

**Maryland Military Department
Testimony**

Fiscal Year 2016 Operating Budget

**Presented to
Senate Health and Human Services (HHS) Subcommittee
March 9, 2015**

**House Public Safety and Administration (PSA) Subcommittee
March 4, 2015**

Introduction

The Maryland Military Department appreciates this opportunity to update the committee on the activities of the Department and to respond to the issues raised and recommendations contained in the operating budget analysis prepared by the Department of Legislative Services (DLS).

This document contains the following information:

1. Highlights of the Maryland Military Department's key accomplishments of the past year.
2. A discussion of the key issues affecting the Department, as discussed in the analysis prepared by the Department of Legislative Services (DLS).
3. The Department's response to the recommendations of the Department of Legislative Services

Key Accomplishments

I am pleased to submit to the budget committees our key accomplishments in fiscal year 2014 for the Maryland Military Department. This summary incorporates the accomplishments of the Maryland Army National Guard, Maryland Air National Guard, Maryland Emergency Management Agency (MEMA) and Maryland Defense Force (MDDF).

The Maryland Army and Air National Guard have continued to support many overseas contingency operations. In addition, to supporting operations in Afghanistan, our military personnel have served in Estonia, Poland, Bosnia, & Herzegovina and on our southwest border with Mexico. Furthermore, our personnel from all branches of our department were mobilized for state service during the severe snowstorm in February of 2014.

2014 was the 200th anniversary of the War of 1812's Battle of Baltimore. This was commemorated during the Star Spangled Spectacular celebration which saw heavy participation from the Maryland National Guard, the Maryland Defense force, and the Maryland Emergency Management Agency. Highlights of the celebration included Military Department support for the Battle of Caulk's Field in Kent County on August 31, the March of the Defenders from Baltimore to North Point on September 11, and the raising of the colors over Fort McHenry in the Baltimore Harbor on September 13.

The Department remains a solid contributor to the economic strength of Maryland as our fiscal impact totaled \$314 million. The Department's ratio of federal dollars spent for each state dollar invested is

nearly 25 to 1. We continue to provide employment and education opportunities to Marylanders while providing our citizens an opportunity to serve our state and our nation.

The Maryland Military Department remains a “relevant and ready” force prepared to serve the needs of our state and nation as we continue a new chapter in our long and distinguished history. Thank you for your support.

Key Issues and Discussion:

1. National Guard Facilities Fail to Reach Maintenance Goals: *The Military Department should comment on the state of Maryland's Army Guard facilities and discuss whether operating maintenance funding and capital projects in the CIP will improve the facility ratings. (DLS Analysis page 3 &7).*

Agency Response:

The Military Department's (DMIL) Army Operations and Maintenance Program are tasked with operating and maintaining thirty-six (36) Readiness Centers in nineteen (19) counties and Baltimore City. In addition there are, three (3) Army Aviation Facilities, one (1) Airbase, various vehicle, equipment and aircraft maintenance facilities, and four training sites. These facilities account for just over 324 buildings and 5,099 acres of land. The program's Managing for Results (MFR) goal is to maintain 95 % or more of the facilities in a fully functional status in compliance with National Guard Bureau (NGB) requirements which has been consistently missed. The significant decrease in fully functional facilities in FY14 is primarily due to updated federal Installations Status Report (ISR) criteria to include current DoD force protection (anti-terrorism), energy/environmental, and HVAC system standards.

Although, the state is currently faced with a difficult fiscal climate, the Department will continue to work with key state and federal stakeholders to obtain the necessary state and federal funds needed to improve facilities and address repair and maintenance backlogs. Obtaining the required state matching funding within the Department's operating and capital budgets is critical when leveraging federal funds to build new facilities and renovate existing facilities. The capital improvement plan (CIP) projects will improve our facility rating. However, due to the current fiscal climate, the amount of federal funding available and the number of projects that will be approved annually will be limited. In addition, the CIP does not address the shortfalls the Department currently has for funding on-going repair and maintenance requirements at existing facilities.

2. Freestate Challenge Academy Performance Below Objective for Continued Education, Employment or Military Service: *The Military Department should comment on the significant decrease in graduates who continued schooling, became employed, or entered military service after the academy in fiscal years 2013 and 2014, and any efforts that the department is making to meet this objective. (DLS Analysis page 3 & 8).*

Agency Response:

The Department has taken corrective action and reorganized the post residential section and implemented a new tracking system. As a result, the percentage of graduates who continue working after graduation has increased from 31% in FY13 to 72% in FY15. The Department anticipates that it will continue to annually exceed the Managing for Results (MFR) goal of 60% of graduates who continue to work. See attached chart.

