3,368 | 4,020 | 3,651 | 3,652 | 5,145 | 5,340 |
| Auxiliary Services | 1,075 | 423 | 1,056 | 1,063 | 949 | 737 | 949 | 737 |
| Starbase Minnesota | 3,152 | 2,152 | 1,613 | 1,625 | 1,625 | 1,625 | 1,625 | 1,625 |
| Camp Ripley Timber Sales | 90 | | 161 | 200 | 200 | 200 | 200 | 200 |
| Total | 7,544 | 5,811 | 6,198 | 6,908 | 6,425 | 6,214 | 7,919 | 7,902 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Compensation | 2,589 | 2,540 | 2,503 | 2,820 | 2,914 | 3,010 | 4,394 | 4,684 |
| Operating Expenses | 2,894 | 714 | 1,181 | 1,396 | 1,259 | 1,266 | 1,273 | 1,280 |
| Grants, Aids and Subsidies | 2,033 | 2,308 | 2,497 | 2,530 | 2,199 | 1,938 | 2,199 | 1,938 |
| Capital Outlay-Real Property | (2) | 234 | | 162 | 53 | | 53 | |
| Other Financial Transaction | 30 | 15 | 17 | | | | | |
| Total | 7,544 | 5,811 | 6,198 | 6,908 | 6,425 | 6,214 | 7,919 | 7,902 |

Full-Time Equivalent

| | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | 26.51 | 24.95 | 24.44 | 25.75 | 25.75 | 25.75 | 33.75 | 33.75 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|

General Support

Program Financing by Fund

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | | Governor's Recommendation | |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| 1000 - General | | | | | | | | |
| Balance Forward In | 0 | 240 | | 136 | | | | |
| Direct Appropriation | 3,382 | 3,382 | 3,507 | 3,833 | 3,633 | 3,633 | 5,127 | 5,321 |
| Transfers Out | 31 | 36 | 54 | 60 | 60 | 60 | 60 | 60 |
| Cancellations | | 413 | | | | | | |
| Balance Forward Out | 236 | | 136 | | | | | |
| Expenditures | 3,116 | 3,173 | 3,317 | 3,909 | 3,573 | 3,573 | 5,067 | 5,261 |
| Biennial Change in Expenditures | | | | 938 | | (80) | | 3,102 |
| Biennial % Change in Expenditures | | | | 15 | | (1) | | 43 |
| Governor's Change from Base | | | | | | | | 3,182 |
| Governor's % Change from Base | | | | | | | | 45 |
| Full-Time Equivalents | 22.62 | 21.90 | 21.63 | 22.95 | 22.95 | 22.95 | 30.95 | 30.95 |

2000 - Restrict Misc Special Revenue

| | | | | | | | | |
|-----------------------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In | 2,089 | 1,621 | 1,903 | 1,439 | 1,021 | 650 | 1,021 | 650 |
| Receipts | 1,973 | 254 | 177 | 329 | 229 | 230 | 229 | 230 |
| Transfers In | 571 | 615 | 626 | 627 | 627 | 627 | 627 | 627 |
| Balance Forward Out | 1,620 | 1,902 | 1,439 | 1,021 | 650 | 491 | 650 | 491 |
| Expenditures | 3,013 | 587 | 1,268 | 1,374 | 1,227 | 1,016 | 1,227 | 1,016 |
| Biennial Change in Expenditures | | | | (958) | | (399) | | (399) |
| Biennial % Change in Expenditures | | | | (27) | | (15) | | (15) |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | 0 |
| Full-Time Equivalents | 3.89 | 3.05 | 2.81 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 |

3000 - Federal

| | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In | | | 1 | | | | | |
| Receipts | 1,415 | 2,052 | 1,612 | 1,625 | 1,625 | 1,625 | 1,625 | 1,625 |
| Expenditures | 1,415 | 2,052 | 1,613 | 1,625 | 1,625 | 1,625 | 1,625 | 1,625 |
| Biennial Change in Expenditures | | | | (229) | | 12 | | 12 |
| Biennial % Change in Expenditures | | | | (7) | | 0 | | 0 |
| 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:

- \$8.956 million for the State Tuition Reimbursement (STR) program
- \$0.847million for the State Reenlistment (SRB) program
- \$0.061 million for the State Medic Bonus (SMB) program
- \$0.394 million for the State Enlistment Bonus (SEB) program
- \$0.230 million for the State Reclassification Bonus (SRCB) program

