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Department of Military Affairs

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1996 Performance Report Department of Military Affairs

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Executive Summary

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ORGANIZATION

M.S. 15.01 defines the Department of Military Affairs or Military Department as an agency of state government. M.S. 190.05, Subd. 2. states that 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, and facilities owned or controlled by the state for military purposes, and civilians employed by the state for the administration of the military department*”. The “military forces” are the Minnesota Army and Air National. The Adjutant General is the department head and also the chief-of-staff to the Governor for military matters.

MISSION

The mission of the department is to ensure that the Minnesota National Guard is prepared to meet its dual mission: **To be ready for mobilization in the event of a national or international emergency (federal mission) and to be ready for call to state duty by the Governor in the event of a natural disaster or civil disorder (state mission)**. The department provides the leadership and management for state and federal programs that support both the federal and state missions. Specifically, The Adjutant General is committed to provide:

- Adequate facilities for the administration, training and logistical activities of the Minnesota Army and Air National Guard.
- Appropriate incentives that will cause individuals to join or remain in the National Guard in sufficient numbers to maintain authorized strength levels.
- Forces to be available to the Governor for state emergencies.

BACKGROUND

The cornerstone of any military organization is **readiness**. Two of the key elements in maintaining high levels of readiness are:

- Maintaining a force, in sufficient numbers, to accomplish all missions.
- Training those forces in adequate, well maintained facilities.

Significant federal dollars are provided for the administration, training and logistical support of the National Guard. The state, through the Department of Military Affairs, is responsible to provide operating and maintenance dollars for National Guard training and administration facilities called armories or training and community centers (M.S. 190.11). No federal money is dedicated to operations and maintenance of these facilities once they are constructed. Air National Guard base facilities receive limited state support and training facilities at Camp Ripley are supported totally by federal dollars. The state also provides enlistment incentives to maintain required strength levels (M.S. 192.501).

GOALS AND OBJECTIVES

To accomplish the stated mission, The Adjutant General has established broad goals that are directed towards **key agency programs**:

- Maintain current and future Army and Air National Guard training, administrative and logistical facilities to meet organizational requirements.
- Operate training, administrative and logistical facilities in an efficient and cost effective manner.
- Maintain Army and Air National Guard strength at or above authorized levels.

The first two goals are associated with the Maint-Training Facilities budget program and the third is associated with the Enlistment Incentives budget program. To these two budget programs, the agency commits 84% of its general fund budget. The agency's performance report provides details about the goals, objectives and performance measures in these two key agency programs which are summarized below.

Maint-Training Facilities budget program:

Goals:

1. Maintain and operate current Army and Air National Guard training and administrative facilities to meet organizational and customer needs.
2. Develop and implement a comprehensive energy management plan.

Objectives:

1. **Reduce the backlog of maintenance and repair by 5% each year.** This entails identifying that backlog and applying resources from the capital budget, Capital Asset Preservation and Replacement Account, Americans with Disability Act funding to reduce that backlog. The current level of funding in the operating budget does not allow use of general fund dollars to reduce this backlog. Our current backlog is estimated to be \$11,400,000 for armory facilities. The backlog

has been reduced by approximately 13% from the F.Y. 1993 estimated backlog of \$13,266,000. Progress is being made.

2. **Maintain all facilities to meet Building Owners and Managers Association (BOMA) standards.** Current BOMA standard (1995) is \$.63 per square foot for material and contracted labor for facility operations, maintenance and repair. The standard does not include employee costs. Our current expenditure of general fund dollars towards this standard is \$.25 per square foot (\$386,000 for 1,513,000 square feet).
3. **Develop and execute a comprehensive energy management monitoring and cost management plan.** This objective supports requirements of Laws 1995, Chapter 248, Article 11 and signals the departments commitment to operate its facilities in the most cost efficient manner possible.

The performance data reflects progress in this **key agency program** in reducing our backlog of maintenance and repair but limited success in providing adequate operating dollars and routine maintenance and repair costs. Energy consumption has been controlled through numerous building envelop restorations and upgrades of some heating, ventilating and electrical systems.

Enlistment Incentives budget program:

Goals:

1. Maintain Army and Air National Guard strength at or above authorized levels.
2. Insure maximum participation in the tuition reimbursement program.
3. Improve the diversity of National Guard membership.

Objectives:

1. **Enlist new members equal to or above annual goal set in the state's Strength Management Plan.** The Army and Air National Guard have exceeded their enlistment target in all of the last 4 years, due in large measure to the state funded tuition reimbursement program. The number of individuals enlisted in fiscal year 1996 was 13% higher than the number enlisted in fiscal year 1994.
2. **Retain soldiers and airmen at a rate established by state's Strength Management Plan.** Retaining or re-enlisting is keeping a satisfied customer. The Army Guard has shown steady improvement since 1993 and currently retains a higher percentage of soldiers that the nationally established target of 82%. The Air National Guard has traditionally exceeded their annual targets and currently retains just under 92% of those eligible to re-enlist.

3. **Maintain participation in the tuition reimbursement program at 25% of authorized strength.** The current level of funding in this program allows reimbursement of approximately 2800-3000 people each year which is approximately 25% of our total assigned strength. That annual number reimbursed has remained constant for the last 4 years even with the downward trend in authorized strength.
4. **Attain annual strength levels authorized by the National Guard Bureau.** Both the Army and Air National Guard have exceeded their authorized strength levels in the last 4 years. This is indicative of a strong incentives package and effective marketing. High strength levels bring additional federal dollars to Minnesota in the form of jobs and more training and support pay. High strength targets for FY 97 and FY 98 may negatively effect our measured performance, however, these high target will insure that all levels of command will expend the effort necessary meet those targets.
5. **Increase the number of minorities and females assigned to the National Guard by 1% per year.** The legislation authorizing the enlistment incentives requires the department to make special effort in recruiting minorities and females which we have done. The number of minorities in the National Guard has increased each of the last 4 years. The number of females assigned in FY 96 was 4% higher than in FY 93 and has increased in each of the last 4 years except for a small decline in FY 94. Many of the Army National Guard positions are not available to females because they are directly related to combat. This hampers our recruiting efforts in many locations where there are only combat positions available.

The performance data in this **key agency program** reflects very successful efforts in recruiting and retaining people and improving the diversity of the force. These successes have been accomplished during periods of turmoil in federal funding and force authorization levels. The leadership of the department has provided clear guidance and direction on what our number one priority which is **increasing and maintaining the strength of the Minnesota National Guard.**

CONCLUSION

The National Guard is big business in Minnesota. The federal government invests nearly \$133,000,000 annually to equip and train the Army and Air National Guard. While National Guard organizations in other states are having difficult meeting their mission requirements, the Minnesota National Guard continues to grow and is aggressive in recruiting new members and maintaining those who are already members in order to **keep those federal dollars** coming to Minnesota. Many armory facilities, maintained at state expense, are made available to school districts, local governments and community organizations and individuals. The Adjutant General has been proactive in seeking to increase the involvement of the department in addressing priority issues facing our state. The 11,200 men and women of the National Guard stand ready to serve their nation but also to are anxious to continue to add value to their state and community.

AGENCY PERFORMANCE REPORT

1996

**MILITARY
AFFAIRS DEPT**

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AGENCY : MILITARY AFFAIRS DEPT

MISSION

The Minnesota National Guard has a dual mission: To be ready for mobilization in the event of a national or international emergency (federal mission) and to be ready for call to state duty by the Governor of Minnesota in the event of a natural disaster or civil disorder (state mission).

The department of military affairs, as a state agency, provides the leadership and management of state programs designed to support BOTH MISSIONS. The department insures that:

- 1) adequate facilities are available to the Army and Air National Guard for administration, training and logistical activities.
- 2) enlistment/reenlistment incentives are available to maintain authorized strength levels, and
- 3) forces are available to the governor for state emergencies.

GOALS

- 1. Maintain current Army and Air National Guard training, administrative and logistical facilities to meet organizational requirements.
- 2. Operate training and administrative facilities in an efficient and cost effective manner.
- 3. Maintain Army and Air National Guard strength at or above authorized levels.

