



DEPARTMENTS OF THE ARMY AND THE AIR FORCE

JOINT FORCE HEADQUARTERS MINNESOTA
OFFICE OF THE ADJUTANT GENERAL
20 12TH STREET WEST
SAINT PAUL, MN 55155-2004

April 7th, 2017

Subject: Concerns Regarding Senate File 605 as passed by the Senate (2nd Engrossment)

Honorable Bruce Anderson
3209 Minnesota Senate Building
St Paul, Minnesota 55155

Dear Senator Anderson;

I am writing to express my concerns as the Adjutant General of Minnesota with the proposed omnibus State Government Finance bills.

The second engrossment (Senate version) of SF605 does not provide the resources recommended by the Governor, authorizing \$11.714 Million less than the Governor's recommendation. My specific concerns with the bill follow:

Article 1, section 36 of the bill returns the distribution of agency funding to that of the 2014-2015 biennium. The structural budget corrections to address long-standing underfunding in maintenance that were accomplished with the change in the 2016-2017 biennium will be lost.

This bill includes no provision for known cost increases in already negotiated contracts or acknowledgement of increases in program costs and services, and therefore serves as a reduction to our overall operating budget despite clear evidence of forecasted cost increases.

The bill balances the forecasted increases in enlistment incentives by reducing the funds available for needed sustainment and maintenance of our facilities and the operation of the agency. It makes this reduction despite a documented \$140 million maintenance backlog, and reduces our maintenance appropriation to only 66% of the amount that we are required to request for sustainment in accordance with Minnesota Statute 16A.11, subdivision 6.

In addition to reducing the maintenance appropriation, this bill shifts resources from the General Support account to fund the increase in the Enlistment Incentives appropriation. This will more than erase the increase in appropriation passed in last year's supplemental budget. This increase was required to fund security costs due to the improvements that we undertook in response to the violent incidents against military members in Chattanooga, Tennessee and other places. These measures included arming our guards at certain military facilities. We cannot now reduce the personnel costs incurred while maintaining appropriate training and qualifications of our armed guards without these funds. Additionally, our state vehicle service life replacement program will be seriously curtailed, requiring us to keep already old and expensive to operate motor vehicles in service for longer periods.

(2)

In article 1, section 38, the bill does authorize a needed transfer in the current year to fully fund enlistment incentives obligations in FY2017. This is an important provision, thank you for including it in the bill.

I strongly urge you to reconsider the current path, and fund the Department of Military Affairs at the level and in the fashion recommended by the Governor.

Questions may be directed to the Executive Director of the Department of Military Affairs, Don Kerr at donald.j.kerr2.nfg@mail.mil or at 651 268 8913.

Sincerely;

A handwritten signature in black ink, appearing to read "Richard C. Nash", is written over a horizontal line.

Richard C. Nash
Major General, Minnesota Army National Guard
The Adjutant General