

April 8, 2025

Honorable Matt Bliss Co-Chair, Veterans and Military Affairs Division

Honorable Jay Xiong Co-Chair, Veterans and Military Affairs Division

Dear Representatives Bliss and Xiong,

Thank you for the opportunity to provide written testimony in response to the delete-all amendment to House File 2444, the Division's Finance and Policy Omnibus Bill.

The Minnesota Department of Military Affairs (DMA) appreciates the inclusion of the operating adjustment proposed in HF 2444 DE2. Operating adjustments are an essential factor to ensure the agency can manage cost pressures while maintaining services Minnesotans expect.

DMA also appreciates the inclusion of the policy provision modifying the bonding capacity of the Minnesota State Armory Building Commission from \$15 million to \$45 million. This DMA-led policy provision will add flexibility to ensure this financing tool will be able to meet the needs of Minnesota National Guard facilities into the future.

DMA testified before the Division on March 26, 2025, highlighting change items supported in the Governor's budget. The following change items were supported in the Governor's budget but are not supported in HF2444 DE2:

1. DMA requested a \$2M increase in FY26 and a \$6M increase in FY27 to support the enlistment incentives appropriation. The enlistment incentives appropriation provides state tuition reimbursement and reenlistment bonuses. This program allows the Minnesota National Guard to recruit new service members and offer incentives to retain the best mid-career Soldiers and Airmen. The recruitment and retention of service members supports maintaining the strength of our National Guard to be ready for State or Federal service.

2. DMA requested \$353k increase in FY26 and \$397k increase in FY27 to sustain the Cyber Coordination Cell (C3). This funding would continue to support a fourperson team that provides interagency coordination of cyber responses between federal, state, and local entities, as well as proactive cyber assessments for state and local entities. 3. DMA requested a \$800k increase for FY26 for the Holistic Health and Fitness (H2F) program. The H2F system is the Army's key investment in enhancing service member readiness, aimed at increasing the overall effectiveness of the Force. The H2F request was specifically requested for only FY26 while DMA works with the National Guard Bureau to setup a federal cooperative agreement, allowing federal funds to reimburse state employee costs. The state commitment to bridge the gap to another year allows DMA to sustain the program for one more year to remain competitive for this federal agreement.

I recognize that funding decisions are challenging, but the Minnesota Department of Military Affairs and the Minnesota National Guard will continue to educate about the importance of these programs. It is in the best interests of the State of Minnesota to maintain strength in our readiness and force structure. DMA is looking forward to working with this committee to fully support matters related to Military Affairs.

Sincerely,

Shawn P. Manke Major General, MNARNG Adjutant General

CC:

House Members, Veterans and Military Affairs Division Committee Administrators and Staff, Veterans and Military Affairs Division Legislative Assistants to Co-Chair Bliss and Co-Chair Xiong