EXPENDITURES AND STAFFING

Program	F.Y.1996 Expenditures (\$ in Thousands)	Percent of Total	FTE Staff Positions	Percent of Total
MAINT-TRAINING FACILITIES	\$19,514	77.26%	277	92.09%
GENERAL SUPPORT	\$1,792	7.09%	23	7.58%
ENLISTMENT INCENTIVES	\$1,720	6.81%	1	0.33%
MILITARY CONSTRUCTION	\$2,232	8.84%		0.00%
COMMUNITY & YOUTH		0.00%		0.00%
Total	\$25,258	100.00%	301	100.00%

ORGANIZATION

M.S. 15.01 includes the department of Military Affairs as a department of state government. M.S. 190.05, subd 5., states that the Department of Military Affairs "... is comprised of and includes the military forces of the state, the office of the Adjutant General, all military purposes..." Contemporarily, the department is the headquarters for the Army and Air National Guard. Chapters 190, 191, 192, 192A and 193 of Minnesota Statutes, also known as the military code, all deal with the department of Military Affairs, the state militia, the national Guard, discipline thereof, and facilities for their activities. M.S. 190.09 states that "The Adjutant General shall be the chief of staff to the commaner-in-chief(governor) and the administrative head of the military department. Because of this statutory designation, the Adjutant General acts in the capacity of a commissioner.

The service population of the department is the approximately 11,200 members of the Army and Air National Guard and, to a lesser degree, the citizens of Minnesota in times of emergencies.

The primary focus of the department of Military Affairs, as a state agency, is to provide facilities (Maintenance of Training Facilities budget program) for use by the National Guard and provide enlistment incentives (Enlistment Incentives budget program) that encourage people to join the National Guard and, once a member, to remain a member. To these purposes, 84% of the agency's general fund budget is dedicated. The remaining 16% of the general fund budget is committed to the General Support budget program that is primarily administrative in nature. It will not be discussed in this report as it is not considered one of the agency's key state programs.

In addition to the stated agency mission, a separate and distinct federally funded structure exists that is responsible for the training, administration and logistical support of the Minnesota Army and Air National Guard in preparation for the defense of our nation. All state budget programs are aimed to support the preparation and training for the federal mission. There are approximately 1546 federal civil service and active duty National Guard officers and enlisted personnel that directly support the approximately 8900 Army National Guard members and 2300 Air National Guard members.

In addition to the 1700 federal employees, there are 330.6 state employee positions dedicated to the support of training, maintenance, and administration of the National Guard (See Table 1). Through federal/state funding agreements, the federal government reimburses the state in various percentages for employee costs associated with these agreements. M.S. 190.16 empowers The Adjutant General to "cooperate with the government of the United States or any agency or department thereof in the construction, improvement, or maintenance of buildings, air bases, roads, utilities and any or all other structures or facilities required in the training, housing, and maintenance of the military forces of the state . . ."

WAYS TO IMPROVE PROGRAM OUTCOMES

Maintenance of Training Facilities (budget program):

ARMY NATIONAL GUARD FACILITIES

Current base levels restrict the department in providing the facilities management office sufficient funds to meet our goal of reducing the backlog of maintenance and repair by 5% each year. Our current "identified" backlog is approximately \$4,500,000. There are numerous unfunded requirements such as workers compensation payments, unemployment compensation benefits, insurance benefits for early retirement programs, and employee cost of living raises that MUST be funded within existing base levels. To meet these "must fund" obligations, the department has had to 1) continually postpone needed maintenance and repair which increases the backlog and 2) reduce our armory facility maintenance staff through attrition. Many of our facilities are receiving only a fraction of the daily maintenance support needed to adequately protect the state's investment.

As forecast in our last performance report, we have completely reorganized our facilities management program by creating an agency wide department of public works. This efficiency effort was accomplished by combining the Camp Ripley civil engineer operation and the armory maintenance operation, thus eliminating duplicate support operations. We were able to eliminate, through attrition, a trades crew, that consisted of 7 people and had become an inefficient way to complete minor maintenance and repairs.

AIR NATIONAL GUARD FACILITIES

Current base levels in the Maint-Training Facilities program also restrict the civil engineers at the two Air National Guard bases in maintaining base facilities, utilities, mechanical systems, roads, ramps, grounds and the total base infrastructure. The continued decline in resources makes it more difficult to maintain and operate the bases at the level expected to reach maximum efficiency and command expectations. Both bases have insufficient maintenance personnel to significantly reduce the backlog. They both are manned at approximately 75% of their authorized maintenance positions. Those personnel must concentrate on daily routine operations and maintenance. Routine air base maintenance is accomplished with federal (75%) and state (25%) match funds. There have been instances where the department has not been able to match an increase in federal funds because of continuous same level state funding.

Enlistment Incentives (budget program):

Changes to M.S. 192.501 enacted during the 1996 session significantly improved the departments flexibility in the application of the Enlistment Incentives program. In addition to changes in the tuition reimbursement and reenlistment bonus programs, a new enlistment bonus was authorized. These changes were not associated with an increase to the program base level but allowed for more full utilization of available appropriations. It is becoming apparent that unless appropriations in this program are indexed to increases in the cost of tuition, eligibility criteria will be restricted or the amount of reimbursement will be reduced. These changes should enhance the department's progress towards our primary goal of maintaining Army and Air National Guard strength at or above nationally authorized levels.

1996 changes to M.S. 192.501 also relieved the department from duplicate effectiveness reporting requirements, noted in our previous performance report, and made this report the sole method of reporting our effectiveness in this program.

EMPLOYEE PARTICIPATION

During the development of the 1994 report, the Adjutant General designated key members of his staff to serve on the worker's participation committee. Members were also solicited from employee bargaining units. The committee was inactive during the initial drafting stages and until the legislative auditor staff reviewed our initial draft and subsequently briefed members of the department staff in mid July of 1994. Because of their review, substantial work was needed to bring the report into the proper perspective. The department's mission statement was modified to more accurately reflect the impact of state dollars and programs on the overall mission of the National Guard.

Once an appropriate mission statement was formulated and new supporting goals, objectives and measures were developed, a new draft packet was mailed to each member of the workers participation committee for their review and input. We felt there was not enough time to gather the committee in formal session - geographical dispersion made this difficult. We gathered varying degrees of input from some committee members and molded that data into the 1994 report. Once the report was completed, each member of the workers participation committee was provided a copy for their information.

In developing this year performance report, a worker's participation committee was not directly involved because goals, objectives and most performance measures remained virtually unchanged. Compilation and refinement of data was the main focus.

Date : November 25, 1996

Agency Expenditure Summary

F.Y. 1996

NAME	(in thousands \$)	% of \$	FTE	% of FTE
AGENCY: MILITARY AFFAIRS DEPT	\$25,258	100.0%	301	100.0%
PROGRAM: MAINT-TRAINING FACILITIES	\$19,514	77.3%	277	92.1%
PROGRAM: ENLISTMENT INCENTIVES	\$1,720	6.8%	1	0.3%

Agency : MILITARY AFFAIRS DEPT

Program : MAINT-TRAINING FACILITIES

EXPENDITURES AND STAFFING :

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$19,514	77.26%
From Federal Funds	\$13,645	
From Special Revenue Funds	\$345	
General	\$5,524	
Number of FTE Staff:	277	92.09%

GOALS :

PROGRAM GOALS

- Maintain and operate current Army and Air National Guard training and administrative facilities to meet organizational and customer needs. (M.S. 190.11 - M.S. 190.16)

- Develop and implement a comprehensive energy management plan. (M.S. 190.11)

Three objectives and associated measures have been developed that will help the department move toward our overall goals.

1. Reduce backlog of maintenance and repair (BMAR) by 5% each year.
2. Maintain all facilities to meet Building Owners and Managers Association (BOMA) standards (\$.63/sf).
3. Develop and implement a comprehensive energy management plan.

DESCRIPTION OF SERVICES :

The Adjutant General is statutorily charged with the operation, care and preservation of existing facilities and installations on all state military reservations. This is accomplished primarily with state general fund dollars and some federal dollars in the form of reimbursements. These facilities are used by the Army and Air National Guard for military training, administration, logistical support and state emergency operations and are available for community use when not needed for military purposes.

These facilities have operating, maintenance and repair costs. When dollars are not sufficient to meet all maintenance and repair requirements, a list of backlog maintenance and repair items (BMAR) is developed. The

current backlog of identified requirements is approximately \$4,500,000. We stress that this is the "identified" backlog as we must survey and record data for each facility so we can evaluating their condition. Containment and reduction of this ever changing backlog is a major department objective in striving to reach the first goal noted above.

