

**Military Department
Summary of Recommendations - House**

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Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$30,400,785	\$30,478,681	\$77,896	0.3%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$30,400,785</i>	<i>\$30,478,681</i>	<i>\$77,896</i>	<i>0.3%</i>
Federal Funds	\$146,008,015	\$139,817,638	(\$6,190,377)	(4.2%)
Other	\$46,515,194	\$20,075,000	(\$26,440,194)	(56.8%)
All Funds	\$222,923,994	\$190,371,319	(\$32,552,675)	(14.6%)

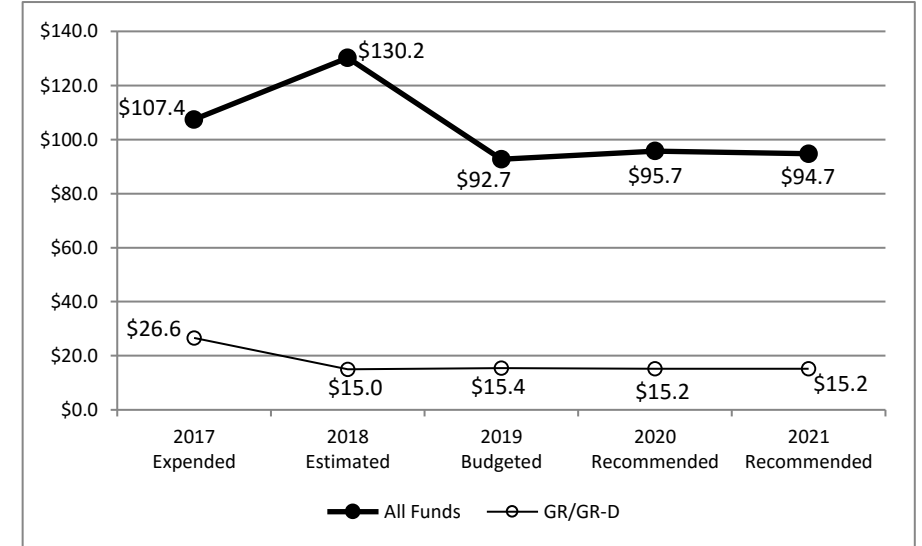
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	569.0	569.0	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

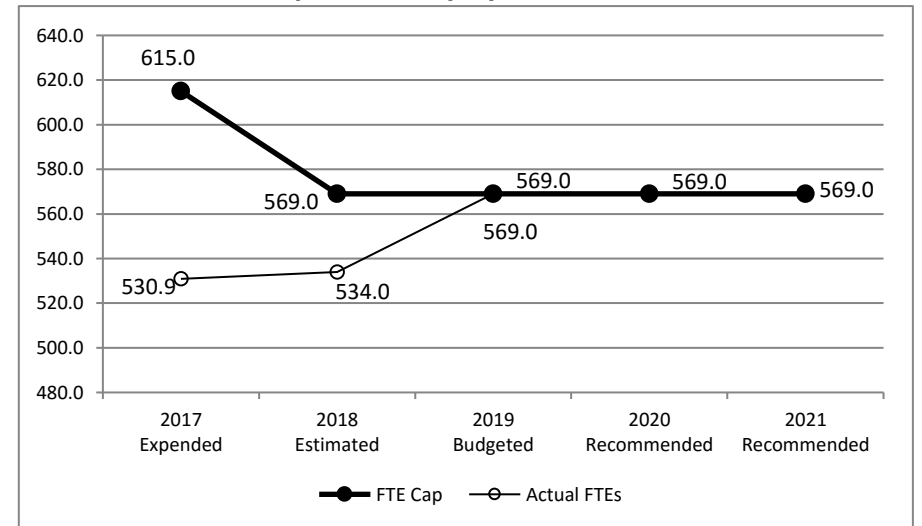
- The Texas Military Department (TMD) is under Strategic Fiscal Review (SFR) for the Eighty-sixth Legislative Session.
- TMD failed to comply with numerous deadlines and data requests related to the SFR.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



**Military Department
Strategic Fiscal Review Program Summary - House**

Military Department

The mission of the Texas Military Department is provide the Governor and President with ready forces in support of state and federal authorities at home and abroad.

Mission Centrality/Authority		
	Centrality	
	9%	15%
		74%
Authority	<1%	3%

					2018-19 Base Funding	2020-21 Recommendations	Percent Change from Base	GR-Related Percentage of Rec. Total	2020-21 Agency Total Request
Total Budget	100%	Budget, Ordered by Mission Centrality and Authority	Strategy	Agency Ranking	\$222,923,994	\$190,371,319	-15%	16%	\$362,622,320
		<i>Indirect Administration</i>	4.1.1 Indirect Administration	1	\$5,968,131	\$5,968,411	0%	100%	\$10,468,412
97%		State Training Missions -- Community Health Programs	1.1.2 State Training Missions	13	\$73,482	\$100,000	36%	100%	\$100,000
97%		Border Security	1.1.2 State Training Missions	17	\$8,077,000	\$3,000,000	-63%	0%	\$3,000,000
95%		Mental Health Services	3.1.3 Mental Health Initiative	7	\$1,911,600	\$1,911,600	0%	100%	\$2,279,600
94%		Ellington Firefighters	2.2.1 Firefighters - Ellington Afb	14	\$3,432,168	\$3,432,168	0%	0%	\$3,432,168
92%		Youth Education Program -- Museum	3.1.1 Youth Education Programs	11	\$350,000	\$350,000	0%	100%	\$350,000
92%		Youth Education Program -- Starbase Program	3.1.1 Youth Education Programs	10	\$2,180,000	\$2,180,000	0%	0%	\$2,180,000
91%		Youth Education Program -- Challenge Program	3.1.1 Youth Education Programs	9	\$10,670,340	\$9,717,340	-9%	0%	\$9,717,340
86%		State Training Missions -- Border Star	1.1.2 State Training Missions	16	\$3,850,000	\$3,700,000	-4%	0%	\$3,700,000
84%		Debt Service	2.1.2 Debt Service	15	\$2,494,300	\$2,514,900	1%	100%	\$2,514,900
83%		State Training Missions -- Distance Learning	1.1.2 State Training Missions	12	\$700,000	\$700,000	0%	0%	\$700,000
82%		State Military Tuition Assistance	3.1.2 State Military Tuition Assistance	8	\$3,002,928	\$3,002,928	0%	100%	\$3,682,928
81%		Utilities	2.1.3 Utilities	3	\$17,780,000	\$17,560,000	-1%	11%	\$17,560,000
72%		State Active Duty -- Disaster	1.1.1 State Active Duty - Disaster	6	\$35,678,870	\$592,458	-98%	100%	\$592,458
71%		State Training Missions -- Training Activities	1.1.2 State Training Missions	5	\$1,178,802	\$1,175,420	-0%	100%	\$1,175,420
71%		State Training Missions -- Administration	1.1.2 State Training Missions	4	\$4,459,354	\$4,436,218	-1%	100%	\$19,161,862
68%		Facilities Maintenance	2.1.1 Facilities Management & Operations	2	\$121,117,019	\$130,029,876	7%	6%	\$282,007,232

Note: Indirect administration program names are italicized, and not included in the Mission Centrality / Authority Matrix.

**Military Department
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A	Detail in SFR Appendix 5	
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A and SFR Appendices, when applicable):								
A)	Hurricane Harvey - Decrease in Federal Funds and Governor's Emergency and Deficiency grants (Other Funds).	\$0.0	\$0.0	(\$26.8)	(\$8.3)	(\$35.1)	A.1.1	Appendix 5f
B)	Border Security - Decrease of \$5.1 million in Other Funds (Interagency Contracts from DPS) for National Guard surge deployment and \$0.1 million for the Border Star program.	\$0.0	\$0.0	\$0.0	(\$5.2)	(\$5.2)	A.1.2.	Appendix 5q, 5r
C)	Challenge Academy - Decrease in Foundation School Program funding (Other Funds) due to the consolidation of the two academies and the closure of the Sheffield location.	\$0.0	\$0.0	\$0.0	(\$1.0)	(\$1.0)	C.1.1.	Appendix 5i
D)	Federal Funds - Agency anticipated increase.	\$0.0	\$0.0	\$20.7	\$0.0	\$20.7	B.1.1., B.1.3.	Appendix 5b, 5c, 5f, 5i, 5j, 5m, 5o
E)	Economic Stabilization Fund - Decrease of one-time deferred maintenance and State of Texas Armory Revitalization funding.	\$0.0	\$0.0	\$0.0	(\$16.3)	(\$16.3)	B.1.1.	Appendix 5b
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A and SFR appendices, when applicable):								
F)	Increase of \$77,896 in General Revenue to reflect current data center services estimates.	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	B.1.1.	Appendix 5b
G)	General Obligation Bond Proceeds - Decrease as the bonds appropriated in previous biennia have been fully expended.	\$0.0	\$0.0	\$0.0	(\$0.7)	(\$0.7)	B.1.1.	Appendix 5b
H)	Current Fund Balance - Increase of \$5.0 million to maintain 2018-19 appropriated estimate from the sale of property.	\$0.0	\$0.0	\$0.0	\$5.0	\$5.0	B.1.1.	Appendix 5b
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.1	\$0.0	(\$6.1)	(\$26.5)	(\$32.5)	As Listed	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.1	\$0.0	\$20.7	\$5.0	\$25.8	As Listed	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	(\$26.8)	(\$31.5)	(\$58.3)	As Listed	As Listed

NOTE: Totals may not sum due to rounding.

**Military Department
Selected Fiscal and Policy Issues - House**

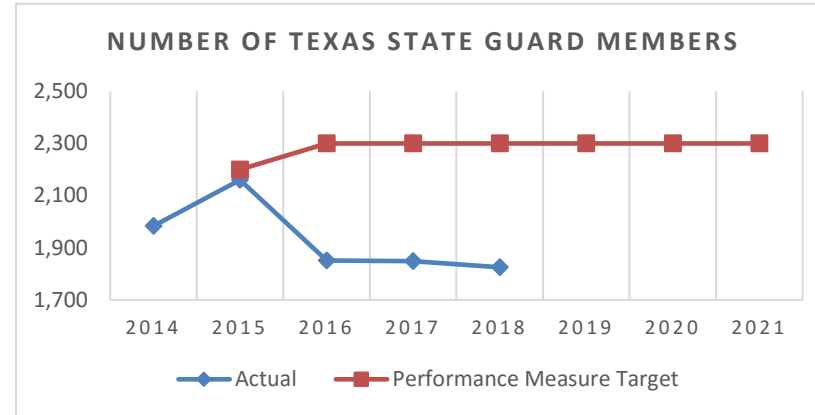
1. **Strategic Fiscal Review.** The agency is currently under Strategic Fiscal Review (SFR) for the Eighty-sixth Legislative Session. Significant observations and considerations include:
- The Texas Military Department (TMD) submitted 24 programs for consideration; however, the program structure was revised to combine all facilities maintenance programs, to create a new program for utilities to be consistent with the agency's revised budget structure, and to eliminate the Youth Education – Counter Drug program as it is no longer associated with youth education and includes no funding. The revised program structure includes 17 programs, all of which were reviewed for this analysis. The assessment of mission centrality and authority highlights that TMD operates four programs with strong mission centrality and authority.
 - The agency operates one indirect administrative program which represents \$6.0 million or 16 percent of the agency's General Revenue Appropriations.
 - In addition to the recommendations included for 2020–21, two alternative funding options are presented for consideration in the areas of state military tuition assistance and the TMD museum.

See the SFR Appendices for additional information.

2. **Mental Health Services Program.** Recommendations maintain \$1.9 million in General Revenue in the Mental Health Services Program in the 2020–21 biennium. The mental health initiative provides counseling and crisis intervention services to Texas Military Forces (TXMF) members, veterans of the TXMF, other veterans, state employees, and employee family members who require mental health services. TMD counseling services are linked to veteran and civilian provider networks and make referrals as appropriate. The performance measure associated with this program measures only National Guard members receiving services. The program's authority is in rider only. The GAA does not define to whom TMD may provide these services.

While appropriations for this program have steadily increased, the number of National Guard members served significantly decreased in fiscal years 2017 and 2018. The 2018–19 performance target was 13,170 clients served and the 2018 actual performance was 4,176. In its LAR, TMD showed a target of 4,950 for 2019 budgeted and 2020–21 requested. TMD associated the inability to meet the performance target with counselor vacancies in FY 2018. However, that was not reflected in the LAR and TMD did not lapse funds in FY 2018. The agency has no UB authority for this purpose. If the Eighty-sixth Legislature defines who is eligible for mental health services, the measure would be revised accordingly.

3. **Request for Texas State Guard Expansion.** Not included in the recommendations is \$12.8 million in General Revenue and 45.0 full-time equivalent (FTE) positions to increase the number of State Guard members from 1,825 to 5,000 by fiscal year 2021. This is the agency's first priority exceptional item. The State Guard is a volunteer militia that performs missions within the state at the direction of the Governor. Unlike National Guard members, State Guard members serve without a service commitment and no required federal military training. Benefits include a daily stipend for training and during state emergency activations, paid military leave for state employees, job protection when called to duty, and college tuition assistance. The performance target for the number of State Guard members has been 2,300 for the past two biennia. TMD's actual State Guard membership was 1,849 in fiscal year 2017 and 1,825 in fiscal year 2018. As of January 2019, there are 1,890 Texas State Guard members. The Sunset Report cited low morale and lack of institutional support and engagement as reasons for declining State Guard membership.



4. **Challenge Academy.** Recommendations include a \$1.0 million decrease in Interagency Contracts—Foundation School Program Fund (FSP) (Other Funds) as the result of the agency’s plan to consolidate the two Challenge campuses into one. The 2018–19 graduation targets were 230 youth in two Challenge Academies located in Sheffield and Eagle Lake. TMD requested the funding decrease and a target of 260 youth graduating the program each fiscal year of the 2020–21 biennium. The agency plans to consolidate the two academies in Eagle Lake and close the Sheffield location. This recommendation aligns with Sunset recommendations.
5. **Federal Funds.** In its LAR, TMD estimated \$139.8 million in Federal Funds for the 2020–21 biennium. This is a \$6.2 million decrease compared to the 2018–19 base as the result of the following:
- Hurricane Harvey Public Assistance grants – \$26.8 million decrease;
 - No assumed decrease of education related Federal Funds – TMD estimated a decrease of \$1.0 million in FSP funding, but estimated no decrease in Federal Funds. Both FSP and Federal funding for this purpose are associated with the number of students enrolled and participating in the Challenge program. **If the number of students participating decreases in the 2020–21 biennium, the Federal Funds for this program will also decrease.**
 - No assumption of state funds for deferred maintenance or State of Texas Armory Revitalization – TMD estimated a \$20.9 million increase in Federal Funds for facilities maintenance. Federal matching funds for this purpose vary based on the project, but are provided commensurate to the state’s contribution for this purpose. **The level of federal funding will decrease if the state’s share of facilities maintenance funding decreases from the \$16.3 million in ESF appropriated in the 2018–19 biennium.**
6. **Hurricane Harvey.** Not included in the recommendations is fiscal year 2018 funding for the deployment of the Texas Military Forces for disaster relief missions during and after Hurricane Harvey. In fiscal year 2018, TMD was granted \$26.8 million in Federal Funds and \$30.0 million in Governor’s Emergency and Deficiency grants for this purpose. TMD has reimbursed the Governor’s Office \$21.7 million of the grant.
7. **Facilities Maintenance Funding.** Recommendations eliminate \$16.3 million in one-time Economic Stabilization Funds (ESF) for the 2020–21 biennium. TMD divides its facilities maintenance funding into two categories: State of Texas Armory Revitalization (STAR) program and deferred maintenance projects.
- STAR – The program’s mission is repair and rehabilitation of state–owned or leased facilities used by TXMF members. The program was launched in 2014 as a 10-year plan to address TMD’s armory maintenance. The program’s inception occurred after the Eighty-third Legislature, 2013, completed its deliberations,

so no funding was appropriated for STAR until the 2016–17 biennium. The STAR program’s primary objective is to bring 22 of 65 armories up to code by the end of 2021. The table below shows the history of STAR funding:

STAR	2016 Expended	2017 Expended	2018 Expended	2019 Budgeted
GR-D	\$9,379,950	\$9,780,954		
ESF			\$5,500,000	\$5,500,000
FF	\$14,593,750	\$14,593,750	\$7,938,914	\$7,938,914
Total	\$23,973,700	\$24,734,704	\$13,438,914	\$13,438,914

- Deferred Maintenance – The program’s mission is general ongoing maintenance of facilities and necessary replacement projects to reduce additional deferment costs and deterioration of health and safety standards.