3. Cost Containment: *DLS requests that the Military Department describe how the department plans to implement the general 2% ATB reduction.*

Agency Response:

As directed by the incoming Adjutant General, the Department is currently updating its strategic plan and strategic budget. Once these actions have been completed, the Department will be in a position to determine how to best implement the proposed 2% across the board (ATB) reduction.

RECOMMENDED DLS ACTIONS:

Recommendation #1: Adopt the following language, MEMA Performance Data (DLS Analysis pages 3 & 14):

The DLS recommends that budget committees adopt committee narrative expressing intent that MEMA provide more detailed agency objectives and performance measures for the Managing for Results section of the fiscal 2017 budget books, and for subsequent fiscal years.

Agency Response:

The Department concurs with the DLS recommendation.

Recommendation #2: Executive Pay Plan (DLS Analysis pages 11 & 12):

DLS recommends the salaries for the Military Department's EPP positions be reviewed and adjusted appropriately.

Agency Response:

The Department concurs with the DLS recommendation and will work with the Department of Budget and Management to ensure that EPP salaries are properly reflected in the operating budget.

% of Graduates with Continued Education, Employment, or Military Service After Graduation

Class 41 - ALL	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	14%	31%	43%	47%	53%	53%	X	45%	45%	63%	68%	72%
% Not Placed	86%	69%	57%	53%	47%	47%	X	55%	55%	37%	32%	28%
% No Contact	7%	7%	1%	1%	1%	1%	X	15%	11%	5%	0%	0%

Class 41 - 1	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	27%	40%	60%	47%	53%	87%	X	87%	73%	73%	80%	80%
% Not Placed	73%	60%	40%	53%	47%	13%	X	13%	27%	27%	20%	20%
% No Contact	0%	0%	0%	0%	0%	0%	X	0%	0%	0%	0%	0%

Class 41 - 2	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	7%	36%	43%	50%	50%	50%	X	50%	50%	57%	64%	64%
% Not Placed	93%	64%	57%	50%	50%	50%	X	50%	50%	43%	36%	36%
% No Contact	0%	14%	0%	0%	0%	1%	X	0%	0%	0%	0%	0%

Class 41 - 3	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	13%	31%	25%	38%	44%	50%	X	19%	25%	69%	75%	75%
% Not Placed	87%	69%	75%	62%	56%	50%	X	81%	75%	31%	25%	25%
% No Contact	0%	0%	0%	0%	0%	0%	X	0%	0%	0%	0%	0%

Class 41 - 4	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	5%	20%	25%	45%	55%	70%	X	30%	25%	60%	55%	60%
% Not Placed	95%	80%	75%	55%	45%	30%	X	70%	75%	40%	45%	40%
% No Contact	5%	0%	0%	0%	0%	1%	X	30%	25%	5%	0%	0%

Class 41 - 5	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	13%	27%	53%	47%	53%	47%	X	47%	40%	67%	67%	73%
% Not Placed	87%	83%	47%	53%	47%	53%	X	53%	60%	33%	33%	27%
% No Contact	33%	0%	0%	13%	0%	20%	X	33%	20%	13%	0%	0%

Class 41 - 6	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	0%	27%	40%	33%	47%	40%	X	27%	33%	33%	47%	53%
% Not Placed	100%	83%	60%	67%	53%	60%	X	73%	67%	67%	53%	47%
% No Contact	7%	13%	0%	0%	0%	13%	X	33%	27%	13%	0%	0%

Class 41 - 7	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	31%	39%	62%	69%	62%	62%	X	62%	62%	85%	100%	100%
% Not Placed	69%	31%	38%	31%	38%	38%	X	38%	38%	15%	0%	0%
% No Contact	0%	7%	0%	0%	0%	31%	X	23%	0%	8%	0%	0%

Class 41 - 8	PR 1	PR 2	PR 3	PR 4	PR 5	PR 6	PR 7	PR 8	PR 9	PR 10	PR 11	PR 12
% Placed	20%	33%	47%	53%	60%	33%	X	47%	47%	60%	67%	73%
% Not Placed	80%	67%	53%	47%	40%	67%	X	53%	53%	40%	33%	27%
% No Contact	0%	0%	0%	0%	0%	0%	X	0%	1%	0%	0%	0%