The management of department facilities and the maintenance and repair program is the responsibility of the Facilities Management Officer for Army National Guard facilities and base civil engineers for the Air National Guard Bases in Duluth and Twin Cities. Non-armory National Guard training and logistical facilities are maintained and repaired using a combination of federal and state dollars. The state is totally responsible for the operation, maintenance and repair of armory facilities.

BACKGROUND INFORMATION :

MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC), OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)

DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR (FFY), BIENNIUM YEARS (BY)

<u>Type</u>	<u>Based</u>	<u>Measure</u>	<u>1994-95</u>	<u>1995-96</u>
O	FY	Percentage of reduction of identified backlog of maintenance and repair items	8.3%	5.8%
UC	FY	Dollars spent annually on armory maintenance and repair per sq ft	\$.25	\$.25
A	FY	Number of facilities under detailed energy monitoring	1	2
W	FY	Number of energy audits conducted in a year	12	33
UC	FY	Utility cost per sq ft	\$.59	\$.66

PROGRAM DRIVERS :

Because The Adjutant General is charged by statute and maintain facilities for the National Guard, he must also determine how many, what size and what type of facilities are needed. In addition to the need for military training our armory facilities are also a community center type facility in many communities. They also serve as a base of operations for state emergency operations. The Adjutant General is committed to maintaining armory facilities in as many communities as are need to 1) support federal force structure and training needs, 2) quickly respond to calls to state emergency duty by the Governor and 3) support the needs of the local community. The current number (61) is no longer adequate for current Army National Guard force structure. In the last two years, additional force structure has been obtained and/or retained making it necessary to search for other facilities. A new facility is under construction in Inver Grove Heights that will relieve overcrowding at our St. Paul Cedar Street facility. Additional facilities are being studied in the northern metro area and the Monticello area and are needed within 270 days. Normal new armory construction methods cannot be used because of time constraints. Alternative construction and/or lease opportunities are being investigated.

Training, administrative and logistical support facilities must first meet organizational needs of the National Guard. Certain sizes and types of military organizations and units have unique facility needs. For example, units occupying armories in the northwestern part of the state recently received updated armored vehicles. This required additional training, storage and maintenance space at each armory requiring renovation and expansion of each armory which is now under construction with federal dollars. Reorganizations seldom require armory expansion, however, in some instances, sweeping organizational changes require shifting of certain units to facilities that accommodate increases in authorized strength or equipment. Changes in aircraft or military missions within the Air National Guard often require facility modification.

With the continuing trimming of the defense budget, federal dollars for training support of the reserve components is certain to be reduced. We have already seen an increased emphasis on simulator training in both the Army and Air National Guard that likely will require modernization of some of our training facilities.

Many of our armory buildings are in excess of 50 years old. There are numerous facility related issues to deal with if we want to continue to efficiently use these facilities for their intended purpose:

- * Safety, health and other regulatory concerns such as asbestos abatement, kitchen remodeling, parking lot replacement, and sidewalk replacement. Within the next few years, major costs will be incurred as air conditioning equipment is changed out to the new environmentally approved refrigerants. The confined space and lockout tag out programs are other examples of OSHA programs that require training of workers and take resources and time.
- * Federally mandated accessibility standards are outlined in the Americans with Disability Act. Our accessibility requirements were determined by survey commissioned by the Department of Administration (Access 92). Although money to begin our movement toward compliance is not part of our operating budget, the disability access issue is considered a major facilities management issue and has already begun to show significant improvements in toilet facilities and entrances.
- * Federal mandates requiring underground tank removal and/or replacement by the late 1990s. Removal of tanks is occurring on a slow pace and always requires installation of a back heating fuel system, usually propane.
- * Continuing reductions in state support necessitated closing of 12 armories in 1992 (in 1992, the department sustained a \$362,000 reduction in its base for Maintenance of Training Facilities.. Because of rising employee and operational costs, routine daily maintenance support at many facilities has been cut back by nearly 50% in some instances with no significant reduction in maintenance requirements.

As noted previously, our armory facilities are often used as community centers, being available for use when not being used for military purposes. Trade shows, craft shows, weddings, community education activities, school sports programs, auctions, senior citizen walking, headstart programs, blood drives, food distribution programs and driver license examining are just a few of the representative uses by the community. Because of this commitment to the community, our facilities must be accessible to all members of the community, including people with disabilities. A significant amount of dollars are going to be required over the next several years to bring us into compliance with requirements of the Americans with Disabilities Act.

- Goal 1** : Maintain and operate current Army and Air National Guard training and administrative facilities to meet organizational and customer needs.
- Objective 1** : Reduce backlog of identified Backlog of Maintenance and Repair (BMAR) by 5% each year.
- Measure 1** : Dollars spent and percentage of reduction of identified BMAR items.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
Identified BMAR						
Actual	\$13,266	\$12,847	\$12,454	\$11,411	\$10,740e	\$8,262e
CAPRA \$\$\$ spent						
Actual	\$419	\$210	\$643	\$0	\$1025e	\$400e
ADA \$\$\$ spent						
Actual	\$0	\$0	\$0	\$671	\$553e	\$375e
Capital budget \$\$\$ spent						
Actual	\$0	\$183	\$400	\$0	\$400e	\$200e
Percent reduction						
Actual	3.1%	3.0%	8.3%	5.8%	23.1e%	14.8e%
Target	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

DEFINITION :

Maintenance and repair encompasses such projects as painting, plumbing, electrical upgrades, minor construction, road and parking lot resurfacing, interior remodeling, replacement of unsafe fixtures, upgrading of heating, ventilating and air conditioning systems, tuck pointing, asbestos removal, underground tank removal and other similar projects. Routine facility and grounds work performed by custodial personnel does not fall within the definition of maintenance and repair. "Identified BMAR" in the table above is the estimated dollars it would take to complete eliminate all backlog at beginning of each fiscal year.

RATIONALE :

The Army National Guard's facilities management staff continually evaluates the condition of facilities to identify maintenance and repair requirements. This results in a fluid list of the backlog of maintenance and repair (BMAR). As projects are completed, they are removed from the list. As new requirements are identified, they are added to the list. As noted on the program summary page, no federal support is provided for maintenance and repair armory facilities. The army aviation flight facility, some logistical facilities and most of the Camp Ripley training facilities receive federal support funds in percentages that range from 75% to 100%.

The BMAR list includes large projects that are appropriately supported with capital budget or CAPRA dollars. The list also contains projects that must be supported with operating budget (biennial) dollars. Since its inception the resources available from the Capital Asset Preservation and Replacement Account (CAPRA), have greatly assisted our major capitol improvement program and reduction of BMAR. CAPRA funds are dedicated to Army National Guard Facilities only. In addition to CAPRA funds, Capital Budget funds allocated to the department also help reduce the backlog. Because Air National Guard buildings are constructed with 100% federal dollars and are on federal property, they are not eligible for capital budget or CAPRA support.

DATA SOURCE :

The ARNG facilities management office maintains records of their BMAR. The records are continually being updated as new requirements are identified and when projects are completed. We currently do not have computer data bases that can easily provide this information to us. It will take a considerable amount of time to develop detailed information that is easily retrievable.

DISCUSSION OF PAST PERFORMANCE :

A large backlog of maintenance and repair has existed for department facilities for many years. Most of the backlog exists in our armory facilities, a number of which were built over 50 years ago. Prior to closing of 12 armory facilities in 1992, 25 armories were over 50 years old, some as old as 70-80. Those armory closings in 1992 and subsequent sale helped reduce the backlog, however, because we did not anticipate significant state budget cuts and federal mandated downsizing, we had already completed some of the major maintenance and repair items on those armories, e.g. roofs, windows tuckpointing. Because non-emergency maintenance and repair are usually discretionary, decisions were made to defer maintenance when general fund budget reductions occurred. Since F.Y.89, the department has sustained reductions to it's operating budget that total nearly \$3,000,000.

PLAN TO ACHIEVE TARGETS :

The key to reduction of the backlog is to seek funding from all possible sources. In future years, the CAPRA program will be a major source of funds for major repair or replacement projects. Capital budget dollars will also be sought when available. The relatively small amount of general fund dollars available for maintenance and repair is used for smaller projects.