The Eighty–fifth Legislature, 2017, appropriated the ESF as well as \$27.4 million in estimated federal matching funds for various repair and rehabilitation projects. In its LAR, TMD estimated a \$20.9 million increase in federal matching funds in the 2020–21 biennium despite the uncertainty of a state appropriation. **Federal funds awards could be significantly lower than TMD estimates dependent on whether and how much the Eighty–sixth Legislature appropriates in state funds for this purpose.**

Not included in the recommendations is \$55.8 million in General Revenue and \$96.2 million in matching Federal Funds for the agency’s third exceptional item for STAR and Deferred Maintenance.

8. **Border Security.** Recommendations eliminate \$5.1 million in Interagency Contracts (Other Funds) with DPS. DPS was appropriated \$8.8 million in General Revenue for a surge contingency in the 2018–19 biennium, \$5.1 million of which was transferred to TMD for National Guard deployment at the Texas–Mexico border. With the funding of 500 additional DPS troopers for deployment in the border regions since FY 2016, recommendations also eliminate the surge contingency funding at DPS. Recommendations include \$3.0 million in Other Funds for Operation Drawbridge for camera installation and replacement, and \$3.7 million in Other Funds for Border Star, the program that provides personnel and equipment, including support necessary to perform administrative and operational tasks, to joint border security operations centers.
 - Through the first half of 2018, the Governor deployed a monthly average of 120 National Guard members to the US–Mexico border.
 - In April 2018, in response to the President’s order to ramp up border security, Governor Abbott increased deployment to 1,000 National Guard members. At that time, the missions became federally funded.
 - As of January 2019, there are approximately 1,222 Army National Guard members in Texas in support of the President’s Border Security Initiative. There are currently 43 Texas State Guard members on the border, active under Operation Drawbridge and Operation Border Star, funded by state initiatives.
9. **Sunset Review.** The Sunset Advisory Commission recommends continuation of TMD for another 12 years. The Commission adopted the following recommendations, which overall have no fiscal impact. Relocation of the Sheffield Challenge Academy campus to a new location as recommended will likely have substantial costs involved, including the purchase or lease of new property and potential renovations. However, the ultimate fiscal impact will depend on the specific facility identified and coordination with federal agencies, and so cannot be estimated at this time. According to Sunset staff, closing the Sheffield campus without relocation would result in an annual savings of approximately \$950,000 in state funds and an annual loss of about \$2.25 million in federal funds received by the program.
 - Texas continues to need the Military Department, but with a better focus on state affairs among its many federal priorities. Sunset recommends that the adjutant general’s responsibilities be clarified and internal oversight, supervision, and support of the department’s state employees and functions be improved.

- TMD lacks key management tools needed to resolve persistent purchasing problems. Sunset recommends that the department improve planning and implementation of purchasing policy changes, track and report performance of all phases of the process, and develop a process for programs to share information about timelines and needs to assist in prioritization.
- The State Guard needs better support and strategic direction from TMD. The absence of strategic direction and active management by TMD has left the State Guard unable to consistently prepare for and provide mission capabilities and has placed undue burdens on individual members. Sunset recommends that TMD evaluate State Guard missions and establish strategies to support the program and provide State Guard members access to the TMD ombudsman to report program concerns.
- The Challenge Academy's Sheffield campus is an unsustainable location that does not best serve at-risk youth or the State. The campus experiences perpetual and critical staffing shortages and has not met its graduation rate target for three consecutive years. Difficulties recruiting and retaining staff and students have undermined the success of the campus and increased potential liabilities to the state by making the campus expensive and inefficient to operate safely. Sunset recommended that TMD identify options for relocating the Sheffield campus by January 1, 2019, with the goal of preserving federal funding and other Challenge program benefits, and that TMD close the Sheffield location in March 2020 regardless of whether relocation is feasible. The last class graduated from the Sheffield location August 18, 2018 and the facility was officially closed December 31, 2018, after property distribution and clean-up. TMD reduced Foundation School Program funding estimates by \$1.0 million and revised its graduation performance target to reflect the facility closure.
- TMD does not effectively target State Tuition Assistance to maximize impact of limited funds. TMD does not strategically target the state military tuition assistance awards it provides and does not effectively measure the impact of the program or how the program contributes to the overall mission of the department. TMD does not promote the program effectively to all members of the National Guard and State Guard, resulting in very low percentages of members applying or receiving tuition awards each semester. Sunset recommends that TMD establish updated goals to target use of limited state tuition assistance benefits and collect information to measure performance, and to update informational and training materials for potential applicants.

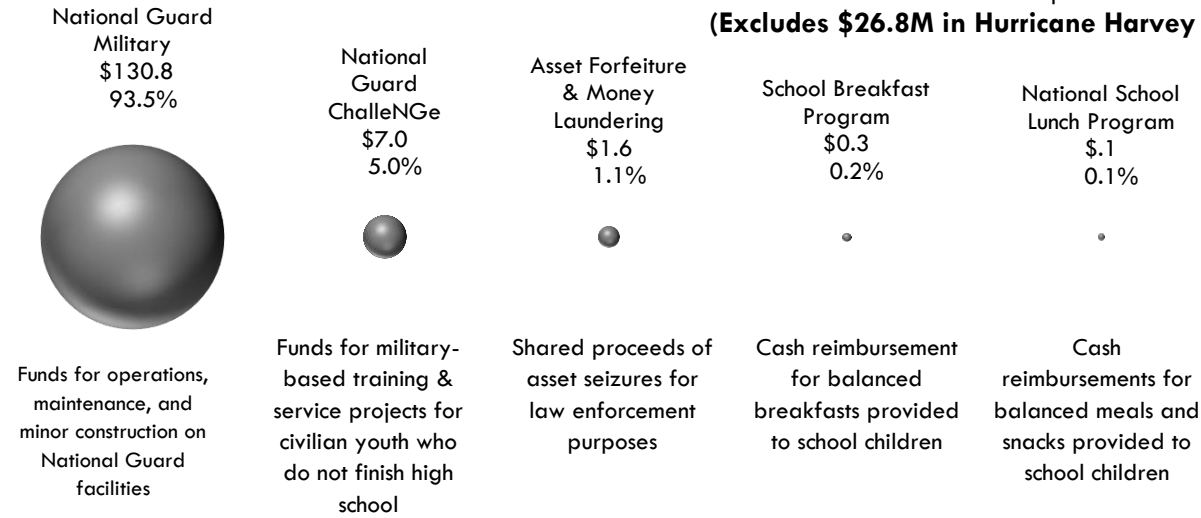
10. State Auditor's Office Financial Processes Review. The State Auditor's Office's (SAO) audit was to determine whether TMD has processes and related controls to help ensure that it administers financial transactions in accordance with applicable statutes, rules, and the agency's policies and procedures. The audit covered the agency's activities related to contracting, asset management, payments, and related information systems for the first nine months of fiscal year 2017. The SAO audit identified three weaknesses for which it made recommendations:

- Contracting Processes. While the agency had a documented contract handbook and purchasing procedures, its contracting processes were not sufficient to ensure that it consistently performed required activities. SAO recommends that TMD document which state law and regulation it will follow for construction contracts, develop and implement policies and procedures to ensure that it has a complete and accurate list of all contracts awarded, and report contracts on its website and to the Legislative Budget Board as required.
- State Property Accounting. The agency did not report all acquired assets to the State Property Accounting (SPA) system as Texas Government Code, Section 403.273, required and in accordance with the Office of the Comptroller of Public Accounts' *SPA Process User's Guide*. SAO recommends that TMD develop and implement detailed policies and procedures for the acquisition and disposition of assets and update the assets reported in SPA after completing the inventory of the assets.
- Vendor Payments. While TMD had processes in place to ensure that its payments were allowable, properly supported, and approved, the agency did not consistently pay vendor invoices within 30 days of receipt of the invoice or the good/service. As a result of overdue payments, the agency paid \$22,845 in interest to vendors. SAO recommends that TMD process its payments to vendors within 30 days after the latter of receiving the goods, completion of the service, or receipt of the invoice for the goods or service and to consistently follow its procedures for processing payments.

Military Department

Summary of Federal Funds (2020 - 21) - House

Total \$139.8M
 (Excludes \$26.8M in Hurricane Harvey Public Assistance)



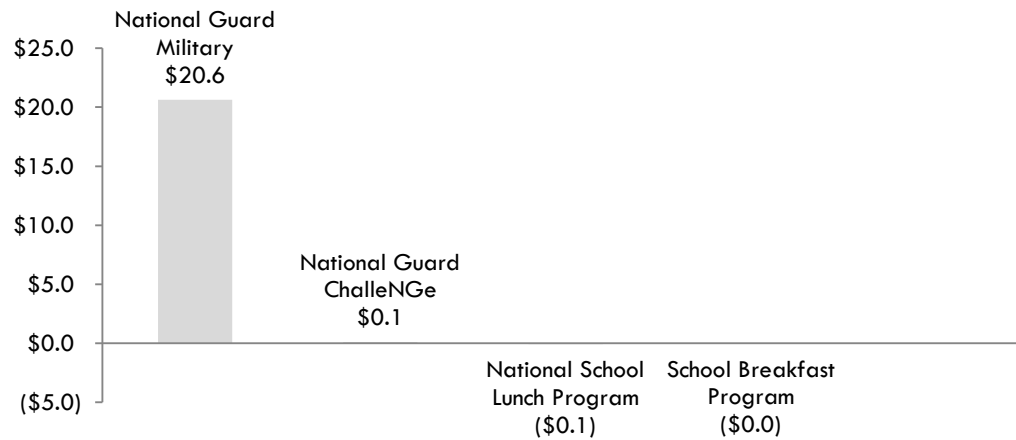
Selected Federal Fiscal and Policy Issues

The Summary of Federal Funds excludes one-time Hurricane Harvey Public Assistance Grants totaling \$26.8 million, which is not anticipated in the 2020-21 biennium.

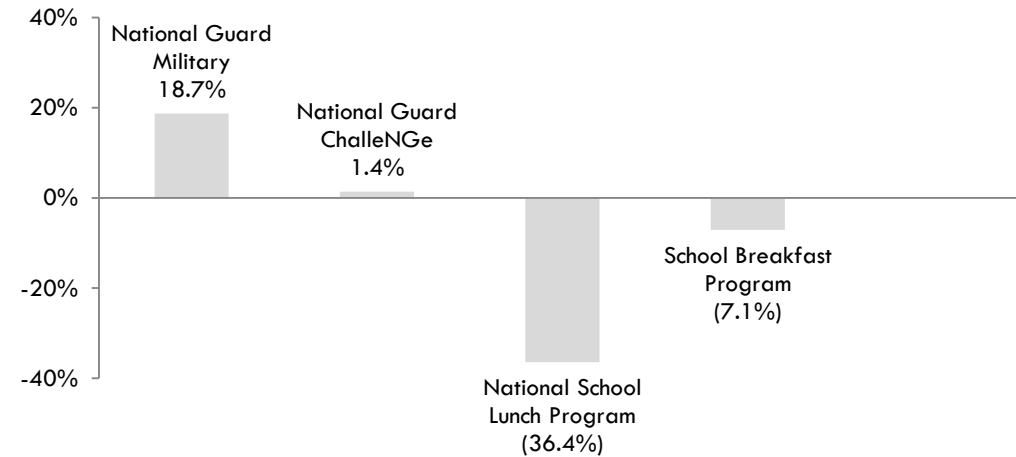
Federal Funds estimates for the National Guard Military grant reflects an anticipated increase compared to the 2018-19 biennium. This is attributable to an anticipated increase in federal award allocations by the agency for this grant.

Programs with Significant Federal Funding Changes from 2018 - 19

Program Change-by Amount (In Millions)



Program Change-by Percentage



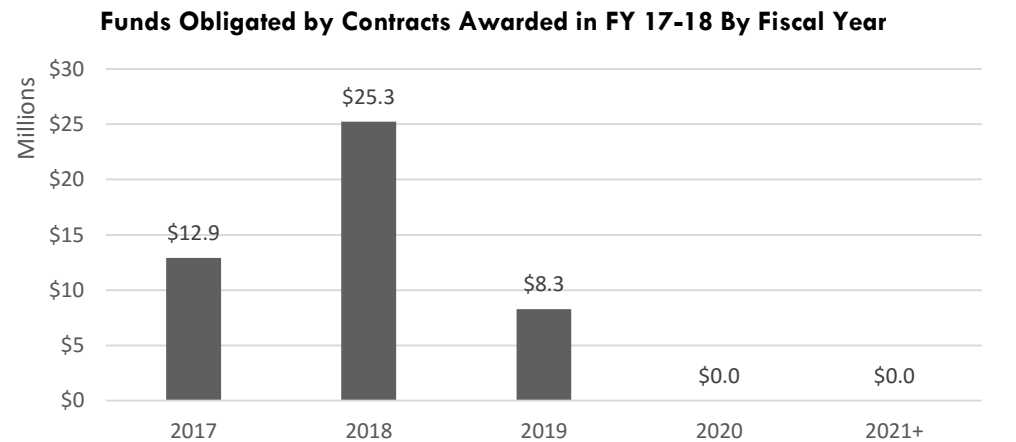
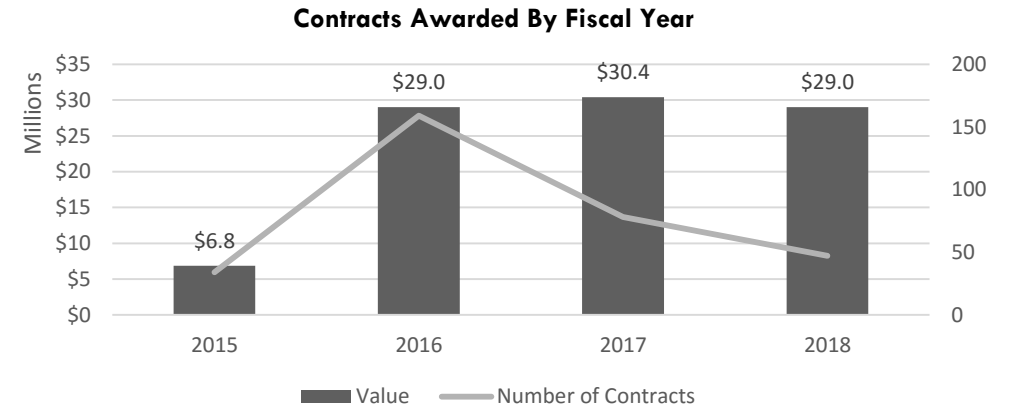
**Texas Military Department
Contracting Highlights - House**

As of 8/31/2018, the Texas Military Department had 39 active procurement contracts valued at \$31.6 million.

Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database¹

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	125	\$ 59.4	\$ 0.5	100%
Award Method				
Total Competitive	64	\$ 47.4	\$ 0.7	79.7%
Total Non-Competitive	61	\$ 12.0	\$ 0.2	20.3%
Emergency	9	\$ 6.3	\$ 0.7	10.6%
Interagency Agreement	28	\$ 4.1	\$ 0.1	6.9%
Provider Enrollment	18	\$ 1.0	\$ 0.1	1.7%
Sole Source	6	\$ 0.6	\$ 0.1	1.0%
Procurement Category				
Other Services	47	\$ 5.0	\$ 0.1	8.3%
Information Technology	3	\$ 0.3	\$ 0.1	0.6%
Construction	28	\$ 37.4	\$ 1.3	63.0%
Goods	15	\$ 8.7	\$ 0.6	14.6%
Lease/Rental	8	\$ 6.1	\$ 0.8	10.3%
Consulting	9	\$ 0.3	\$ 0.0	0.6%
Professional Services	15	\$ 1.6	\$ 0.1	2.6%
Revenue Generating Contracts	0	\$ -	\$ -	-



¹These figures reflect the total value of reported contracts awarded in FY 17-18 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

Texas Military Department
Contracting Highlights - House

(Dollar values rounded to the nearest tenth of a million)

Largest Active Contracts from Previous Fiscal Years	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 STAR Major Maintenance El Paso RC	Competitive	\$ 1.0	267.3%	08/05/16	-	2	Freese & Nichols Inc
2 STAR Major Maintenance Temple RC	Competitive	\$ 0.7	192.9%	08/05/16	-	1	Freese & Nichols Inc
3 Energy Audits - Statewide	Competitive	\$ 0.4	0.0%	08/13/13	-	0	Freese & Nichols Inc
4 STAR Major Maintenance Denison RC	Competitive	\$ 0.3	256.6%	08/05/16	-	3	Freese & Nichols Inc
5 Furniture for Building 32 at Camp Mabry	Interagency	\$ 0.3	0.0%	06/08/16	-	0	Texas Correctional Industries

Largest Competitive Contracts Awarded in FY 17-18

1 Austin Fariview STAR	Competitive	\$ 7.6	0.0%	08/16/17	-	0	Tejas Premier Building Contractor
2 Camp Mabry Building 1 Major Maint. Modernization	Competitive	\$ 7.6	0.0%	08/31/18	1 year	0	SMR Construction Inc
3 Houston Westheimer RC Major Maint. Project	Competitive	\$ 6.6	64.9%	09/26/16	2 years	1	SMR Construction Inc
4 Camp Mabry Building 75 Major Maintenance & Renovation	Competitive	\$ 6.3	0.0%	08/01/17	2 years	0	Flintco
5 El Paso RC Major Maintenance	Competitive	\$ 6.0	0.0%	11/13/17	1 year	0	Harrington Construction

Largest Non-Competitive Contracts Awarded in FY 17-18

1 TV Guy Orlando	Emergency	\$ 3.0	0.0%	09/08/17	1 month	0	TV Guy Orlando LLC
2 Lodging for State Active Duty Mission	Emergency	\$ 2.2	0.0%	10/06/16	1 year	0	Team Housing Solutions Inc
3 Mopac Fence	Interagency	\$ 0.8	0.0%	06/14/18	-	0	Texas Correctional Industries
4 IHUNT Motor Freight - Harvey	Emergency	\$ 0.6	0.0%	09/08/17	1 month	0	IHUNT Motor Freight
5 Voyager Fuel	Provider Enroll.	\$ 0.0	0.0%	10/12/17	1 year	0	Voyager Fleet Systems Inc

*Note: The percent change is the difference in contract value between initial the award amount and the current contract value. This calculation includes contract amendi

**Military Department
Rider Highlights - House**

Deleted Riders

26. Appropriation: Unexpended Balances of General Obligation Bond Proceeds. TMD will have expended all General Obligation Bond Proceeds by the end of fiscal year 2019.
27. Utilities. Recommendations add a new strategy to track appropriations and expenditures for utilities. The rider is no longer necessary.

**Military Department
Items Not Included in Recommendations - House**

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Texas State Guard Expansion - Funding for recruiting, training, and equipping an increase of up to 5,000 TXSG members and 45.0 additional FTEs.	\$12,758,734	\$12,758,734	45.0	No	Yes	\$12,758,734
2)	Agency Emergency & Disaster Preparedness - Funding for the agency's ability to maintain routine support, swiftly respond to emergencies and disasters, and 33.0 additional FTEs for Indirect Administration.	\$5,804,910	\$5,804,910	33.0	No	No	\$5,804,910
3)	Facilities Management Operations - Funding for the repair of 31 armory facilities and continued funding for the State of Texas Armory Revitalization (STAR) Program.	\$55,814,800	\$152,055,252	0.0	No	Yes	\$45,750,000
4)	Mental Health & Service Member Care - Funding for 8.0 additional FTEs, including two Regional Supervisors to coordinate mental health counselors.	\$1,710,000	\$1,710,000	8.0	No	No	\$1,710,000

TOTAL Items Not Included in Recommendations

\$76,088,444

\$172,328,896

86.0

\$66,023,644

**Military Department
Items Not Included in Recommendations - House**

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Significant Rider Requests Not Included

A)	Appropriation – Billet Receipts - Amend Rider 9 to provide unexpended balance authority between biennia for billet receipts to be utilized in support of continued billet operation and maintenance, as well as capital projects, to provide any necessary renovations to billets.	\$ -	\$ -	0.0	No	No	\$0
B)	Local Fund Authorization - Amend Rider 13 to remove the reference to the 1979 bond indenture since it is no longer applicable and add text stating that the purpose of the fund is for operation and maintenance.	\$ -	\$ -	0.0	No	No	\$0
C)	Outreach and Education - Amend Rider 25 to remove the \$3,000 per FY expenditure limitation and to clarify the purpose of the outreach and education programs.	\$ -	\$ -	0.0	No	No	\$0
D)	Capital Budget Expenditures from Federal Awards - New rider to clarify and add additional detail regarding TMD's exemption of capital budget limitations on Federal Funds, as stated in Rider 2.	\$ -	\$ -	0.0	No	No	\$0
E)	Unexpended Balances Within the Biennium - New rider to provide unexpended balance authority for All Funds within the biennium.	\$ -	\$ -	0.0	No	No	\$0
F)	Armory Repair and Renovation Capital (ARRC) Cash Flow Contingency - New rider to provide TMD authority to request General Revenue cash flow contingency funds for capital expenditures from the LBB and the Governor when Federal Funds are anticipated, with a four-year period for repayment of the General Revenue.	\$ -	\$ -	0.0	No	No	\$0

**Military Department
Strategic Fiscal Review Appendices - House**

SFR Table of Contents		
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4	SFR Constitutional, General Revenue-Dedicated and Funds Outside the Treasury	*
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* Appendix is not included - no significant information to report

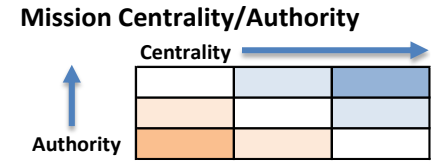
Military Department
Strategic Fiscal Review Appendix 1 Program Listing -- Services and Administration - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority



Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
2	Facilities Maintenance	2018	Statute	Other, Policy Guidance	Strong	Strong	Legal Services & Law Enforcement	Statewide	N/A	N/A
3	Utilities	2018	Statute	Other, Policy Guidance	Strong	Moderate	Legal Services & Law Enforcement	Statewide	N/A	N/A
4	State Training Missions -- Administration	1900	Statute	No Federal Requirement	Strong	Strong	Legal Services & Law Enforcement	Statewide	N/A	N/A
5	State Training Missions -- Training Activities	2000	Statute	No Federal Requirement	Strong	Strong	Legal Services & Law Enforcement	Statewide	N/A	No
6	State Active Duty -- Disaster	1900	Other	No Federal Requirement	Strong	Strong	Legal Services & Law Enforcement	Statewide	N/A	No
7	Mental Health Services	2013	Other	No Federal Requirement	Weak	Moderate	Behavioral Health – Mental Health Services	Statewide	N/A	N/A
8	State Military Tuition Assistance	2000	Other	No Federal Requirement	Strong	Moderate	Higher Education Instruction, Financial Aid & Research	Statewide	N/A	N/A
9	Youth Education Program -- Challenge Program	2000	Statute	Other	Strong	Weak	K-12 Education Instruction	Statewide	N/A	No
10	Youth Education Program -- Starbase Program	2008	Statute	Other	Strong	Weak	K-12 Education Instruction	Regional	N/A	N/A
11	Youth Education Program -- Museum	1992	Statute	No Federal Requirement	Strong	Weak	K-12 Education Instruction	NA	N/A	N/A
12	State Training Missions -- Distance Learning	2000	Statute	Other	Strong	Moderate	Legal Services & Law Enforcement	Statewide	N/A	N/A
13	State Training Missions -- Community Health Programs	1998	No State Requirement	No Federal Requirement	Weak	Weak	Legal Services & Law Enforcement	Regional	N/A	N/A
14	Ellington Firefighters	2000	Other	Other	Strong	Weak	Legal Services & Law Enforcement	Statewide	N/A	N/A
15	Debt Service	2016	No State Requirement	No Federal Requirement	Strong	Moderate	Legal Services & Law Enforcement	NA	N/A	N/A
16	State Training Missions -- Border Star	2006	Other, Statute	No Federal Requirement	Strong	Moderate	Legal Services & Law Enforcement	Regional	N/A	N/A
17	Border Security	2014	Other, Statute	No Federal Requirement	Weak	Moderate	Legal Services & Law Enforcement	Statewide	N/A	Yes

Military Department
Strategic Fiscal Review Appendix 1 Program Listing -- Services and Administration - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)



Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
Indirect Administration Programs										
1	Indirect Administration	2000	Other	No Federal Requirement	N/A	N/A	State Government Administration & Support	Statewide	No	No

Note: *Significant Audit and/or Report Findings.* Qualified indicates that there may be issues relating to agency operations that have not been documented in formal audits, reviews or reports, or LBB Staff cannot verify whether recommendations have been implemented.

Military Department
Strategic Fiscal Review Appendix 2: Program Listing -- Fiscal - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission				LBB Staff Review and Analysis							
Agency Ranking	Program Name	2014-15 Expended	2016-17 Expended	2018-19 Est / Budg	2019 FTEs Budg	2020-21 Recommended	2021 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?
2	Facilities Maintenance	\$ 67,356,883	\$ 110,301,439	\$ 121,117,019	325.0	\$ 130,029,876	325.0	7.4%	0.0	No	Compliant
3	Utilities	\$ 15,400,000	\$ 15,744,947	\$ 17,780,000	0.0	\$ 17,560,000	0.0	-1.2%	0.0	No	N/A
4	State Training Missions -- Administration	\$ 990,000	\$ 2,497,436	\$ 4,459,354	44.0	\$ 4,436,218	46.0	-0.5%	2.0	No	N/A
5	State Training Missions -- Training Activities	\$ 2,503,700	\$ 2,146,120	\$ 1,178,802	0.0	\$ 1,175,420	0.0	-0.3%	0.0	No	N/A
6	State Active Duty -- Disaster	\$ 4,400,583	\$ 9,863,002	\$ 35,678,870	2.0	\$ 592,458	2.0	-98.3%	0.0	No	Compliant
7	Mental Health Services	\$ 794,767	\$ 1,518,844	\$ 1,911,600	23.0	\$ 1,911,600	23.0	0.0%	0.0	No	N/A
8	State Military Tuition Assistance	\$ 2,938,834	\$ 3,010,059	\$ 3,002,928	2.0	\$ 3,002,928	3.0	0.0%	1.0	No	N/A
9	Youth Education Program -- Challenge Program	\$ 12,363,607	\$ 12,725,890	\$ 10,670,340	180.0	\$ 9,717,340	180.0	-8.9%	0.0	No	Compliant
10	Youth Education Program -- Starbase Program	\$ 1,767,227	\$ 1,985,000	\$ 2,180,000	23.0	\$ 2,180,000	23.0	0.0%	0.0	No	N/A
11	Youth Education Program -- Museum	\$ 350,000	\$ 350,000	\$ 350,000	3.0	\$ 350,000	9.0	0.0%	6.0	No	N/A
12	State Training Missions -- Distance Learning	\$ 643,130	\$ 802,379	\$ 700,000	4.0	\$ 700,000	5.0	0.0%	1.0	No	Compliant
13	State Training Missions -- Community Health Programs	\$ 650,000	\$ 650,000	\$ 73,482	0.0	\$ 100,000	0.0	36.1%	0.0	No	N/A
14	Ellington Firefighters	\$ 2,936,898	\$ 3,744,946	\$ 3,432,168	61.0	\$ 3,432,168	61.0	0.0%	0.0	No	Compliant
15	Debt Service	\$ 3,647,853	\$ 2,473,812	\$ 2,494,300	0.0	\$ 2,514,900	0.0	0.8%	0.0	No	N/A
16	State Training Missions -- Border Star	\$ 3,073,155	\$ 5,000,000	\$ 3,850,000	0.0	\$ 3,700,000	0.0	-3.9%	0.0	No	N/A
17	Border Security	\$ -	\$ 12,705,083	\$ 8,077,000	0.0	\$ 3,000,000	0.0	-62.9%	0.0	No	N/A
Indirect Administration Programs											
1	Indirect Administration	\$ 6,002,092	\$ 6,712,100	\$ 5,968,131	110.0	\$ 5,968,411	110.0	0.0%	0.0	No	N/A
Total		\$ 125,818,729	\$ 192,231,057	\$ 222,923,994	777.0	\$ 190,371,319	787.0	-14.6%	10.0		

	2018-19 Est/Budg	2020-21 Recommended
Inside the Treasury	\$ 222,923,994	\$ 190,371,319
Outside the Treasury	\$ -	\$ -
Total	\$ 222,923,994	\$ 190,371,319

Notes: **Qualified** indicates that the agency may be using the funds for the purpose(s) intended or for similar purposes which are not specifically authorized by the constitution or statute, or that there may be conflicts within authorizing laws.
Revenue Supported includes fees, tuition set asides and donations.

Military Department
Strategic Fiscal Review Appendix 3: Assessment of Mission Centrality and Authority - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission centrality is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.
Authority is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.

		MISSION CENTRALITY		
		Weak	Moderate	Strong
A U T H O R I T Y	Strong	Youth Education Program -- Challenge Program (9) Youth Education Program -- Starbase Program (10) Youth Education Program -- Museum (11) Ellington Firefighters (14)	Utilities (3) State Military Tuition Assistance (8) State Training Missions -- Distance Learning (12) Debt Service (15) State Training Missions -- Border Star (16)	Facilities Maintenance (2) State Training Missions -- Administration (4) State Training Missions -- Training Activities (5) State Active Duty -- Disaster (6)
	Moderate			
	Weak	State Training Missions -- Community Health Programs (13)	Mental Health Services (7) Border Security (17)	

Notes: Agency program rankings included after the program name. The matrix does not include Indirect Administration programs.