PURPOSE AND 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 |
| 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 FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base FY24 FY25 | | Governor's Recommendation FY24 FY25 | |
|------------------------------------|----------------|----------------|----------------|------------------|----------------------------|---------------|---|---------------|
| <u>Expenditures by Fund</u> | | | | | | | | |
| 1000 - General | 9,127 | 9,850 | 10,631 | 17,842 | 12,114 | 12,114 | 13,614 | 13,614 |
| Total | 9,127 | 9,850 | 10,631 | 17,842 | 12,114 | 12,114 | 13,614 | 13,614 |
| Biennial Change | | | | 9,496 | | (4,245) | | (1,245) |
| Biennial % Change | | | | 50 | | (15) | | (4) |
| Governor's Change from Base | | | | | | | | 3,000 |
| Governor's % Change from Base | | | | | | | | 12 |

Expenditures by Activity

| | | | | | | | | |
|-----------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Enlistment Incentives | 9,127 | 9,850 | 10,631 | 17,842 | 12,114 | 12,114 | 13,614 | 13,614 |
| Total | 9,127 | 9,850 | 10,631 | 17,842 | 12,114 | 12,114 | 13,614 | 13,614 |

Expenditures by Category

| | | | | | | | | |
|----------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Compensation | 2,513 | 2,056 | 1,674 | 2,750 | 3,017 | 4,629 | 3,017 | 4,629 |
| Operating Expenses | 1 | 0 | 2 | 3 | 3 | 3 | 3 | 3 |
| Grants, Aids and Subsidies | 6,613 | 7,794 | 8,955 | 15,089 | 9,094 | 7,482 | 10,594 | 8,982 |
| Total | 9,127 | 9,850 | 10,631 | 17,842 | 12,114 | 12,114 | 13,614 | 13,614 |

Full-Time Equivalent

| | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2.01 | 1.80 | 1.94 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Enlistment Incentives

Program Financing by Fund

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base FY24 FY25 | | Governor's Recommendation FY24 FY25 | |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------------------|---------------|---|---------------|
| 1000 - General | | | | | | | | |
| Balance Forward In | 994 | 2,981 | 4,245 | 4,728 | | | | |
| Direct Appropriation | 11,114 | 11,114 | 11,114 | 13,114 | 12,114 | 12,114 | 13,614 | 13,614 |
| Balance Forward Out | 2,981 | 4,245 | 4,727 | | | | | |
| Expenditures | 9,127 | 9,850 | 10,631 | 17,842 | 12,114 | 12,114 | 13,614 | 13,614 |
| Biennial Change in Expenditures | | | | 9,496 | | (4,245) | | (1,245) |
| Biennial % Change in Expenditures | | | | 50 | | (15) | | (4) |
| Governor's Change from Base | | | | | | | | 3,000 |
| Governor's % Change from Base | | | | | | | | 12 |
| Full-Time Equivalents | 2.01 | 1.80 | 1.94 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |

Program: Emergency Services

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

AT A GLANCE

In state fiscal years 2020-22, the Department:

- Supported winter storm rescue missions, flood and wildfire response missions, civil disturbance response missions, and provided assistance to the states of Washington and North Dakota.
- Provided ongoing support for COVID-19 response missions from March 2020 to July 2021.
- Provided 90,079 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 FY2020-22 included: Emergency Management Assistance Compact (EMAC) assistance to the states of Washington and North Dakota; 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, conducting mobile testing at long-term care facilities, testing and vaccination sites at various Training and Community Centers (TACCs) and providing Certified Nursing Assistant (CNA) services 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 FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | | Governor's Recommendation | |
|------------------------------------|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| <u>Expenditures by Fund</u> | | | | | | | | |
| 1000 - General | 12,443 | 30,063 | 2,443 | 2,078 | 2,078 | 2,078 | 2,678 | 2,578 |
| 3015 - ARP-State Fiscal Recovery | | | 883 | | | | | |
| Total | 12,443 | 30,063 | 3,326 | 2,078 | 2,078 | 2,078 | 2,678 | 2,578 |
| Biennial Change | | | | (37,102) | | (1,248) | | (148) |
| Biennial % Change | | | | (87) | | (23) | | (3) |
| Governor's Change from Base | | | | | | | | 1,100 |
| Governor's % Change from Base | | | | | | | | 26 |

Expenditures by Activity

| | | | | | | | | |
|--------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Emergency Services | 12,443 | 30,063 | 3,326 | 2,078 | 2,078 | 2,078 | 2,678 | 2,578 |
| Total | 12,443 | 30,063 | 3,326 | 2,078 | 2,078 | 2,078 | 2,678 | 2,578 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Compensation | 8,296 | 14,590 | 1,031 | 1,039 | 1,039 | 1,039 | 1,039 | 1,039 |
| Operating Expenses | 4,141 | 15,473 | 2,231 | 1,039 | 1,039 | 1,039 | 1,639 | 1,539 |
| Capital Outlay-Real Property | | | 64 | | | | | |
| Other Financial Transaction | 6 | | | | | | | |
| Total | 12,443 | 30,063 | 3,326 | 2,078 | 2,078 | 2,078 | 2,678 | 2,578 |