A significant category of compliance type upgrading was identified through the Department of Administration's Access 92 survey. That survey was initiated because of the Americans with Disability Act. Our facilities management staff has reviewed the data from that survey, prioritized the projects and submitted that plan to the department of Administration for consideration and funding. Although separate state funding is being provided by this program, it is considered a major, long term program that will be administered by our ARNG facilities management office. The department is working closely with the department of Administration who is assisting us in verifying condition of all our facilities so we can identify an accurate backlog of maintenance and repair.

OTHER FACTORS AFFECTING PERFORMANCE :

Because of the age of many of our armories, new maintenance and repair requirements surface each year and, depending on state general fund appropriations, our BMAR list may, in fact, increase. In this instance, we would not be able to attain or make progress towards our objective.

In the case of Air Guard base facilities and Camp Ripley training and logistical facilities, there is 75% federal support involved through a federal/state master funding agreement. For example, if a given repair project at an air base is estimated to cost \$12,000, our funding agreement with the federal government says that only \$9,000 in federal funds will be committed to that project, the remaining \$3,000 must be provided by the state. If the state can only provide \$2,200, the project will not be done because no additional federal dollars will be provided. Even with the shrinking of the federal defense budget, there appears to be ample federal money available (in some fiscal years!) for the federal share for maintenance and repair of supported facilities. With a static operating budget, we are unable to match the increases in federal dollars so they are lost. There are time when additional federal money becomes available unexpectedly and if state dollars are not available for the match, they federal money is again lost.

- Goal 1** : Maintain and operate current Army and Air National Guard training and administrative facilities to meet organizational and customer needs.
- Objective 2** : Maintain all facilities to meet Building Owners and Managers Association (BOMA) standards (\$.63/sf)

Measure 1 : Dollars spent annually on armory operations, maintenance and repair per sq ft

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
\$\$\$ spent-ARNG only						
Actual	\$386	\$386	\$386	\$386	\$750e	\$750e
Target					\$750	\$750
ARNG sq ft supported						
Actual	1594	1531	1534	1513	1551e	1551e
\$\$\$ /sq ft-ARNG only						
Actual	\$.24	\$.25	\$.25	\$.25	\$.48e	\$.48e
Target	\$.63	\$.63	\$.63	\$.63	\$.63	\$.63
Benchmark	\$.63	\$.63	\$.63	\$.63	\$.63	\$.63

DEFINITION :

The state general fund dollars expended for materials, contracted maintenance and repair costs at our armory facilities. Utilities or personnel costs are not considered in this measure.

RATIONALE :

The Building Owners and Managers Association, commonly referred to as BOMA, has established standard dollar amounts that should be spent annually for facilities maintenance and repair. There are a number of elements that make up those standards, however we have chosen only those established for for 1) janitorial personnel costs and 2) maintenance and repair costs. According to 1995 data published by BOMA, that amount is \$.63 per square foot for materials and contracted maintenance and has been chosen as our benchmark. If dollars are not invested at this rate for maintenance and repairs, the list of identified backlog of maintenance and repair increases.

Although some state general fund dollars support operations and minor maintenance at Air National Guard facilities, the majority of those expense are paid by the federal government. It is difficult to measure effective utilization of state dollars when federal dollars are combined at the rate of \$3 federal dollars to \$1 state dollars. For this reason, Air National Guard facilities will not be discussed.

DATA SOURCE :

Army National Guard building identification and square footage is recorded on the Federal Installation Support Plan (FISP) for Army National Guard facilities maintained at our facilities management office at Camp Ripley. The FISP identifies all Army National Guard support buildings in Minnesota that require varying levels of support under the federal Real Property and Maintenance program. The range of support is from 0% to 100%. Some building, like armories, receive no federal support, whereas training facilities at Camp Ripley receive 100% federal support. To be a meaningful standard of measurement and a management tool, all buildings must be categorized to type of use, e.g. cold storage buildings require less operating and maintenance cost than intensely used office type buildings. This categorization is not complete for Army Guard facilities.

The benchmark of \$.63 per square foot is published in the 1995 Building Managers and Operators Association (BOMA) 1995 report, city analysis, U.S. private sector, and the suburban Minneapolis area.

DISCUSSION OF PAST PERFORMANCE :

The performance of maintenance on facilities is based on three factors: 1) the type of facility and the amount of use it will get, 2) the availability of people to accomplish the work and 3) the availability of funds to maintain the facility and the physical plant to an acceptable standard and as required by the occupants.

Maintenance can be defined by types: Scheduled, unscheduled, preventive, deferred or backlog. Scheduled maintenance is based on operating system equipment and what is required historically to maintain that equipment so it does not fail. If dollars were adequate, the maintenance community could, through life cycle costing and historical run times, have a preventive maintenance program that would insure that equipment and components are never deferred but maintained on schedule.

Backlogs were initially developed as budget management tool to allow fiscal managers to manage cash flow of a business. When cash flow is restricted, maintenance is deferred and when the cash flow is greater, projects on backlog would be accomplished. Management of the department's backlog exactly parallels that of private business. When we have money over and above our operating costs, we can start to reduce the backlog. When we don't have money, the backlog grows. Most of the departments backlog exists in Army National Guard facilities which are located state wide.

Over time, maintenance and budget managers could predict maintenance costs for their operations based on the amount of square footage within their operations. The major problem with this management practice versus life cycle costing is if you don't have replacement costs figured and your square foot cost is too low, your backlog continues to grow. Reduction of the backlog will come only after recalculating your operational and replacement costs and then adding a certain amount to reduce the backlog.

The Air National Guard bases have had significant new facility construction in the last several years. This is due in large part to an infusion of federal dollars for new construction and major repairs. Customer service at the air bases has been considered adequate, however, continued erosion of their state and federal budget for operating costs (salaries, fuel and utilities, maintenance supplies, etc), may affect their quality of service.

PLAN TO ACHIEVE TARGETS :

There are several ways to reach our objective of increasing our dollar input to facilities operations, maintenance and repair. In the facilities business, it is not necessarily good to spend less money. It often costs more to operate and/or renovate facilities when maintenance and repair of the physical plant has been deferred.

- * First and most important is to seek additional state funding through the biennial budget process, the capital budget process and the CAPRA.
- * Seek efficiencies in energy delivery systems, by replacing obsolete heating, ventilating, air conditioning systems.
- * Reduction of fixed costs (personnel through attrition) can free more dollars for materials.
- * Reduction of square footage served.

OTHER FACTORS AFFECTING PERFORMANCE :

The closing of 12 armory facilities beginning in mid calendar year 1992 has helped reduce the maintenance and repair backlog. That need for closing facilities occurred because there was insufficient general fund dollars to maintain all 72 armory facilities and a concurrent downsizing in Army National Guard force structure in Minnesota. In the last two years, the department leadership has sought and obtained additional force structure that requires additional facilities which we do not have. We currently are seeking alternative methods of providing training and administrative facilities for these new organizations.

Because the department receives significant federal support for Camp Ripley training facilities (100%), Army National Guard logistical facilities (75%) and Air National Guard facilities (75%), the declining federal defense budget will compound the shortfall in staff funding, although the availability of federal dollars has actually increase in the last two years yet we are unable to provide increase in the state matching dollars (Air National Guard).

We have also found in new facilities construction that new air handling systems and other code related issues have increased our fuel and utility consumption per square foot. Air exchange requirements for rifle ranges in new armories make them an expensive training aid. Armory operating costs are 100% state supported. We are continually looking at ways to reduce these costs.

Goal 2 : Develop and implement a comprehensive energy management plan.
Objective 1 : Develop and execute a comprehensive energy management monitoring and cost management plan.

Measure 1 : Number of facilities receiving an energy audit, under DDC and utilities cost per sq ft

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
Number of audits						
Actual	5	12	20	33	e	e
Target					5	20
Number under DDC						
Actual	0	1	1	2		
Target					3	3
Utilities costs						
Actual	\$905	\$881	\$901	\$1006	\$1048e	\$1052e
Utilities cost/sf						
Actual	\$.58	\$.58	\$.59	\$.66	\$.68e	\$.68e

DEFINITION :

The "number of energy audits" reflects the number of facilities receiving energy audits either by our facilities management staff or power companies.