Military Department
Strategic Fiscal Review Appendix 5a: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
Authority	X		

Program: Indirect Administration

Agency Ranking 1 out of 17

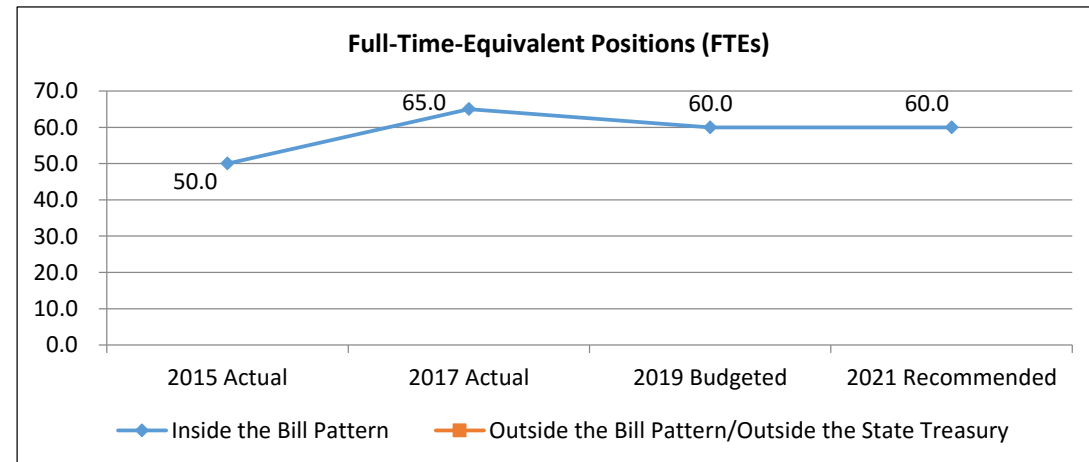
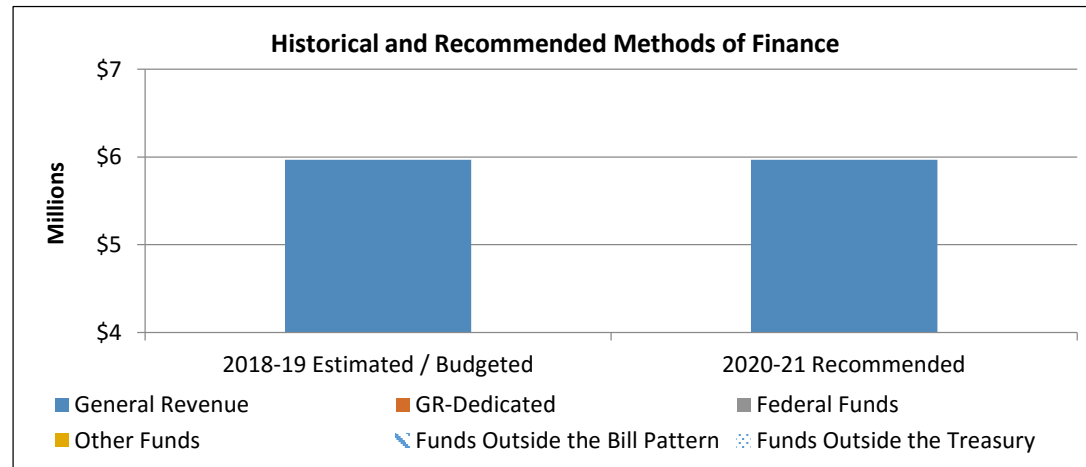
Provides state-related indirect administrative support to an organization of more than 23,000 people. Encompasses the central administration, finance, purchasing, and human resource divisions of the agency.

Legal Authority: Texas General Appropriation Act, Article V, Military Department.

Year Implemented	2000	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	State Government Administration & Support		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 4,762,482	\$ 4,762,482	79.8%
Operating Costs	\$ 1,205,649	\$ 1,205,929	20.2%
Total	\$ 5,968,131	\$ 5,968,411	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 5,968,411	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 5,968,411	100.0%



Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations maintain 2018-19 base level funding of \$6.0 million in General Revenue and 60 FTEs for the Indirect Administration Program in the 2020-21 biennium. The program consists of central administration, finance, purchasing, and human resources. TMD requested \$4.5 million for an additional 33 FTEs within indirect administration to support and meet the routine demands in the procurement and asset management area.

Sunset Review. Sunset found that TMD does not provide sufficient attention and oversight to state programs and employees, creating chronic problems and low morale. The agency's funding structure and mission create a focus on federal, military, and emergency matters, leaving the state agency without the oversight and support it needs. Sunset found that this has led to TMD's inability to follow state policies, laws, and procedures. Several independent audits and internal assessments by TMD have found poor compliance with state rules, including financial processes and tracking state property. Statute provides TMD's executive director authority to manage daily administration of the department and operational compliance with the cooperative agreements between the department and the National Guard Bureau. This structure distances the adjutant general and the military programs from ensuring the department complies with state laws and priorities. Sunset reported that the adjutant general is ultimately responsible for ensuring all programs comply with state requirements and the executive director leading his own state administrative office creates a separation that has not worked well for the agency.

State Auditor's Office (SAO) Audit. The SAO identified weaknesses related to the agency's contracting, asset management, payments, and information systems during the first nine months of fiscal year 2017. TMD's contracting processes were not sufficient to ensure that it consistently performed required activities and the agency could not provide an accurate list of the contracts it was awarded from September 2016 to May 2017. TMD consistently used incorrect coding in CAPPs, resulting in the agency recording some non-assets as assets in the State Property Accounting System. The SAO also found that TMD did not consistently pay vendor invoices within 30 days of receipt of the invoice or the good/service, resulting in an overdue payment of \$22,845 in interest to the vendors.

In LAR and SFR reporting, TMD Indirect Administration staff have struggled with providing routine work products to LBB staff throughout the 2018-19 biennium. Submissions were often late, incomplete, or inaccurate. LBB staff spent considerable resources and time working with TMD Indirect Administration staff in an effort to train staff, assist and support management, and improve product submissions. We did not see significant improvements despite these efforts.

- LAR due on August 10, TMD submission on August 17
- SFR data due on September 27, TMD submission on October 9
- SFR additional data due on October 11, TMD submission on November 8

When products were submitted data provided often did not match TMD's previous entries in the performance reporting system. In some cases, agency administrative staff was unable to reconcile the differences.

Challenges and Enhancement Opportunities

- 1** According to TMD, the added workload created by the growing number of transactions, increasing procurement requirements, and inventory demands challenges the capacity of the small indirect administration purchasing and contracting staff. Recent audits (internal and external) have noted shortfalls with policies and procedures related to procurement and a need to strengthen asset management processes related to state property. TMD requested \$4.5 million and 33 FTEs for this purpose.
- 2** The agency states that there not enough FTEs available to support and meet the routine demands in the procurement and asset management areas, and that increased staffing resources within indirect administration would enhance the program. TMD requested \$4.5 million and 33 FTEs for this purpose.

Military Department
Strategic Fiscal Review Appendix 5b: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
		X	
Authority			

Program: Facilities Maintenance

Agency Ranking 2 out of 17

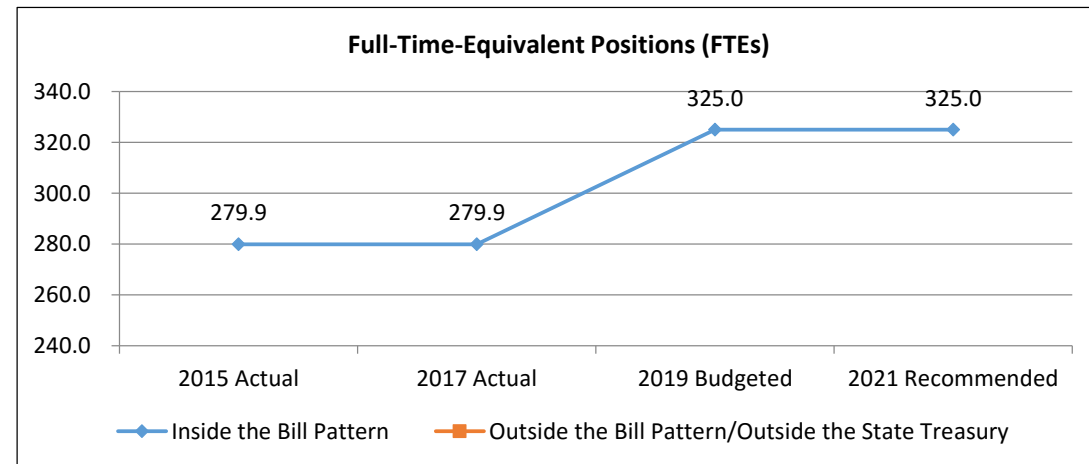
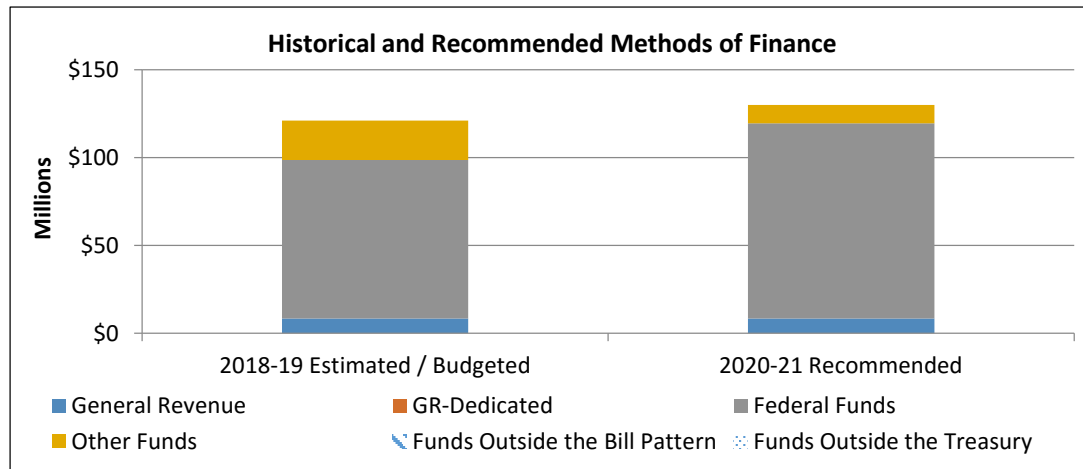
TMD provides support to National Guard operations, maintenance, security, and environmental remediation/restoration activities. TMD also provides support to the Command, Control, Computers, and Information Management Services of the National Guard within the State.

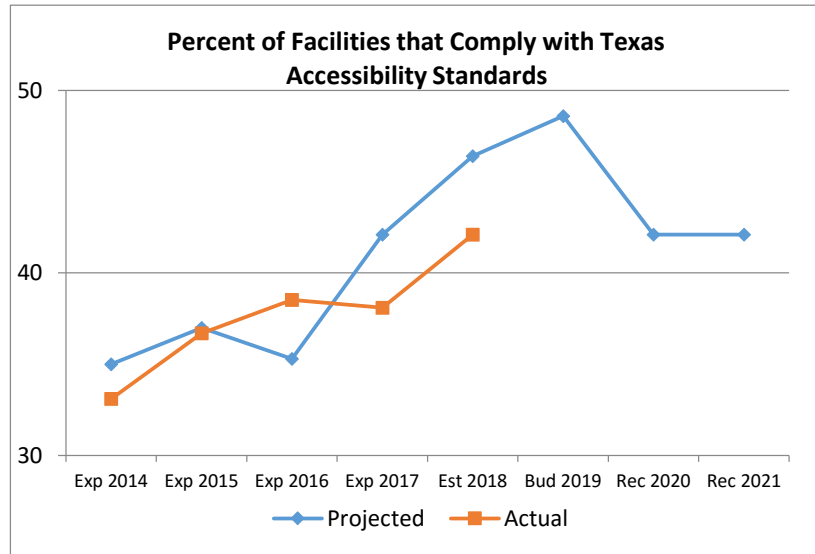
Legal Authority: Texas Government Code, Sec. 437.054(b) The adjutant general may execute the cooperative agreements with the National Guard Bureau and an interagency military agreement with a federal, state, or local governmental or quasi-governmental agency. Federal: 32 U.S.C. Section 106 and 107; 31 U.S.C Sections 6301-6308; 2 CFR part 200, subpart E. ; National Guard Regulation 5-1; National Guard Regulation 420-10 (Engineering Maintenance, New Facility Construction); 31 U.S.C. Sections 6301-6308 (State Facilities)

Year Implemented	2018	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Unassigned 1		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 49,481,853	\$ 53,433,600	41.1%
Capital Costs	\$ 43,946,131	\$ 44,024,027	33.9%
Operating Costs	\$ 27,689,035	\$ 32,572,249	25.0%
Total	\$ 121,117,019	\$ 130,029,876	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 130,029,876	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 130,029,876	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include a decrease of \$16.3 million in Economic Stabilization Funds and an agency-anticipated \$20.9 million increase in Federal Funds for deferred maintenance and State of Texas Armory Revitalization (STAR). TMD divides its facilities maintenance funding into two categories: State of Texas Armory Revitalization (STAR) program and deferred maintenance projects.

- STAR – The program’s mission is repair and rehabilitation of state-owned or leased facilities used by TXMF members. The program was launched in 2014 as a 10-year plan to address TMD’s armory maintenance. The program’s inception occurred after the Eighty-third Legislature, 2013, completed its deliberations, so no funding was appropriated for STAR until the 2016–17 biennium. The STAR program’s primary objective is to bring 22 of 65 armories up to code by the end of 2021.

- Deferred Maintenance – The program’s mission is general ongoing maintenance of facilities and necessary replacement projects to reduce additional deferment costs and deterioration of health and safety standards.

TMD maintains facilities that comprise 5.9 million square feet throughout the state in Houston, Lubbock, Corpus Christi, and Austin to name a few. Of the 65 armory facilities, 31 were constructed more than 55 years ago. The agency estimates that in FY 2019, approximately half of the facilities will receive a poor or failing quality rating by the Department of the Army’s Installation Status Report Quality Rating Scale.

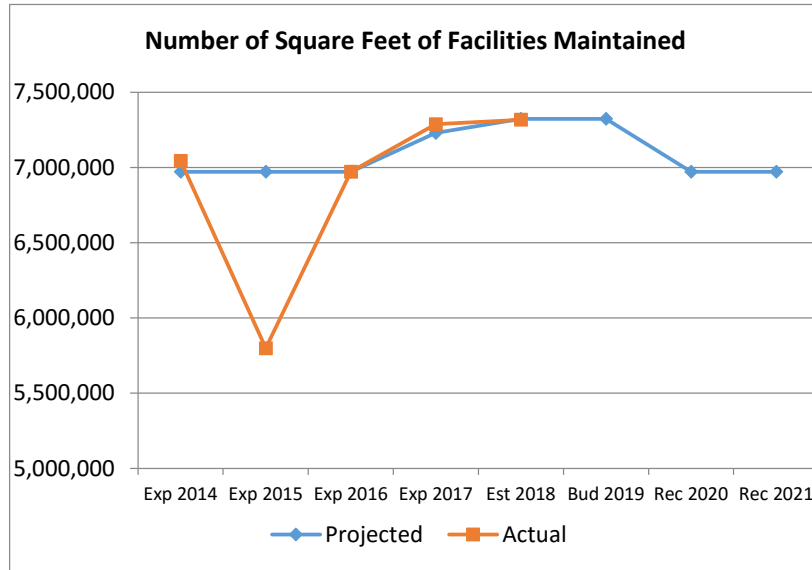
Federal Funds for these purposes require a state match. The federal contribution can be up to three times the amount of the state contribution. Recommendations eliminate all state funding as each legislature determines deferred maintenance funding across all articles. TMD’s Federal Funds estimate is likely based on the assumption of the base level of state deferred maintenance and STAR funding. **Federal funds awards could be significantly lower than TMD estimates dependent on whether and how much the Eighty-sixth Legislature appropriates in state funds for this purpose.**

Not included in the recommendations is \$55.8 million in General Revenue and \$96.2 million in matching Federal Funds for the agency’s third exceptional item for STAR and Deferred Maintenance.

Program: Facilities Maintenance

**Agency
Ranking**

2 out of 17



Challenges and Enhancement Opportunities

- 1** The program is federally reimbursed at varying percentages and is highly dependent upon Federal Funds. If the federal budget is not adopted or the agency is unable to enter into a Master Cooperative Agreement, the agency would be unable to provide services.
- 2** The uncertainty of the amount of state appropriations for deferred maintenance and STAR the agency will receive each biennium makes it difficult for the agency to plan projects long-term. Federal Funds are dependent on state appropriations, contributing to the uncertainty.