Full-Time Equivalent

| | | | | | | | | |
|--|-------------|-------------|-------------|--|--|--|--|--|
| | 1.04 | 1.45 | 0.93 | | | | | |
|--|-------------|-------------|-------------|--|--|--|--|--|

Emergency Services

Program Financing by Fund

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | | Governor's Recommendation | |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| 1000 - General | | | | | | | | |
| Direct Appropriation | | | | | | | 600 | 500 |
| Open Appropriation | 12,443 | 30,063 | 2,443 | 2,078 | 2,078 | 2,078 | 2,078 | 2,078 |
| Expenditures | 12,443 | 30,063 | 2,443 | 2,078 | 2,078 | 2,078 | 2,678 | 2,578 |
| Biennial Change in Expenditures | | | | (37,985) | | (365) | | 735 |
| Biennial % Change in Expenditures | | | | (89) | | (8) | | 16 |
| Governor's Change from Base | | | | | | | | 1,100 |
| Governor's % Change from Base | | | | | | | | 26 |
| Full-Time Equivalents | 1.04 | 1.45 | 0.93 | | | | | |

2000 - Restrict Misc Special Revenue

| | | | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Balance Forward In | 767 | 926 | 17 | 238 | 238 | 238 | 238 | 238 |
| Receipts | 158 | 17 | 221 | | | | | |
| Transfers Out | | 926 | | | | | | |
| Balance Forward Out | 926 | 17 | 238 | 238 | 238 | 238 | 238 | 238 |

3000 - Federal

| | | | | | | | | |
|---------------------|--|--|-----|--------|--|--|--|--|
| Balance Forward In | | | | 198 | | | | |
| Receipts | | | 198 | 10,326 | | | | |
| Transfers Out | | | | 10,524 | | | | |
| Balance Forward Out | | | 198 | | | | | |

3015 - ARP-State Fiscal Recovery

| | | | | | | | | |
|-----------------------------------|--|--|------------|-----|--|-------|--|-------|
| Balance Forward In | | | | 792 | | | | |
| Direct Appropriation | | | 1,675 | | | | | |
| Cancellations | | | | 792 | | | | |
| Balance Forward Out | | | 792 | | | | | |
| Expenditures | | | 883 | | | | | |
| Biennial Change in Expenditures | | | | 883 | | (883) | | (883) |
| Biennial % Change in Expenditures | | | | | | | | |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | |

Department of Military Affairs

Federal Funds Summary

(Dollars in Thousands)

| Federal Agency and CFDA # | Federal Award Name and Brief Purpose | FY 2022 Actual | FY 2023 Budget | FY 2024 Base | FY 2025 Base | Required State Match or MOE? | FTEs |
|--|---|------------------|------------------|-------------------|-------------------|------------------------------|---------------|
| Department of Defense CFDA 12.400 | National Guard Military Construction Cooperative Agreement (MCCA): Provides 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). | \$ 11,066 | \$ 30,102 | \$ 30,102 | \$ 30,102 | State Match | - |
| Department of Defense CFDA 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) | \$ 62,779 | \$ 68,214 | \$ 71,058 | \$ 72,719 | State Match | 323.92 |
| Department of Defense CFDA 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. | \$ 1,613 | \$ 1,625 | \$ 1,625 | \$ 1,625 | MOE | - |
| | Federal Fund [3000 Fund] – Agency Total | 75,458 | 99,941 | 102,785 | 104,446 | | 323.92 |
| US Department of the Treasury CFDA 21.027 | American Rescue Plan - State Fiscal Recovery Fund: The Department of Military Affairs received one time funding from the ARP State Fiscal Recovery Funds to activate approx. 1,000 MN National Guard (MNNG) service members (SMs) to augment critical health care areas of need was identified by the Minnesota Department of Health. The critical need area was for Certified Nursing Assistants (CNA). DMA and the MNNG were tasked to provide CNAs to support of Long Term Care Facilities (LTCF), Transitional Care Facilities (TCF), and anticipated augmentation of other health care service organizations. The funding was used for training and relevant licensure of SMs so that they can provide critical care functions back to the State of Minnesota during the COVID-19 pandemic. | \$ 883 | \$ - | \$ - | \$ - | MOE | - |
| | ARP-State Fiscal Recovery Fund [3015 Fund] – Agency Total | \$ 883 | \$ - | \$ - | \$ - | | - |
| | Federal Funds – Agency Total | \$ 76,340 | \$ 99,941 | \$ 102,785 | \$ 104,446 | | 323.92 |

Narrative

The Department of Military Affairs (DMA) 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 \$60M to \$70M range 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 2024-2025 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.

The Department of Military Affairs received one time funding from the Coronavirus State and Local Fiscal Recovery Funds to activate approx. 1,000 MN National Guard (MNNG) service members (SMs) to augment