The "number of facilities under DDC" are those facilities whose HVAC systems are control with direct digital controls.

The "utility cost per square foot" is calculated by dividing the total square footage supported with state general fund dollars by the dollars expended on those facilities.

RATIONALE :

Energy costs per square foot are determined by dividing the annual costs for heating, cooling, electricity and other utilities by the square footage of facilities supported. With averaging, a target value can be determined that is considered a fair representation of what we should be spending per square foot and individual facilities can be evaluated against that value to determine if they have high, average or low utility costs. Such a measure will also show overall efficiencies, e.g. if square footage goes up and cost remain relatively the same, you are saving or if your costs go down and your square footage remains relatively the same, you are saving. We have not yet determined what an optimum cost per square foot should be because of the many different types of building we manage. Data shown is only for Army National Guard armory facilities that are supported with general fund dollars.

DATA SOURCE :

Financial data shown in the table above was compiled by our facilities management office. The calculation of cost per square foot is a combination of the data shown in the above table and the square footage served found in the table included on the Goal 1 Objective 2 page. Square footage data is maintained by the Army Guard's facility management office at Camp Ripley. Utility costs are maintained in the statewide accounting system.

DISCUSSION OF PAST PERFORMANCE :

During the last few years, the Minnesota Army National Guard has been reviewing the usage of energy in its facilities. During the review of energy usage through audits and past history, it was determined that a plan of action was necessary if we were to contain or even reduce our per square foot energy costs. The Army Guard's facilities management office at Camp Ripley is responsible for the energy management plan for all Army National Guard facilities.

Before the department began its major building "envelop" restoration program in the mid 1980s, most of our older facilities had uninsulated roofs, uninsulated wood windows and severely deteriorating brick mortar. This situation not only resulted in roof leaks and wind blowing through windows, but our heating bills were high. We often said we were insulating with natural gas. Funds primarily from the capital budget and, in some bienniums the operating budget, resulted in a steady improvement in those facilities. Roofs were replaced with insulated roofs, windows were replaced with insulated aluminum windows and brick facilities were tuck pointed. We saw an increase in comfort of our customers and decreases in energy consumption but not necessarily a decrease in cost because of increases in fuel prices.

More recently, energy audits and subsequent energy retrofits have started to realize energy savings although not costs saving to this point because of the costs of the retrofits. Most retrofits are in the form of changes to lighting and ballasts and are paid for on the appropriate energy bill and amortized over several years. When payments are complete, actual dollars savings will be evident.

PLAN TO ACHIEVE TARGETS :

This plan will outline the options available in conducting energy audits and funding for design development and project execution. Secondly, it will outline the phases of when and how the facilities energy reduction program will be executed. Finally, it will outline some of the common elements that will be implemented during energy retrofit and during new construction for reducing and managing energy usage.

We continue to work closely with our major power suppliers, Northern State Power, Minnesota Power, Ottetail Power and other utilities to complete energy audits of our facilities and take advantage of their energy conservation programs. Funding for the execution of the program will come from: 1) Utilities grant programs, 2) major utility rebate programs, 3) state general fund dollars, and other utility sponsored retrofit programs.

We now executing a plan of energy audits for all our facilities and have installed computer energy monitoring systems (direct digital control - DDC) in several more facilities. One of our goals is to increase the number of facilities monitored by direct digital controls. For the first time, we can begin to determine our total energy cost per square foot so we can evaluate the outcome of our monitoring and upgrade efforts. Data bases have been developed that can pinpoint energy usage and help us identify facilities that are operating inefficiently.

Continuation of our ongoing project of replacing windows, tuck pointing and roof replacement will also tighten up the building envelopes.

OTHER FACTORS AFFECTING PERFORMANCE :

The results of our efforts to identify wasteful energy conditions and fix those conditions (within available funding) are always subject to varying weather patterns during the heat and cooling seasons. In addition, as new facilities are constructed energy needs seem to increase because of complex air handling systems and central air conditioning. This will show an increase in energy expended per square foot but what such a measure doesn't show is the improved working conditions for employees.

The Air National Guard is experiencing some difficulty maintaining new computerized energy management systems installed in three of their newest facilities. We see a critical need for a person training in monitoring and managing these new, complicated operating systems. This problem is also becoming a problem in the newer Army National Guard facilities. Operation of physical plants, normally under the control of a plant maintenance engineer, has traditionally been the responsibility of the general maintenance worker assigned to each facility. We have found that some of those employees do not have the training and/or qualifications to manage and maintain complex mechanical systems. The department does not have the resources to employ plant maintenance engineers to manage and maintain our armory HVAC systems.

Agency : MILITARY AFFAIRS DEPT
 Program : ENLISTMENT INCENTIVES

EXPENDITURES AND STAFFING :

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$1,720	6.81%
General	\$1,720	
Number of FTE Staff:	1	0.33%

GOALS :

- Maintain Army and Air National Guard strength at or above authorized levels. (No Statutes Cited)
- Improve the diversity of National Guard membership. (No Statutes Cited)

DESCRIPTION OF SERVICES :

Incentives for Minnesota citizens to join and remain in the National Guard are authorized by M.S. 192.501, enacted by the legislature in 1989 and amended by the legislature in 1993 and again in 1996. The current program includes:

- * Tuition reimbursement, up to a maximum of 75%, for eligible Minnesota National Guard members for tuition paid at public or private post-secondary educational institutions. The 1996 legislature increased the maximum authorized percentage of reimbursement from 50% to 75%. Current reimbursement rate is 62% because of current funding levels. Tuition reimbursement benefits (100%) are also provided to dependents of members who are killed while performing National Guard service within the state.
- * A \$1,500 reenlistment bonus for eligible Minnesota National Guard members who extend their enlistments. This replaced the \$250 reenlistment bonus that the department suspended in December of 1991 because of the potential to incur future obligations that may not be funded.
- * A \$500 enlistment bonus for qualified individuals who enlist in the Minnesota National Guard.

BACKGROUND INFORMATION :

MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC),
OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)

DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR
(FFY), BIENNIUM YEARS (BY)

<u>Type</u>	<u>Based</u>	<u>Measure</u>	<u>1994-95</u>	<u>1995-96</u>
A	FY	Number of National Guard enlistments per year	1483	1591
OD	FY	Reenlistment percent- Army Guard	81.4%	82.2%
OD	FY	Reenlistment percent-Air Guard	95%	91.7%
OD	FY	Number of members receiving tuition reimbursement	2706	2735
A	FY	Number of females enlisting in the National Guard	196	216
OD	FFY	Females-percent of increase in membership	1.5%	2.6%
A	FFY	Number of minorities joining the National Guard	94	107
OD	FFY	Minorities-percent of increase in membership	6.3%	6.3%
	FY	Percent of strength target-ARNG	99.8%	99.3%
	FY	Percent of strength target-ANG	97.7%	97%

PROGRAM DRIVERS :

Maintaining strength in the National Guard is influenced by many factors. Both recruiting and retention must be strong to achieve and maintain desired strength levels. Factors that directly effect attainment of strength targets are:

1. Number of positions authorized for fill in local units: Each Army and Air National Guard unit has organizational documents that tell local commanders how many people can be members of a local unit. For example, Company A in Wadena may be authorized 140 people. If there are 140 people in that unit, adding more may not be authorized.
2. Year-end targets established by the National Guard Bureau: The National Guard Bureau is the headquarters for all Army and Air National Guard units in the United States. Depending on congressional strength limitations, strength attainment targets are given to all states. Generally, those targets cannot be exceeded. In recent years, these targets have had varying affects on maintaining strength, and in some instances, have been difficult to attain.
3. Numbers of potentially eligible people in a given geographic area: There are elements of our population eligible for membership simply because of age and gender. As this target population declines, there are fewer eligible people to recruit.
4. Changing attitudes towards military membership. Societal attitudes towards military membership often effect the propensity of people to enlist because of pressures from peers, teachers, employers, families and other centers of influence. National Guard recruiters find this is often the most difficult obstacle to overcome even though National Guard membership offers tremendous opportunities over a lifetime.
5. Opportunities offered by other reserve components in the state or the active armed forces: All other reserve components and active military forces are seeking basically the same target population. Competition is keen for recruits. Because the training pay for all reserve components is virtually the same, the availability of other benefits

is often a primary reason for joining one component over another. Although there are some federally provided incentives in addition to pay, no other active or reserve component in Minnesota can offer such a comprehensive, widely available, incentive program.