Military Department
Strategic Fiscal Review Appendix 5c: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
		X	
Authority			

Program: Utilities

Agency Ranking

3 out of 17

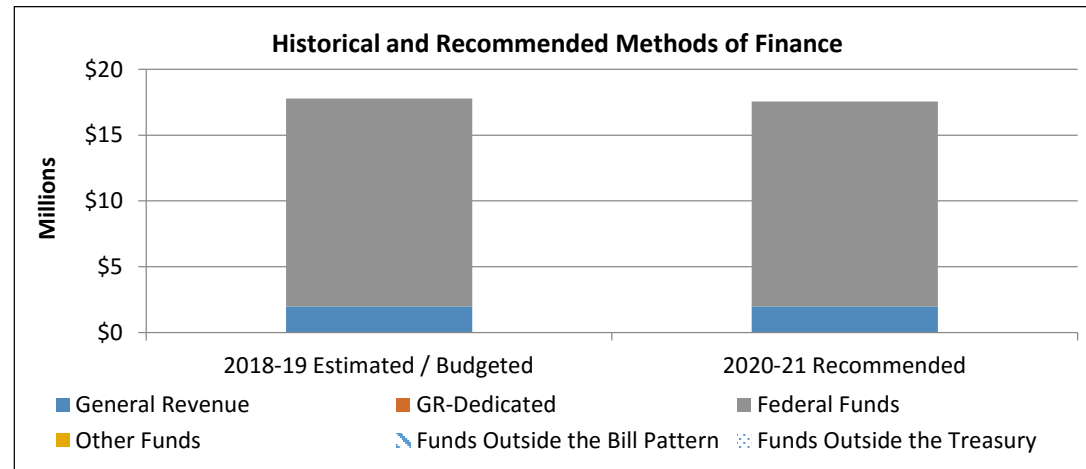
TMD provides support to National Guard operations, maintenance, security, and environmental remediation/restoration activities. Utilities funding is a part of the service provided by the agency.

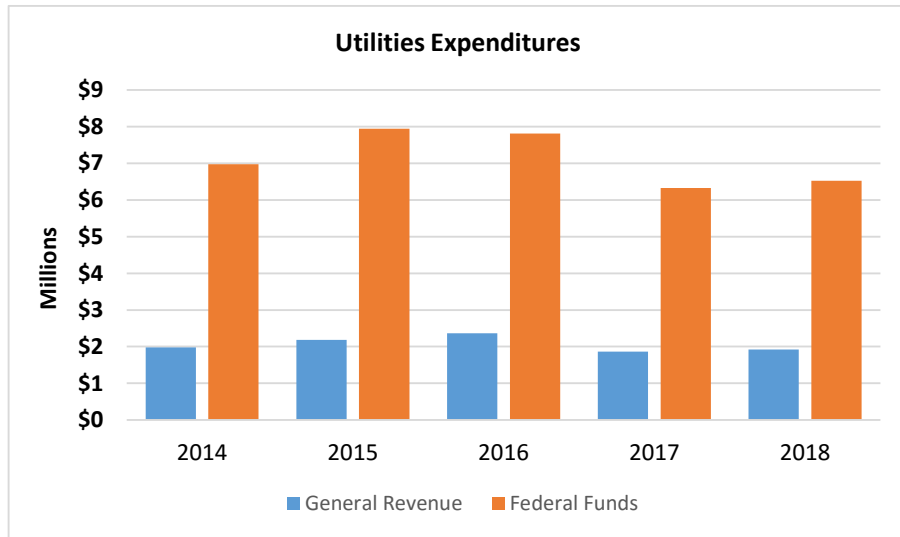
Legal Authority: Texas Government Code, Sec. 437.054(b) The adjutant general may execute the cooperative agreements with the National Guard Bureau and an interagency military agreement with a federal, state, or local governmental or quasi-governmental agency. Federal: 32 U.S.C. Section 106 and 107; 31 U.S.C Sections 6301-6308; 2 CFR part 200, subpart E.; National Guard Regulation 5-1; National Guard Regulation 420-10 (Engineering Maintenance, New Facility Construction); 31 U.S.C. Sections 6301-6308 (State Facilities)

Year Implemented	2018	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Unassigned 1		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 17,780,000	\$ 17,560,000	100.0%
Total	\$ 17,780,000	\$ 17,560,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 17,560,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 17,560,000	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations maintain 2018-19 base level funding for utilities in the 2020-21 biennium. There are no FTEs associated with this program. The graphic shows General Revenue and Federal Funds expenditures since fiscal year 2014.

Recommendations include a new strategy and program to show appropriations and expenditures for TMD utilities. Previously, the agency had included utility costs in the capital budget rider. That was corrected in the Eighty-fifth Legislature and a rider was added to the TMD bill pattern to specify the amount of General Revenue appropriated for utilities. During Strategic Planning, the agency requested, and LBB and Governor's Office staff agreed, that separating utilities from other facilities management functions and expenditures would simplify the agency's efforts to ensure utility costs were easily identifiable.

Challenges and Enhancement Opportunities

- 1 TMD previously struggled with tracking utility expenditures separately as the funding was appropriated to the facilities maintenance strategy, which includes many functions.
- 2 Creating a new strategy and program for utilities enhances the information available regarding TMD expenditures and eliminates the challenges the agency was experiencing prior to the action. Creating a new strategy and program also increases transparency and clarifies that utilities is a separate activity from facilities maintenance.

Military Department
Strategic Fiscal Review Appendix 5d: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
Authority			X

Program: State Training Missions -- Administration

Agency Ranking 4 out of 17

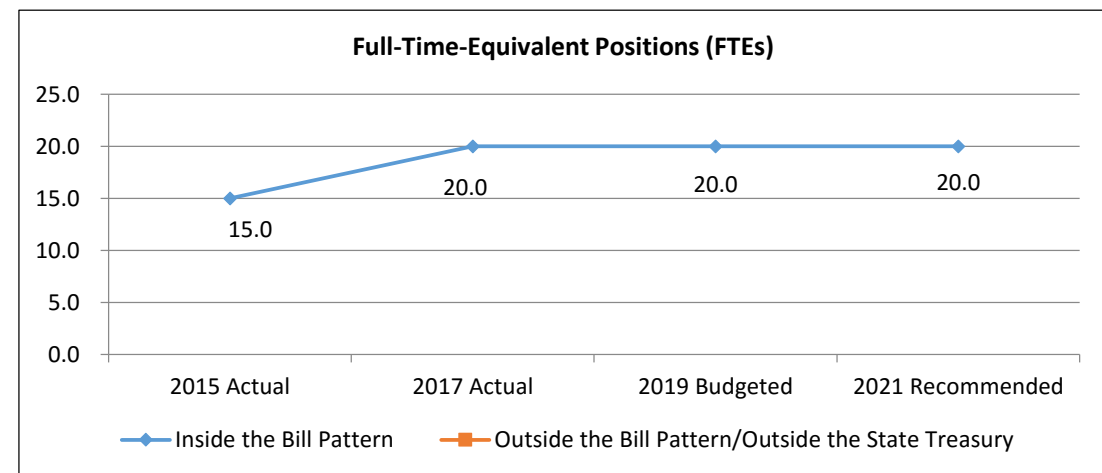
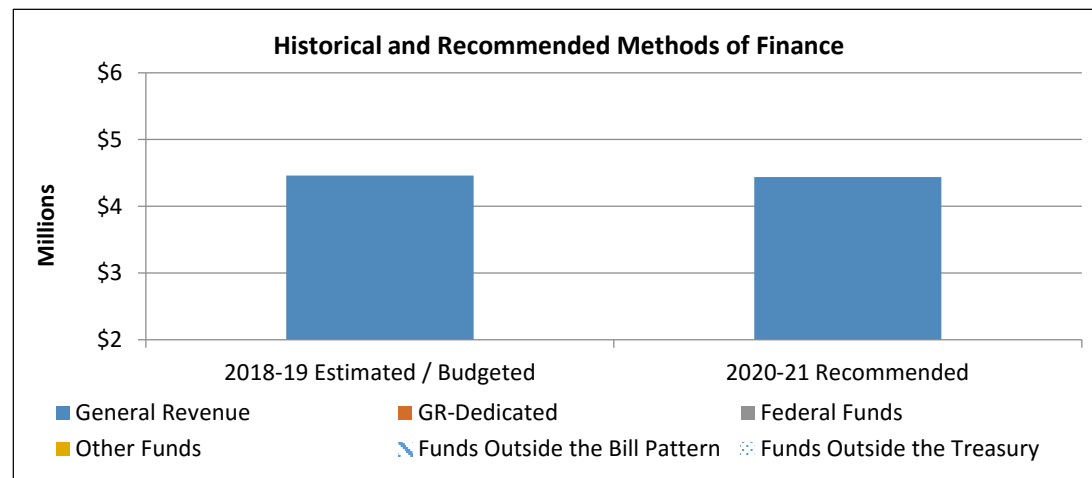
This program administers payroll, reimbursement for lodging and meals, and equipment usage for the service members who are called to perform military or emergency service for this state at the call of the governor or the governor's designee.

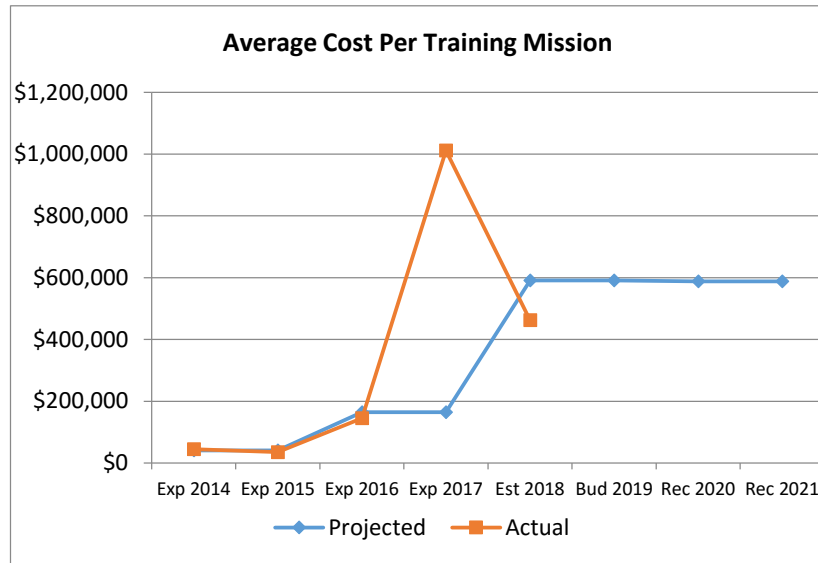
Legal Authority: TX Government Code, Sec. 437.001 (1-6)

Year Implemented	1900	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 3,245,612	\$ 3,187,565	71.9%
Personnel Costs	\$ 1,213,742	\$ 1,248,653	28.1%
Total	\$ 4,459,354	\$ 4,436,218	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 4,436,218	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 4,436,218	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include \$4.4 million in General Revenue, a \$0.1 million decrease as the result of the agency's realignment across programs within the strategy. The program serves the entire state of Texas and its primary mission is to develop and coordinate the training exercises of the domestic operations and state guard personnel.

TMD attributes the increased expenditures in fiscal year 2017 to Operation Secure Texas, accounting for 46 percent of the agency's training mission expenditures. Training missions include Operation Border Star, Operation Drawbridge Camera Mission, and the increased National Guard deployment.

Challenges and Enhancement Opportunities

1 General Revenue was decreased by \$0.4 million as the result of the 4 percent reduction most agencies realized in the 2018-19 biennium. The agency reported this decrease affected its ability to plan training that ensures TXMF members are ready to respond when called. TMD requested restoration of the 4 percent reduction, as well as an additional \$5.0 million and 30.0 FTEs to improve emergency and disaster preparedness in its second exceptional item.

Military Department
Strategic Fiscal Review Appendix 5e: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
Authority			X

Program: State Training Missions -- Training Activities

Agency
Ranking

5 out of 17

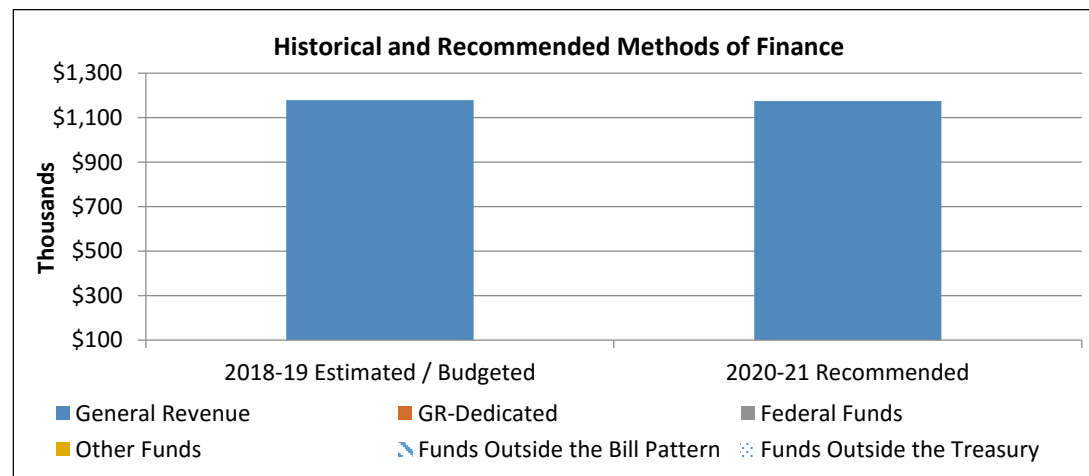
This program provides non-emergency homeland security, humanitarian, and emergency preparedness training involving both National and State Guard Members.

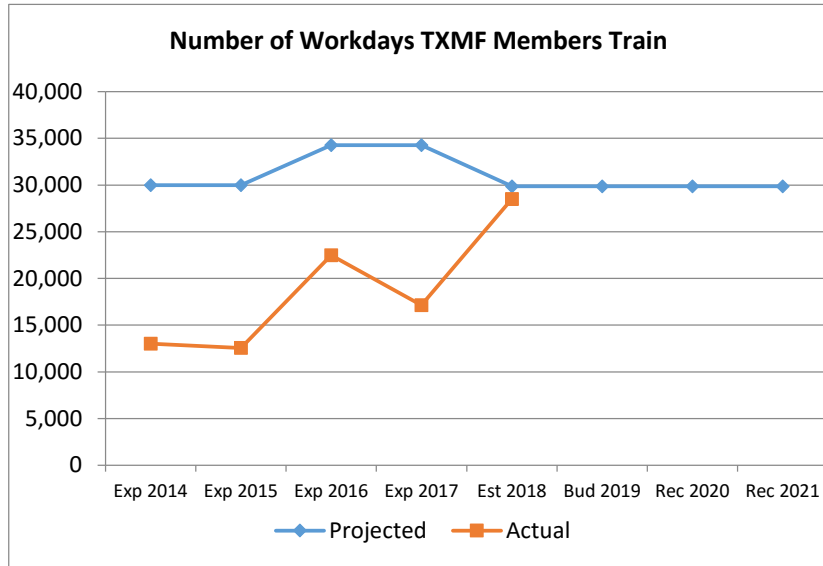
Legal Authority: TX Government Code, Sec. 437.005 (c)

Year Implemented	2000	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 1,170,320	\$ 1,175,420	100.0%
Operating Costs	\$ 8,482	\$ -	0.0%
Total	\$ 1,178,802	\$ 1,175,420	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,175,420	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,175,420	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include \$1.2 million in General Revenue for the State Training Missions – Training Activities program in the 2020–21 biennium. This represents a \$3,382 decrease as the result of agency reallocation across programs within the strategy.

Training activities involve both National and State Guard members referred to as Texas Military Forces (TXMF). This program funds travel and meals for when National Guard members and certain State Guard members are on training missions. State Guard reimbursement is dependent on members traveling from their home of record to their duty station. State Guard members whose home of record is local are not eligible for mileage reimbursement.