6. The type of unit in a given local area: For example, combat units can only enlist males because of their proximity to the battlefield. This effectively reduces the target population when compared to units that have positions that can be filled either by males or females. There has been some liberalization of position authorizations in recent years. The National Guard continues to put forth special efforts to increase female membership.

7. Between 1992 and until late 1994, the Minnesota National Guard was forced to downsize because of reductions in the number of units and the authorized level of fill. Because of our relative success in maintain high strength levels, additional force structure was added back to Minnesota. This has created numerous opportunities to enlist new people and increase the emphasis on retaining as many qualified members as possible.

8. The recruiting force has continued to expend extra efforts to make inroads into the minority community. The propensity for some minority groups to join the active forces is significantly higher than the propensity for that same group to join reserve components because the active forces offer "full-time employment".

9. In addition to the obvious recruiting benefit of the tuition reimbursement program, another area of great benefit to the Guard is its use by officers and warrant offices to pursue post secondary education required for career progression. For example, to enter into an officer candidate program requires a minimum of two years of post secondary education. Each promotion level requires certain levels of post secondary education, usually measured in numbers of credits obtained. In the near future, to be promoted to the grade of captain will require a 4 year degree.

Goal 1 : Maintain Army and Air National Guard strength at or above authorized levels.
Objective 1 : Enlist new members equal to or above annual goal set in the state's Strength Management Plan.

Measure 1 : Number of enlistments and annual target.

	<u>FED.1993</u>	<u>FED.1994</u>	<u>FED.1995</u>	<u>FED.1996</u>	<u>FED.1997</u>	<u>FED.1998</u>
ARNG enlistments						
Actual	930	1240	1256	1421		
Target	1317	1318	1281	1363	1725	1600
ANG enlistments						
Actual	171	160	227	170		
Target	180	170	170	160	180	175

DEFINITION :

The number of enlistments include prior service or non-prior service individuals who enlist in either the Army or Air National Guard. The strength management plans for both elements establish targets each year for number of enlistment based on current needs to maintain current manning levels, projected changes in force structure and that number that can be reasonably recruiting with resources and personnel available.

RATIONALE :

This is an excellent measure because the primary purpose of the enlistment incentives (tuition reimbursement and enlistment bonus [new for FY 97]) is to cause people to join either the Army or Air National Guard. The state provided incentives are the most important tools available to commanders and recruiters. They put the Minnesota National Guard in an enviable position among other reserve components in competition for recruits. Recruiting is a highly competitive sales business and the salesmen or recruiter with the best products gets the most sales.

DATA SOURCE :

Records of Army National Guard enlistments are maintained in the department headquarters (St. Paul) in the automated Army National Guard personnel system (short title - SIDPERS).

Records of Air National Guard enlistments are available from the lead Air National Guard recruiter who maintain an office in the department headquarters in St. Paul.

DISCUSSION OF PAST PERFORMANCE :

As discussed in previous narrative pages, 12 armory facilities were closed beginning in mid 1992 and the authorized enlisted manning levels were reduced from 9880 to 7967. This had a detrimental and long lasting effect on our ability to gain new recruits and retain members. During the previous year, F.Y. 91, the Army Guard recruiting force enjoyed its second highest production year since its inception in the mid 1970s. After the armory closings and associated force reorganization, a number of soldiers became dissatisfied with travel distances to weekend training assemblies or changes in military jobs and decided to leave the Guard. The table shows the recovery beginning taking place in F.Y. 94 and is continuing the strong rebound into F.Y. 96. This is especially noteworthy when you consider that the Army Guard is recruiting against an authorized force structure of nearly 2,000 less positions that existed in early 1992.

In F.Y. 93, the National Guard Bureau directed that all Air National Guard units would reduce their manning level to 98% of authorized - this was done through attrition - and was required to meet federal budgetary restrictions. Except for that year, the Minnesota Air National Guard has maintained 100% or more of authorized strength. The tuition reimbursement program has played an important part in that success. The Air National Guard does not experience the same difficulty in maintaining strength that is experienced by the Army National Guard primarily because their units are located only in the two major metropolitan areas of the state where a large, stable recruiting population base exists. Additionally, a greater percentage of their authorized strength is employed full-time in support of the Air National Guard which requires active membership in the Air National Guard.

PLAN TO ACHIEVE TARGETS :

The Army Guard continues to utilize total quality management techniques to improve our strength position. In F.Y. 94, the recruiting and retention force analyzed participative management practices in test programs to determine their overall effect on strength. The changes in the enlistment incentives statute in 1996 will greatly assist recruiting personnel to attain their mission. An new \$500 enlistment bonus was authorized (to be offered after July 1, 1996).

Both the Army and Air National Guard continue to advertise and recruiting activities that are designed and targeted to: 1) aid in the recruiting and retention of critical skill specialists, 2) attract and retain minority members, and 3) stay competitive with other military and civilian organizations who are seeking the same target population.

OTHER FACTORS AFFECTING PERFORMANCE :

Reorganizations of the Army National Guard are not complete. Because of our successes in maintaining our strength levels, three additional organizations have been added to the force structure. This means more new members must be found to fill these positions which presents a significant challenge to commanders and recruiting personnel.

The greatest impediment to increased enlistments remains the lack of individual propensity of youth to affiliate with the armed services. We also face challenges in the school systems to gain access to student so we can appraise them of our benefits and opportunities to serve.

Certain sectors of our population have difficulty qualifying for National Guard membership because of physical limitations, moral shortcomings or the inability to attain qualifying entrance test scores. This reduces the market of qualified young people and requires recruiters to extensively pre-screen applicants to avoid exhausting time and resources on unqualified people.

Because of changing world conditions and changes in the political climate in this country, the federal defense budget continues to be the target for significant reductions. These reductions have adversely impacted federal benefits offered for Guard (reserve component) members. Even though the cost of a reserve component soldier or airman is significantly less than that of their active duty counterpart, the National Guard still falls victim to shifting national priorities.

It has become more difficult to retain members of the National Guard. Even though federal and state laws protect reserve component members from discrimination by employers, the requirements of many civilian jobs make it difficult to remain in the National Guard. What use to be a standard of 1 weekend per month and 15 days of summer training (39 total days per year in uniform) has become a thing of the past. Increases in civilian and military education requirements for promotion has taken a heavy toll on those members who do not have the time to commit. Military training requirements have also increased and intensified which also often requires that additional time be spent in uniform away from a civilian job. These increased time requirements also results in family conflicts.

Goal 1 : Maintain Army and Air National Guard strength at or above authorized levels.

Objective 2 : Retain soldiers and airmen at a rate established by state's Strength Management Plan.

Measure 1 : The year end rate of retention of Army and Air National Guard members.

	<u>FED.1993</u>	<u>FED.1994</u>	<u>FED.1995</u>	<u>FED.1996</u>	<u>FED.1997</u>	<u>FED.1998</u>
ARNG retention rate						
Actual	75.5%	80.2%	81.4%	82.8%		
Target	80%	80%	82%	82%	82%	82%
ANG retention rate						
Actual	92.1%	92.2%	95%	91.7%		
Target	92%	92%	92%	92%	92%	92%
Benchmark	92%	92%	92%	92%	92%	92%

DEFINITION :

The second component of a strength maintenance program is retaining or reenlisting soldiers and airmen in the Guard past the expiration of their term of enlistment. Strength management plans set goals for retaining a percentage of those eligible for discharge. the "rate of retention" is the percentage of those individual who are eligible to extend their enlistment and do so.

RATIONALE :

Each person who is convinced to remain in the National Guard is one less person that recruiters have to replace. It makes more sense for our organization to keep soldiers and airmen who already have the knowledge and experience rather than have to convince a new person to join and wait years for that person to develop that knowledge and experience. In many instances, the tuition reimbursement program has an impact on retaining soldiers and airmen wishing to continue their education after their initial term of enlistment expires.

A reader might wonder why not strive for 100% retention of all National Guard members. In order to provide continuing advancement opportunities for all ranks, officer and enlisted, there must be a controlled attrition program to make senior officer and non-commissioned officer positions available for career enhancement.

Target retention rates are set by the respective Army and Air National Guard strength management plans. The retention rates shown in the table above are determined by dividing the number of soldiers and airmen reenlisting by the total number of those eligible for discharge or separation for expiration of term of service or other "manageable" reasons.

DATA SOURCE :

Records of retention for the Army National Guard are maintained by the Recruiting branch located in the Roseville Training and Community Center. Air National Guard retention record are maintained in the agency's headquarters in St. Paul.

DISCUSSION OF PAST PERFORMANCE :

The Army National Guard suffered more losses than anticipated in 1992 and 1993, due primarily to a major reorganization and downsizing. That process caused a significant amount of turmoil within the Army National Guard. The force structure has since begun to stabilize and the Army Guard continues to retain its members at or above the established target.

The Air National Guard has enjoyed an above average retention rate, normally exceeding the established target.

PLAN TO ACHIEVE TARGETS :

Changes to the enlistment incentives statute in 1996 gave the department the flexibility to reestablish a reenlistment bonus that had been suspended since late CY 1991. This will add another benefit for commanders to offer those contemplating leaving the Guard.

The Army National Guard leadership and recruiting/retention personnel have been successful in reducing the impact of force structure decisions made at the national level. Performance standards have been established that emphasize retention initiatives to improve strength levels. Because of our ability to maintain a high level of strength in the Army Guard, increases in force structure (more units) have been authorized for Minnesota. Increased marketing efforts to sell all the enlistment (and retention) incentives are planned by recruiting and public affairs personnel.

In the Air National Guard more emphasis is being placed on retention as authorized force structure levels decline slightly. Recruiting and retention personnel will work under a team concept instead of separate entities, the common goal being to recruit and retain enough people to meet strength authorization goals.

OTHER FACTORS AFFECTING PERFORMANCE :

Some of the same factors that affect recruiting affect the ability to retain members past their initial enlistment period which is usually between 6 and 8 years. Reorganization of units, closing of facilities, changes in unit missions, family pressures, peer pressures and employment pressures are often roadblocks to retaining soldiers and airmen.

The tuition reimbursement program has a positive although limited impact on retaining members. Although use of the program is more common during first term members, pursuit of post secondary education often begins or continues into the late 20s and 30s due to career changes, requirements for military promotion or other civilian job requirements. The recent changes to the enlistment incentives statute authorizing a reenlistment bonus will greatly assist commanders in keeping quality individuals in the Guard.

As we seek and accept an increased role for the National Guard in our nation's defense, the time demands on our part-time members seem to increase accordingly and some members find it difficult to commit that additional time. Military and civilian educational requirements for advancement also prove to be too great when the civilian job and family come first.

Goal 1 : Maintain Army and Air National Guard strength at or above authorized levels.
Objective 3 : Maintain participation in the tuition reimbursement program at 25% of authorized strength

Measure 1 : Number of National Guard members who receive tuition reimbursement.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
Members reimbursed						
Actual	3024	2822	2706	2735		
Target	2921	2877	2839	2822	2822	2822

DEFINITION :

The measure is the number of National Guard members who receive tuition reimbursement in a fiscal year.

RATIONALE :

Since the inception of the tuition reimbursement program, individual reimbursements have been approximately 25% of total assigned strength of the Minnesota National Guard. Current base funding levels can only allow approximately that number to be reimbursed. This number seems to have leveled and is what we should expect to participate.

DATA SOURCE :

Records of individual receiving reimbursement are maintain in the Military Personnel Office in the department headquarters in St. Paul and the statewide accounting system.

DISCUSSION OF PAST PERFORMANCE :

Annual program usage has varied only minimally since the program's inception. The participation levels for fiscal years 1990 and 1991 were 2701 and 2921 respectively. The participation levels increased in 1992 and now show a slight decline in number but a rather consistent percentage of usage based on our total assigned strength. As our authorized strength levels decline, there are less position to recruit to, thus less enlistments.

When the program began, we were reimbursing students for credits in which they received "D". A factor contributing to the slight decline in participation is the fact that reimbursement is only granted for grade of "C" or above. This policy change is designed to encourage participants to achieve grades that will qualify for reimbursement.

Recruiting and retention personnel all agree that tuition reimbursement is probably the best benefit the National Guard has to offer. They feel that the more people who are participating in the program, the more chances we have retaining quality people.

PLAN TO ACHIEVE TARGETS :

The education services staff that administers the program frequently gives presentations to full-time staff and other members of the National Guard on the benefits and usage of the tuition reimbursement program. Revisions are made as necessary to the rules governing the program to help make it more easily understood. Making the program "user friendly" promotes usage and increases the percentage of members who use the program. Articles will be published in the department's internal publication, the Minnesota Militia, outlining the new program's benefits, publishing success stories and featuring other highlights about the program and the people who use it.

The Minnesota Army National Guard has acquired a tool to assist potential students plan and select their educational opportunities. The group charged with retaining current members uses the College Level Examination Program (CLEP) to provide current members under graduate college credits depending on how well they do on these tests. By encouraging members to take CLEP tests, it opens post-secondary educational opportunities and reimbursement for tuition when a person decides to use those CLEP credits to pursue an on-campus program.

Both Army and Air National Guard recruiting and plans call for increased advertising within the National Guard utilizing the command information program and outside the Guard using media designed to reach potential recruits. As members of our retention team interview those contemplating leaving the National Guard, they will continue to stress the benefits the Guard has to offer.

OTHER FACTORS AFFECTING PERFORMANCE :

The only factor that could significantly effect our performance is if tuition rates rise to the point where we would have to reduce the number participating to pay for the increased tuition of those that remain as participants. Future appropriations must be indexed to the inflation rate for the base tuition reimbursement rate - that being tuition being changed as state universities.

Goal 1 : Maintain Army and Air National Guard strength at or above authorized levels.
Objective 4 : Attain annual strength levels authorized by the National Guard Bureau

Measure 1 : Strength level attained and percent of target

	<u>FED.1993</u>	<u>FED.1994</u>	<u>FED.1995</u>	<u>FED.1996</u>	<u>FED.1997</u>	<u>FED.1998</u>
Yr-end strength-ARNG						
Actual	9227	9132	8991	9033		
Target	8816	9177	9010	9100	9500	9750
Percent of target-ARNG						
Actual	104.7%	99.5%	88.8%	99.3%		
Target					100%	100%
Yr-end strength-ANG						
Actual	2457	2378	2367	2258		
Target	2478	2386	2423	2258	2311	2311
Percent of target-ANG						
Actual	99.2%	99.7%	92.7%	97%		
Target					100%	100%

DEFINITION :

The measure is the total number of enlisted and officer personnel assigned to the Army National Guard and the Air National Guard at the end of the federal fiscal year.

RATIONALE :

At the beginning of each federal fiscal year, the appropriate service sections at the National Guard Bureau in Washington assign a year end strength goal or target. The entire recruiting and retention effort, utilizing state provided enlistment and retention incentives, strive to meet to exceed those targets. Often federal resources are contingent upon meeting those targets.

DATA SOURCE :

The year end strength numbers for the Army National Guard are available in the military personnel office in the department headquarters in St. Paul. The numbers for the Air National Guard are available from the Air National Guard headquarters in St. Paul.

DISCUSSION OF PAST PERFORMANCE :

The Army National Guard has had difficult in meeting year end strength targets for the last 3 years. Unit reorganizations, reductions in authorized strengths and closing of 12 armories have all caused turmoil among current members. Recruiting of new members has been mildly successful, however if 1000 new members are recruited and 1000 members leave the Guard, no progress has been made but much effort has been expended. The Air National Guard has traditionally been able to meet or exceed their annual end strength targets.

PLAN TO ACHIEVE TARGETS :

Both Army and Air Guard commanders have taken steps to stem the exodus of current members. Continued National Guard service is influenced by numerous factors out of our control such as physical condition, employment and family conflicts and relocation. Recruiting of new members continues to be a success story and if commanders can convince more members to stay when their enlistments expire, we can raise out end strength to meet assigned targets.