TMD is requesting \$12.8 million in General Revenue and 45.0 FTEs to increase the number of State Guard members from 1,825 to 5,000 by fiscal year 2021. This is the agency’s first priority exceptional item. The State Guard is a volunteer militia that performs missions within the state at the direction of the Governor. Unlike National Guard members, State Guard members serve without a service commitment, no required federal military training, and very few benefits. The performance target for the number of State Guard members has been 2,300 for the past two biennia. TMD’s actual State Guard membership was 1,849 in fiscal year 2017 and 1,825 in fiscal year 2018. The Sunset Report cited low morale and lack of institutional support and engagement as reasons for declining State Guard membership.

Challenges and Enhancement Opportunities

1 General Revenue was decreased by \$0.4 million as the result of the 4 percent reduction most agencies realized in the 2018-19 biennium. The agency reported this decrease affected its ability to plan training that ensures TXMF members are ready to respond when called. TMD requested restoration of the 4 percent reduction, as well as an additional \$5.0 million and 30.0 FTEs to improve emergency and disaster preparedness in its second exceptional item.

Military Department
Strategic Fiscal Review Appendix 5f: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: State Active Duty -- Disaster

Agency Ranking

6 out of 17

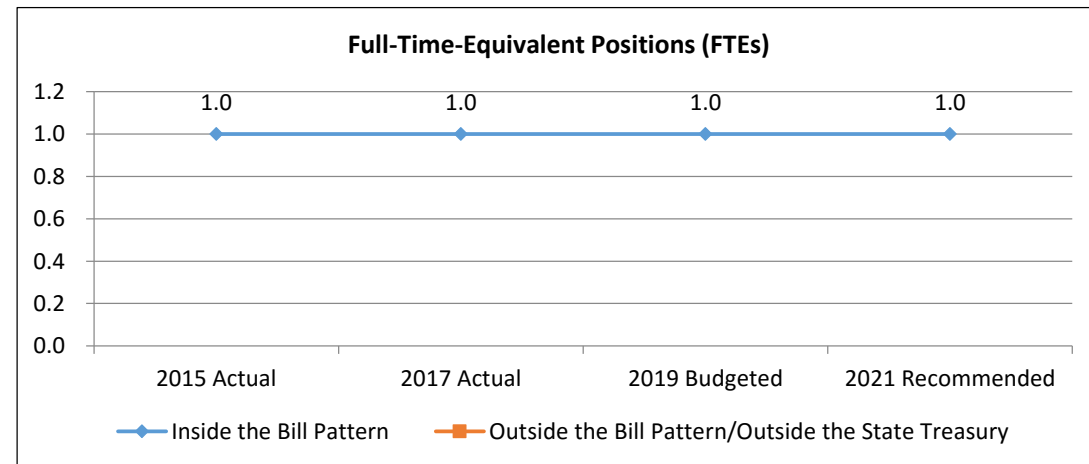
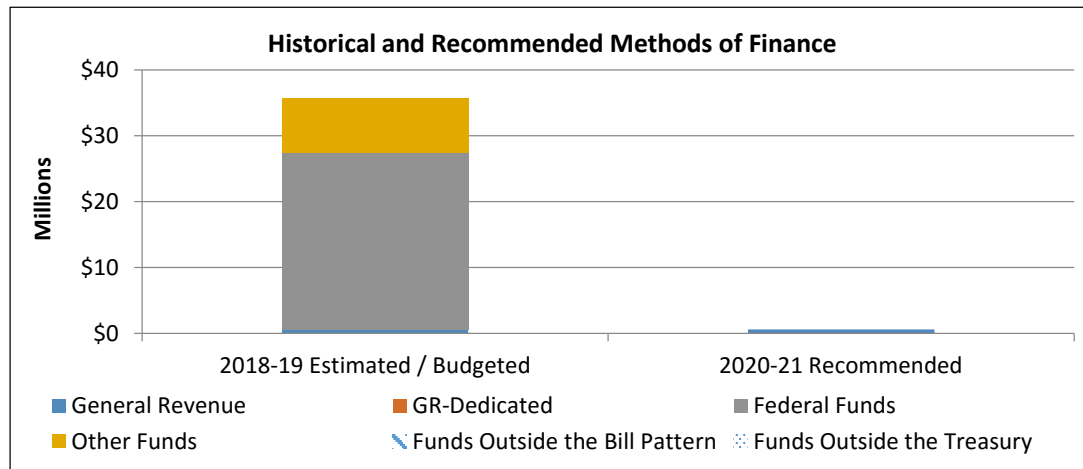
This program provides military or emergency service for the state at the call of the Governor or the Governor's designee in the event of natural or man-made disasters.

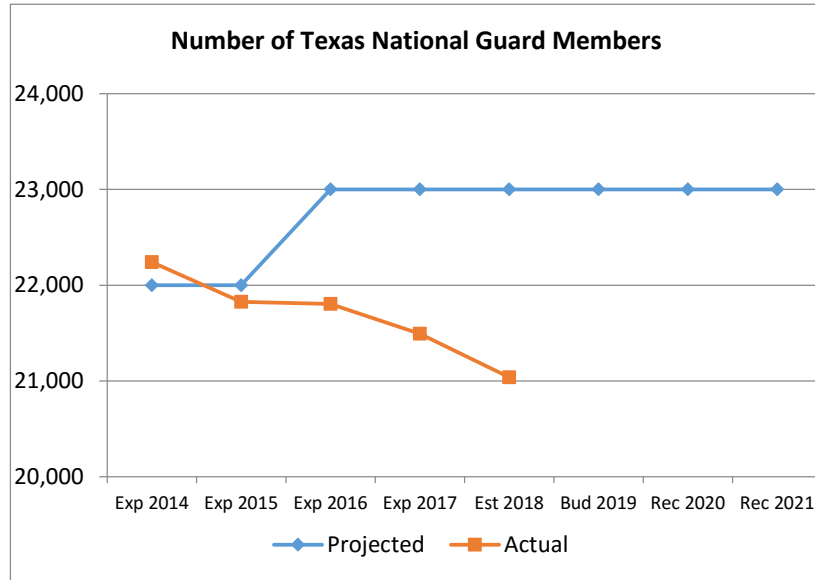
Legal Authority: TX Government Code, Sec. 437.001 (9)

Year Implemented	1900	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 35,510,870	\$ 427,458	72.1%
Personnel Costs	\$ 168,000	\$ 165,000	27.9%
Total	\$ 35,678,870	\$ 592,458	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 592,458	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 592,458	100.0%



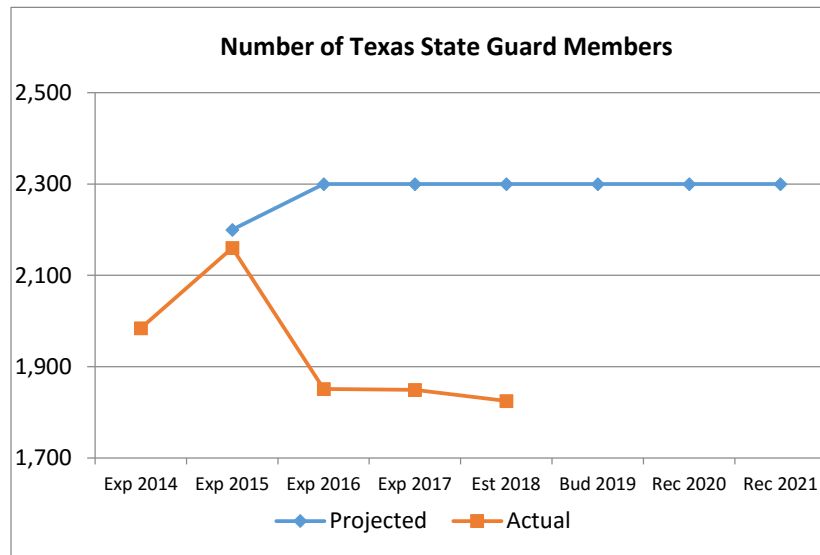


Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations maintain \$0.6 million in General Revenue for the State Active Duty - Disaster Program. Not included in the recommendations is fiscal year 2018 funding for the deployment of the TXMF for disaster relief missions during and after Hurricane Harvey. TMD was granted \$26.8 million in Federal Funds and \$30.0 million in Governor’s Emergency and Deficiency grants for this purpose. TMD has reimbursed the Governor’s Office \$21.7 million of the grant.

The State Active Duty-Disaster program provides disaster response from the TXMF when the governor calls them to duty. It includes payroll, lodging, meals, and aircraft usage related to disasters. The program is associated with the TXMF response to emergencies and disasters including floods, wildfires, and severe weather, and contributes to the statewide goal of public safety by aiding communities in need.

TMD is requesting \$12.8 million in General Revenue and 45.0 FTEs to increase the number of State Guard members from 1,825 to 5,000 by fiscal year 2021. This is the agency’s first priority exceptional item. The State Guard is a volunteer militia that performs missions within the state at the direction of the Governor. Unlike National Guard members, State Guard members serve without a service commitment, no required federal military training, and very few benefits. The performance target for the number of State Guard members has been 2,300 for the past two biennia. TMD’s actual State Guard membership was 1,849 in fiscal year 2017 and 1,825 in fiscal year 2018. The Sunset Report cited low morale and lack of institutional support and engagement as reasons for declining State Guard membership.



Military Department
Strategic Fiscal Review Appendix 5g: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
Authority		X	

Program: Mental Health Services

Agency Ranking

7 out of 17

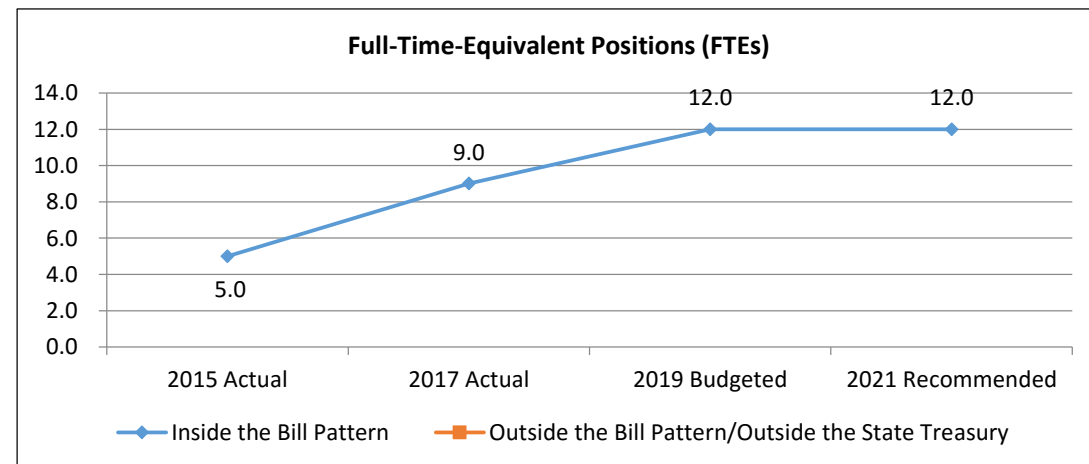
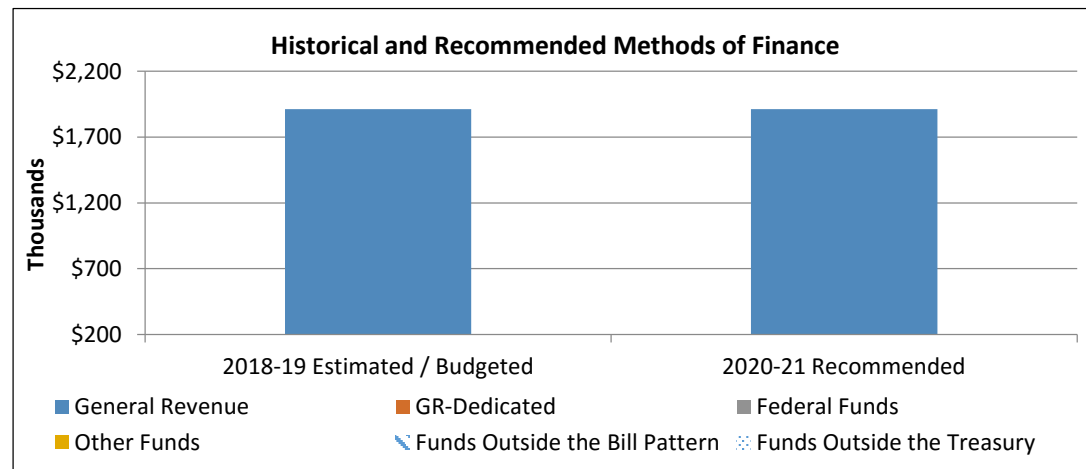
The mental health initiative supports service members and TMD employees who require mental health services.

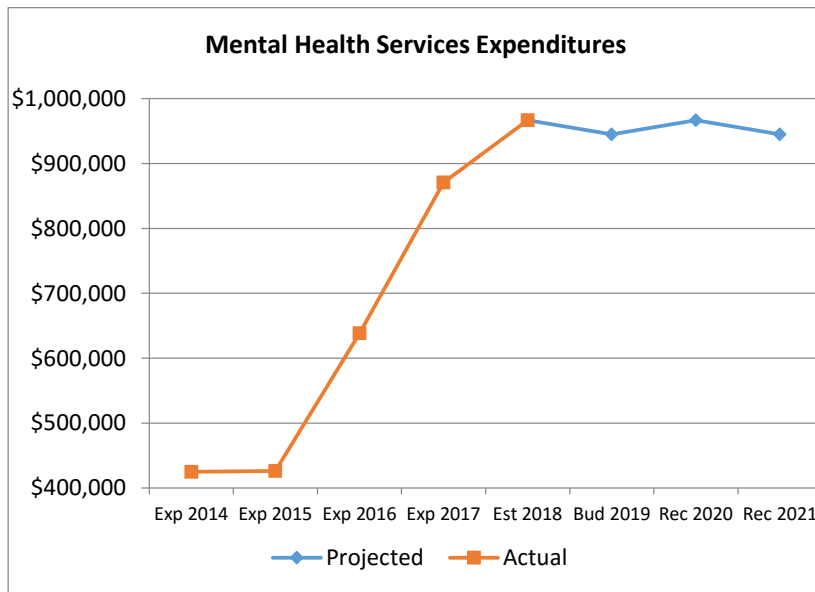
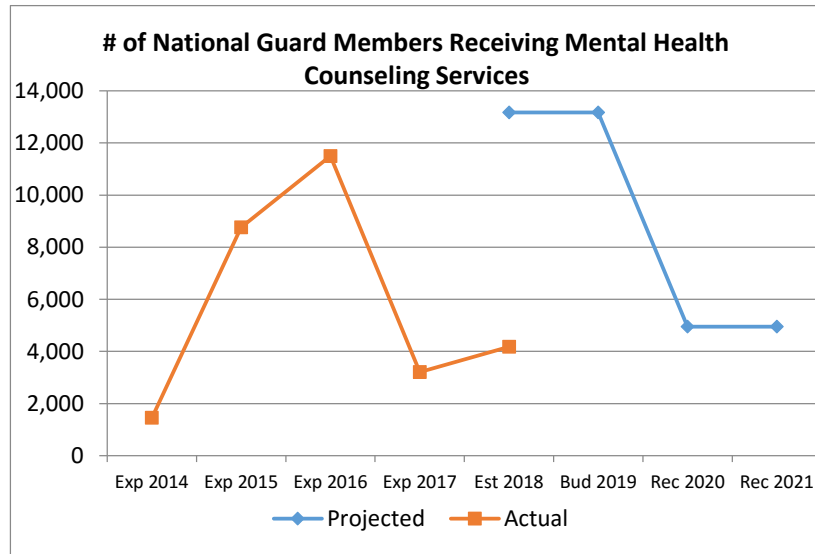
Legal Authority: Texas General Appropriation Act, Article V, Texas Military Department

Year Implemented	2013	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Behavioral Health – Mental Health Services		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 1,521,600	\$ 1,521,600	79.6%
Operating Costs	\$ 390,000	\$ 390,000	20.4%
Total	\$ 1,911,600	\$ 1,911,600	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,911,600	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,911,600	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations maintain \$1.9 million in General Revenue in the Mental Health Services Program in the 2020-21 biennium. The mental health initiative provides counseling and crisis intervention services to Texas Military Forces (TXMF) members, veterans of the TXMF, other veterans, state employees, and family members who require mental health services. TMD counseling services are linked to veteran and civilian provider networks and make referrals as appropriate. The performance measure associated with this program measures only National Guard members receiving services. The program's authority is in rider only. The GAA does not define to whom TMD may provide these services.

While appropriations for this program have steadily increased, the number of National Guard members served significantly decreased in fiscal years 2017 and 2018. The 2018-19 performance target was 13,170 clients served and the 2018 actual performance was 4,176. In its LAR, TMD showed a target of 4,950 for 2019 budgeted and 2020-21 requested. TMD associated the inability to meet the performance target as the result of counselor vacancies in FY 2018. However, that was not reflected in the LAR and TMD did not lapse funds in FY 2018. The agency has no UB authority for this purpose.

The performance measure counts only the number of National Guard Members Utilizing Counseling Services. The agency does not track the other categories of persons receiving mental health services. TMD reports that while there is no formal policy that allows persons other than National Guard members to utilize these services, the agency has allowed TMD mental health counselors to offer the services to those deemed necessary. During strategic planning, the performance measure was revised to "Number of Texas Army and Air National Guard Members, Families, and Veterans Receiving Mental Health Counseling Services" at the agency's request. If the Eighty-sixth Legislature defines who is eligible for mental health services, the measure would be revised accordingly.

Recommended Statutory Changes for Program Improvement

- 1 Amend Government Code, Chapter 437, to provide statutory authority for the program and define the population that is eligible to receive services provided by the program. Amend the performance measure accordingly.
- 2 In lieu of amending statute, add a rider to the TMD bill pattern defining the population that is eligible to receive the services the program provides. Amend the performance measure accordingly.
- 3 TMD requested amending statute to allow for out-of-state members of the TXNG to access TMD mental health counseling. This is not included in the recommendations.

Challenges and Enhancement Opportunities

- 1 Counselors are geographically dispersed across Texas who are called on to meet the needs of the staff. TMD reports additional funding would allow the hire of additional supervisors to ensure more service members receive services.
- 2 TMD requested amending current behavioral health state licensing requirements to allow TMD to provide counseling in other states, including the use of tele-mental health services.

Military Department
Strategic Fiscal Review Appendix 5h: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
		X	
Authority			

Program: State Military Tuition Assistance

Agency Ranking

8 out of 17

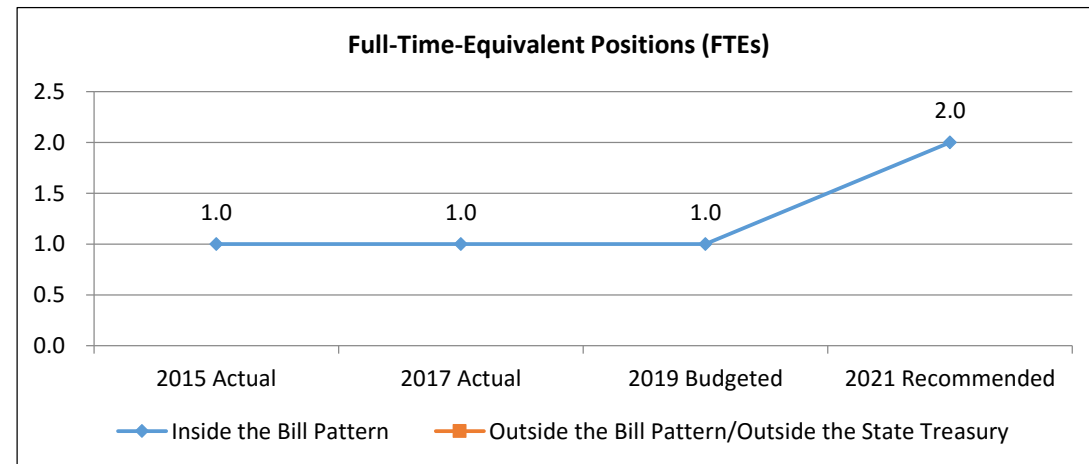
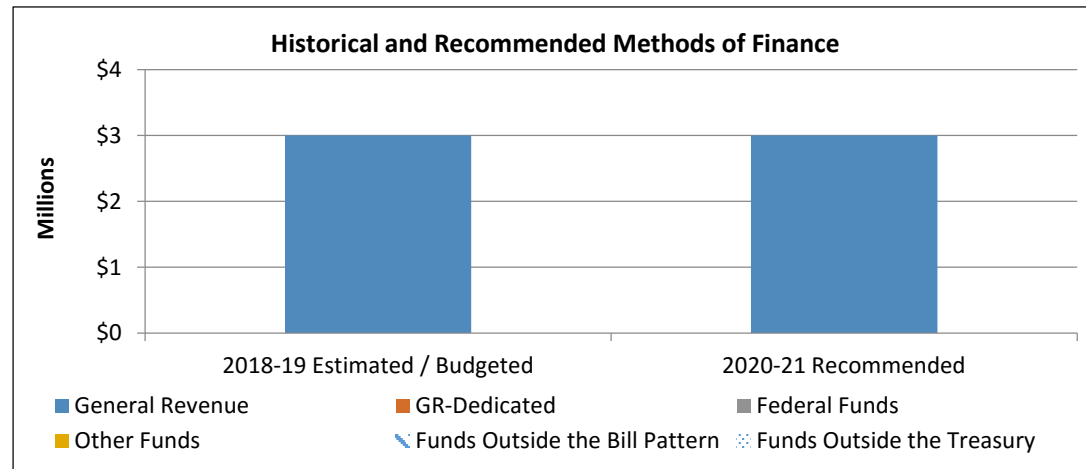
The State Tuition Assistance Program assists Texas service members with tuition costs and mandatory fees associated with postsecondary education. The program is unique to TXMF and remains a valuable tool to recruit, train and retain membership.

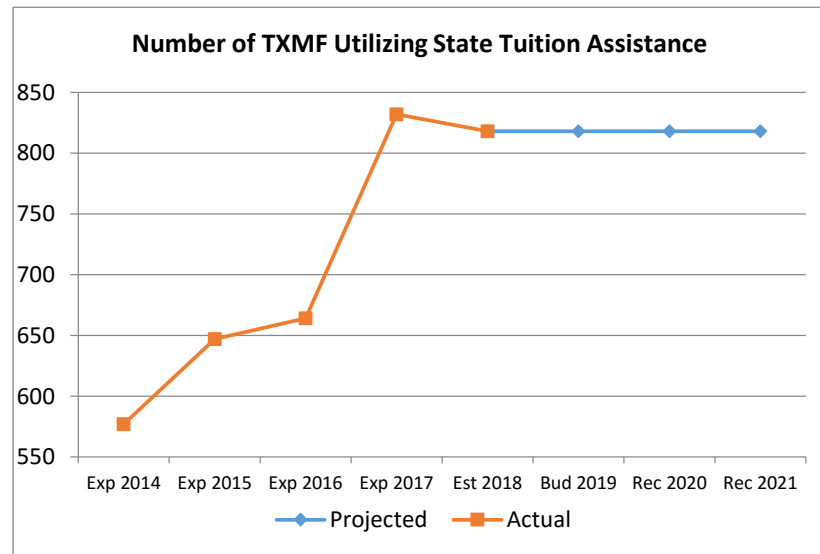
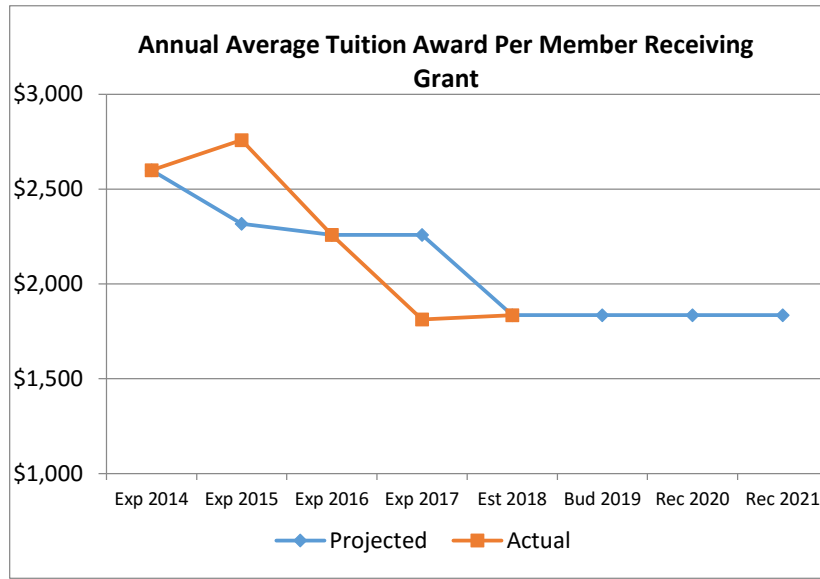
Legal Authority: Texas Government Code, Sec. 437.226

Year Implemented	2000	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Higher Education Instruction, Financial Aid & Research		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 2,881,640	\$ 2,881,640	96.0%
Personnel Costs	\$ 121,288	\$ 121,288	4.0%
Total	\$ 3,002,928	\$ 3,002,928	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 3,002,928	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 3,002,928	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations maintain 2018-19 base level funding of \$3.0 million for the 2020-21 biennium and add four performance measures recommended by Sunset. LBB staff worked with the agency to determine appropriate performance targets for these measures. The State Military Tuition Assistance Program provides monetary assistance to Texas service members with tuition costs and mandatory fees associated with postsecondary education. TMD reports the program is unique to TXMF and remains a valuable tool to recruit, train, and retain membership. There are several eligibility requirements for program participation:
 - Hold rank at or below a sergeant major, chief warrant officer III, or lieutenant colonel;
 - Must have satisfactory participation and no current personnel flags;
 - Not an Active Guard Reserve employee of the department;
 - Completed basic training (or equivalent);
 - Must have an expiration term of service or mandatory retirement date after the end date of the semester;
 - Must be enrolled in a Texas college or university pursuing the member's first degree in a level (certificate, associate's, bachelor's, master's, or professional); and
 - Must maintain a cumulative 2.0 GPA.

The Sunset review identified several areas of concern with the program:

- Low overall participation as many TXMF members do not understand the state tuition assistance program or know it exists and that recruiters have misled and misrepresented the program to potential TXMF members. Ineffective marketing has led to much lower participation than the universe of eligible TXMF members.
- Awards have become less impactful over time. The cost of tuition continues to rise while the funding level has fluctuated only between \$2.0 million and \$4.0 million since its inception in 1999. As a result, fewer participants receive smaller awards.
- The agency does not provide target awards to develop specific skills or personnel and does not effectively measure the impact of the awards.
- Implementation of the TMD state military assistance program does not meet the standards of other state agencies with similar tuition assistance programs or military tuition assistance programs in other states.

TMD reports the demand for tuition assistance has increased over time. Appropriations have only increased from \$1.0 million per fiscal year in 2012 to \$1.5 million in 2018. TMD reports that the former Adjutant General preferred to award each eligible applicant a smaller amount, ensuring that no eligible applicant is denied tuition assistance. This has led to reduced award amounts per person over time. The average tuition cost at a four-year state university was \$8,091 per semester in fiscal year 2018.

Recommended Statutory Changes for Program Improvement

- TMD recommends revision to Texas Government Code, Section 437.226 to rename the program Tuition Reimbursement Program to more accurately reflect the nature of the program.

Challenges and Enhancement Opportunities

- 1 Not included in the recommendations is \$0.7 million in General Revenue in TMD's fourth exceptional item to increase funding for tuition assistance for TXMF members in the 2020-21 biennium. TMD stated that adequate funding to support the program continues to be a challenge as the demand for tuition assistance to support full-time students exceeds the program budget.

- 2 The Sunset Commission recommended that TMD be directed to establish updated goals to target the use of limited state tuition benefits and collect information necessary to measure performance. The Commission also recommended that TMD be directed to update informational materials and training to ensure recruiters and potential applicants receive accurate information about state tuition benefits. The Commission also proposed several potential performance measures to better measure program performance and member participation, some of which are included in the recommendations.

Alternative Funding Options

- 1 In order for tuition awards to have a greater impact on recipients' likelihood to enter and complete postsecondary education, the legislature could direct TMD to add additional criteria for new awards to target them to members most likely to benefit. Criteria changes could include, but are not limited to:
 - a. Eligibility based on pursuit of a degree in fields identified as supporting the departments mission;
 - b. Increasing the minimum GPA from 2.0 to 2.5; or
 - c. Requiring an ongoing service commitment in order to receive an award.

- 2 Only 2.8 percent of the eligible guard member population received a grant and only 4 to 5 percent applied in the Spring 2017 semester. Increasing funding to at least meet apparent demand would require an additional \$1.8 million for the 2020-21 biennium.

- 3 In accordance with the Sunset recommendation, additional performance measures were added to better assess the needs of the tuition assistance program and its results:
 - a. Percent of guard members receiving tuition benefits;
 - b. Retention rate of program participants;
 - c. Rate of program recipients completing degrees; and
 - d. Percent of guard members with specified degrees needed to carry out the department's mission.

Military Department
Strategic Fiscal Review Appendix 5i: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
	X		
Authority			

Program: Youth Education Program – Challenge Program

Agency Ranking

9 out of 17

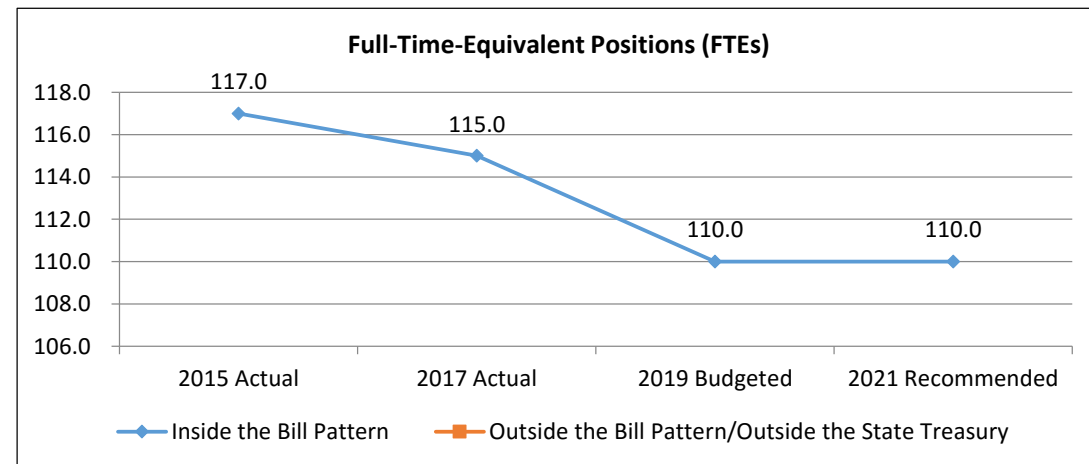
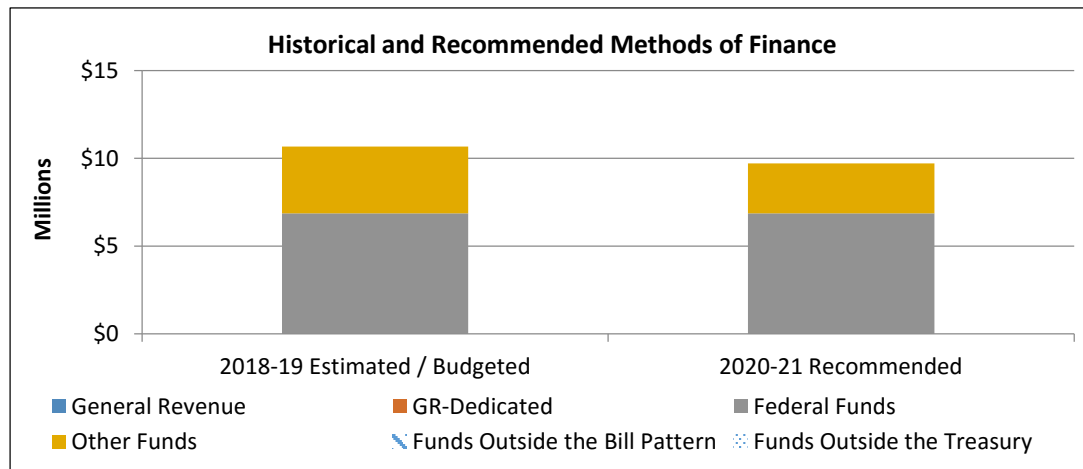
The Texas Military Department, thru a Master Cooperative Agreement with the National Guard Bureau, provides military based training for civilian youth who cease to attend secondary school before graduating so as to improve the life skills and employment potential of the youth.