OTHER FACTORS AFFECTING PERFORMANCE :

To somewhat a lesser degree, recruiting efforts of other military service effect the availability of new members. We depend on enlisting experienced soldiers and airmen who are separated from the actives services. The general public attitude towards the military also influences peoples propensity to enlist. The inability to enlist females in combat related positions severely hampers recruiting efforts in those localities.

Goal 2 : Improve the diversity of National Guard membership.

Objective 1 : Increase the number of minorities in the National Guard by 1% per year.

Measure 1 : Number of minorities joined, total assigned and percentage of increase in assigned strength.

	<u>FED.1993</u>	<u>FED.1994</u>	<u>FED.1995</u>	<u>FED.1996</u>	<u>FED.1997</u>	<u>FED.1998</u>
Minorities joined						
Actual	60	71	94	107		
Target			80	85	85	97
Minorities assigned						
Actual	412	409	438	466		
Target			330	335	470	544
Percentage of increase						
Actual	.4%	-.7%	6.3%	6.3%		
Target		1.0%	1.0%	1.0%	1.0%	1.0%

DEFINITION :

The values shown represent the combined efforts of the Army and Air National Guard.

- * The number of minorities joined is a reflects our recruiting efforts.
- * The number of minorities assigned is the total number of minorities assigned.
- * The percentage show is the percentage of increase in total minorities assigned.

RATIONALE :

To increase minority membership in the National Guard, we must recruit new members and retain those minority members we now have. The measure of the "minorities joined" reflects the attractiveness of the tuition reimbursement and enlistment bonuses offered. The state provided enlistment incentives are the major tools used by recruiters to influence membership decisions. The measure "minorities assigned" is needed to calculate the percentage of increase each year. The percentage of increase indicates progress but is not necessarily tied to a specific target percentage of total membership.

DATA SOURCE :

Enlistment statistics are maintained in the departments automated personnel system located in the department headquarters in St. Paul. The status of minority recruiting and retention is reported annually to the National Guard Bureau by the National Guard's Human Relations and Equal Opportunity Officer.

DISCUSSION OF PAST PERFORMANCE :

The Army National Guard recruiting force has, for many years, tried to increase the number of minority enlistments and officer appointments. They have used current minority members as centers of influence to gain inroads to the minority community. They have advertised in minority publications, displayed at job fairs, recruited more intensely in schools having high minority populations and been involved in numerous special efforts to recruit minorities. Some specific examples of our recent efforts are:

- * Involvement with various cultural celebrations.
- * Established recruiting booths at various minority career fairs.
- * Maintained personal and written contacts with minority organization leaders.
- * Actively affirmatively to fill vacant positions in the recruiting retention force with minorities.
- * Placed special emphasis in recruiting current members for leadership positions, e.g. senior enlisted positions, officer and warrant officer positions. Role models are essential in our efforts to recruit and retain minorities.

In Minnesota, minorities have not traditionally enlisted in the National Guard in numbers that represent their population in the community. That is not entirely from our lack of efforts. Even though overall strength has declined in recent years, the total number of percentage of minorities in the Guard has increased slightly because minority members tend to remain in Guard longer (in greater percentages) than do non-minority service members.

PLAN TO ACHIEVE TARGETS :

The Army National Guard has specified a group of people within the recruiting branch to focus on special markets, the minority recruiting market being one of those. The National Guard will increase their efforts to become more visible at activities in the minority community as a way to tell the story of the National Guard. We will more fully utilize the minority members that have been hired to the Army National Guard's full-time recruiting force and minority National Guard members as centers of influence to gain inroads to the black, hispanic and asian communities.

OTHER FACTORS AFFECTING PERFORMANCE :

The attractiveness of full-time careers in the armed forces causes minorities to enlist there in far greater proportions than those enlisting in reserve components. Reserve component duty entails 39 days per year for most individuals and does not provide enough income to be a sole source. There are always attractive opportunities available in the active forces whereas the local economy might not provide adequate employment opportunities for minority members.

Goal 2 : Improve the diversity of National Guard membership.
Objective 2 : Increase the number of females in the National Guard by 1% per year.

Measure 1 : Number of females joined, assigned and percentage of increase in total female strength.

	<u>FED.1993</u>	<u>FED.1994</u>	<u>FED.1995</u>	<u>FED.1996</u>	<u>FED.1997</u>	<u>FED.1998</u>
Females enlisted						
Actual	146	143	196	216		
Target					204	196
Total females assigned						
Actual	1104	1080	1121	1159		
Target			822	810	1304	1431
Percentage of increase						
Actual	14.4%	-2.1%	1.5%	2.6%		
Target	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

DEFINITION :

The values show represent combined efforts of the Army and Air National Guard.

The "females joined" measure in the table above reflects our effort to recruiting efforts females.

The "total females assigned" measure reflects the total number of females assigned.

The "percentage of increase" measure reflects the percentage increase in total females assigned. It is used only to reflect progress and is not tied to a specific goal.

RATIONALE :

Nearly all positions in the Air National Guard can be occupied by females. This greatly enhances their ability to recruit females. Many of the Army National Guard positions are combat related and cannot be occupied by females which inhibits their ability to enlist females in certain locations.

Legislation authorizing enlistment incentives for the department requires that the department "make a specific effort to recruit and retain women and members of minority groups into the Guard through the use of the tuition reimbursement, bonus and reenlistment bonus programs". (M.S. 192.501, subd. 3 as amended). Recent amendments to that statute requires that such efforts be reported in the agency's performance report.

Although the number of females enlisted is a measure of recruiting success, the total number assigned also reflects our ability to retain females in the National Guard. If you recruit 10 new female members and 10 leave the Guard, no actual progress is made toward the objective of increasing the number of females.

DATA SOURCE :

Records of enlistment of females in the National Guard are maintained at the department headquarters in St. Paul,

DISCUSSION OF PAST PERFORMANCE :

Both the Army and Air National Guard continue to increase the time and money dedicated to female recruiting and retention. Except for a slight down turn between 1993 and 1994, the results of that effort are shown by significant increases in female enlistments as well as increases in total females assigned.

PLAN TO ACHIEVE TARGETS :

The Air Army Guard recruiting force continues to place special emphasis on recruiting females in those units that are authorized to accept females. The offering of the tuition reimbursement program and the newly authorized enlistment bonuses will be an integral part of their benefit package.

OTHER FACTORS AFFECTING PERFORMANCE :

The major military structure of the Minnesota Army National Guard is an infantry division. As such, a majority of the positions available are in combat units, i.e. infantry, artillery, armory, combat engineers, etc. Few positions in those types of unit can be occupied by females. This continues to be a limiting factor for the Army Guard as it eliminates a sizeable recruiting population (females) in some geographical areas. The recruiting branch has tried to enlist people from one area for duty to another and found that it produces results but is not to be ideal because of travel distances and other training factors.

GLOSSARY

ADA	Americans with Disability Act
ANG	Air National Guard
ARNG	Army National Guard
BMAR	Backlog of Maintenance and Repair
BOMA	Building Owners and Managers Association
CAPRA	Capital Asset Preservation and Replacement Account

APPENDIX**AGENCY : Information Regarding Report Development and Employee Participating**

This report was developed without involvement of a formal "employee participation committee". Employees from budget program areas were actively involved in refining objectives, measures and data collection. Data collection still remains a difficult issue for our department. Further complicating meaningful measuring in the infusion of federal dollars in some phases of our facilities management program. We have tried to provide a report that truly reflects our performance in key agency programs that are funded with state general fund dollars.

Even though the department has three budget programs funded with general fund dollars and only two were considered to be "key agency programs", Maint-Training Facilities and Enlistment Incentives. Previous report included the General Support Budget program which simply provides management and technical services in support of the key agency programs. Although information about that budget program is not included in the data base at time of this writing, appropriate general information will be provided in the data base. A new program was developed for this budget cycle to clarify the receipt of federal construction dollars - the Military Construction budget program. There are no state general fund dollars in this program, therefore, it has not been included in this report. A fifth program was added to the BIS structure for this budget cycle in anticipation of funding being provided to the department to support the Governor's anti-crime initiative. No funding has been provided at this time.

Another challenge facing the agency with reference to this report is to use it as an internal management tool. The agency has chosen to report its performance at the program level and is not utilizing the report's management budget activity and management activity features. In some instances, the agency's budget structure could be modified to align it more with the program management structure. Once we have settled and become comfortable with the new BIS structure, such changes will be considered.