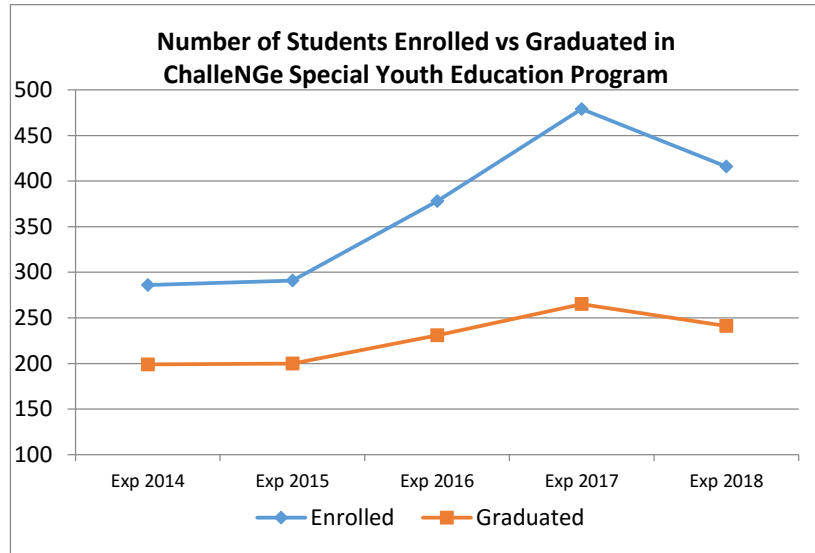
Legal Authority: Texas Government Code, Sec. 437.054(b) The adjutant general may execute the cooperative agreements with the National Guard Bureau and an interagency military agreement with a federal, state, or local governmental or quasi-governmental agency. Federal: 32 U.S.C. Chapter 5.Sec. 509; 32 U.S.C. Section 106 and 107; 31 U.S.C Sections 6301-6308; 2 CFR part 200, subpart E. ; National Guard Regulation 5-1

Year Implemented	2000	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	K-12 Education Instruction		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 5,793,043	\$ 4,789,458	49.3%
Operating Costs	\$ 4,877,297	\$ 4,727,882	48.7%
Capital Costs	\$ -	\$ 200,000	2.1%
Total	\$ 10,670,340	\$ 9,717,340	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 9,717,340	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 9,717,340	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include a \$1.0 million decrease in Foundation School Program Funds (Other Funds) as the result of lower population targets associated with the agency's plan to consolidate the two campuses and close the Sheffield location. Despite the anticipated population reduction, the agency maintained the 2018-19 base Federal Funds level in its 2020-21 estimates. A portion of the Federal Funds associated with this program are dependent on the size of the population served. A smaller population will likely lead to a decrease in Federal Funds.

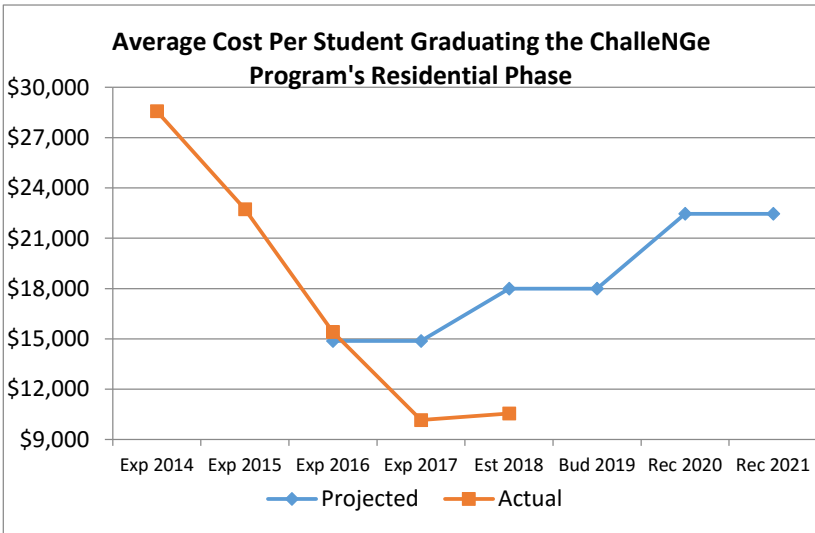
The Texas Challenge Academy (TCA) is part of the National Guard Youth Challenge Program and is funded through Federal Funds, General Revenue, and Foundation School Program Funds (FSP). The National Guard Bureau (NGB) provides direct management and oversight of the program.

TMD reports that a cost per student graduating of \$18,000 per year is the norm. However, performance measure data and LAR reporting show significant fluctuations in the cost per student completing the program. TMD is unable to confirm that the cost per student graduating data provided is accurate. We will continue to work with TMD to determine an accurate cost per student graduating the Challenge program.

The Sunset Advisory Commission staff made recommendations for TCA. Sunset staff identified issues related to staffing, physical plant, and program performance of the Sheffield campus in west Texas, recommending relocation of the program from Sheffield if possible, but closure of the Sheffield location whether or not an alternative location was established. An October 2018 inspection by NGB found that TCA's operational performance was unsatisfactory.

Challenges and Enhancement Opportunities

- 1 The NGB's goal is that each campus graduate 100 students each semester. Since July 2012, TCA conducted 18 semesters and met the 100-graduate target three times. TCA has not met the target since the semester that ended in December 2014.
- 2 The remoteness of the Sheffield location created staffing problems, difficulty finding vendors to travel to the area, and isolated program participants.
- 3 The program is dependent on federal budget decisions. If appropriations in the federal budget are reduced, a federal budget is not adopted, or the parties fail to enter into a Master Cooperative Agreement, the Challenge program could be negatively affected or eliminated. TMD did not identify enhancement opportunities.



Military Department
Strategic Fiscal Review Appendix 5j: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
	X		
Authority			

Program: Youth Education Program – Starbase Program

Agency Ranking 10 out of 17

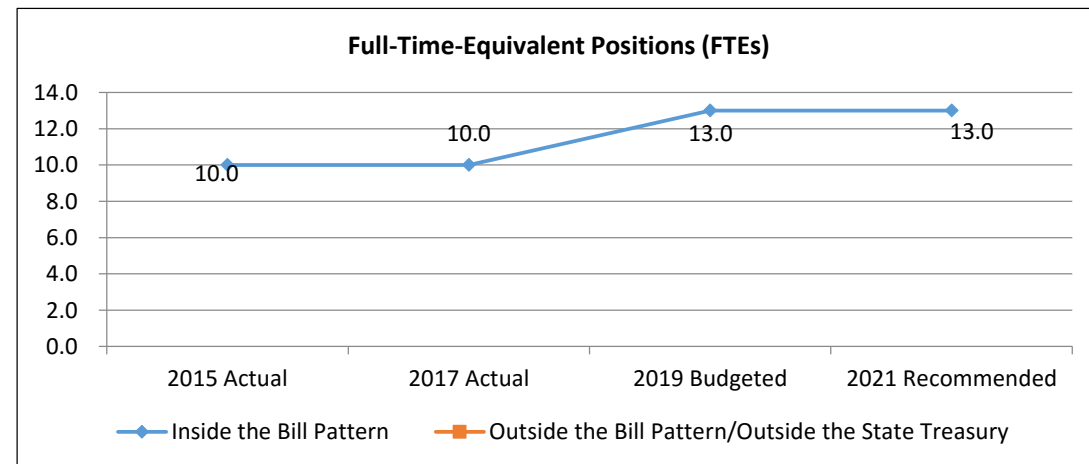
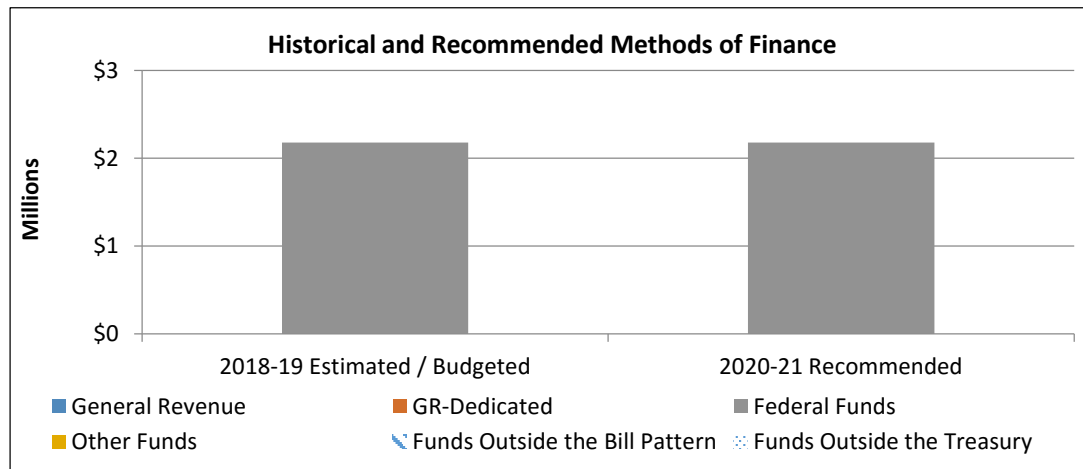
The Texas Military Department, through a Master Cooperative Agreement with the National Guard Bureau, provides funding for Starbase, a program that provides 25 hours of instruction to 5th grade students using an interactive curriculum in science, technology, engineering, and math.

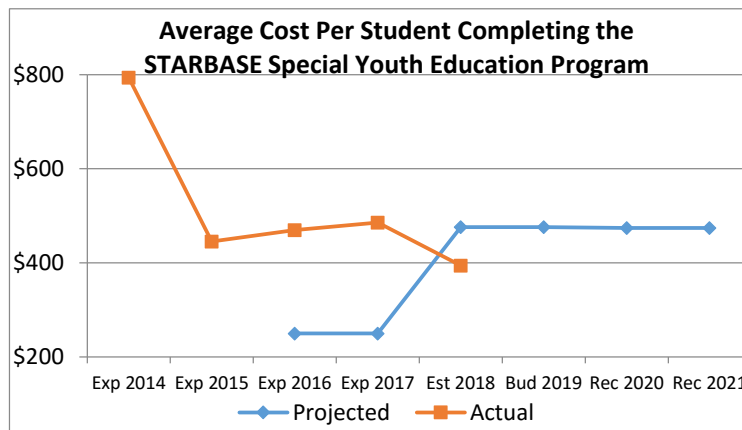
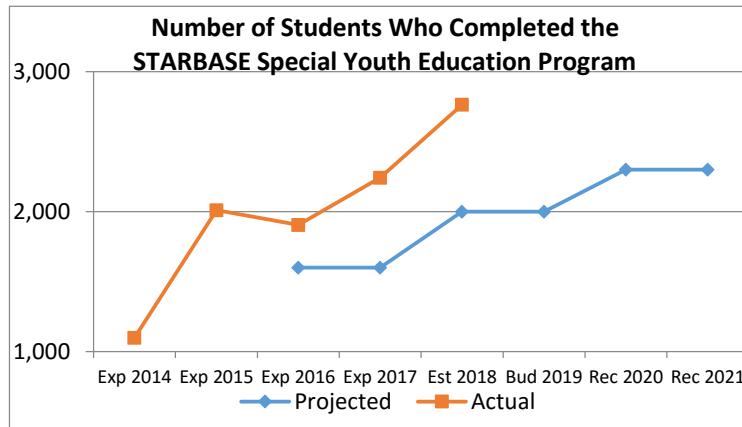
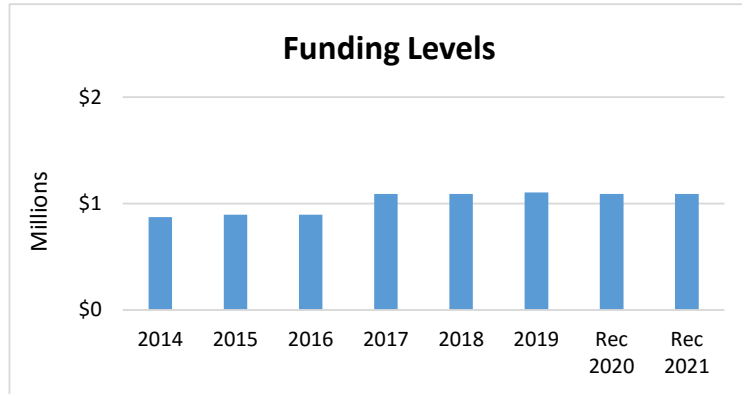
Legal Authority: Texas Government Code, Sec. 437.054(b) The adjutant general may execute the cooperative agreements with the National Guard Bureau and an interagency military agreement with a federal, state, or local governmental or quasi-governmental agency. Federal: 32 U.S.C. Section 106 and 107; 31 U.S.C Sections 6301-6308; 2 CFR part 200, subpart E. ; National Guard Regulation 5-1; 10 U.S.C Section 2193b

Year Implemented	2008	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Regional	State Service(s)	K-12 Education Instruction		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 1,276,712	\$ 1,276,712	58.6%
Operating Costs	\$ 903,288	\$ 903,288	41.4%
Total	\$ 2,180,000	\$ 2,180,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,180,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 2,180,000	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations maintain 2018-19 base funding levels for the Starbase program and increase the performance target for Number of Students Completing to 2,300 per fiscal year based on recent performance trends. The Texas Military Department, through a Master Cooperative Agreement with the National Guard Bureau, participates in the Starbase program. The program serves fifth graders from groups that are historically underrepresented in science, technology, engineering, and mathematics (STEM) programs. The program's objective is to raise the interest and improve the knowledge and skills of 5th graders in STEM by offering 25 hours of instruction using an interactive curriculum. In Austin, the program is hosted by Camp Mabry where students participate in challenging hands-on, mind-engaging activities and interact with military personnel to explore careers and observe STEM applications in the real world. The Starbase program is 100 percent federally funded.

TMD reports federal funding increases for the program from 2014 to 2019. Using expenditure information and performance measure data for the number of students completing, LBB staff calculated the average cost per student. TMD's performance reporting for cost per student was inaccurate and showed significant fluctuations in cost across fiscal years.

Challenges and Enhancement Opportunities

- 1 The program is dependent on federal budget decisions. If appropriations in the federal budget are reduced, a federal budget is not adopted, or the parties fail to enter into a Master Cooperative Agreement, the Starbase program could be negatively affected or eliminated.
- 2 TMD did not identify enhancement opportunities.

Military Department
Strategic Fiscal Review Appendix 5k: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
	X		
Authority			

Program: Youth Education Program -- Museum

Agency Ranking

11 out of 17

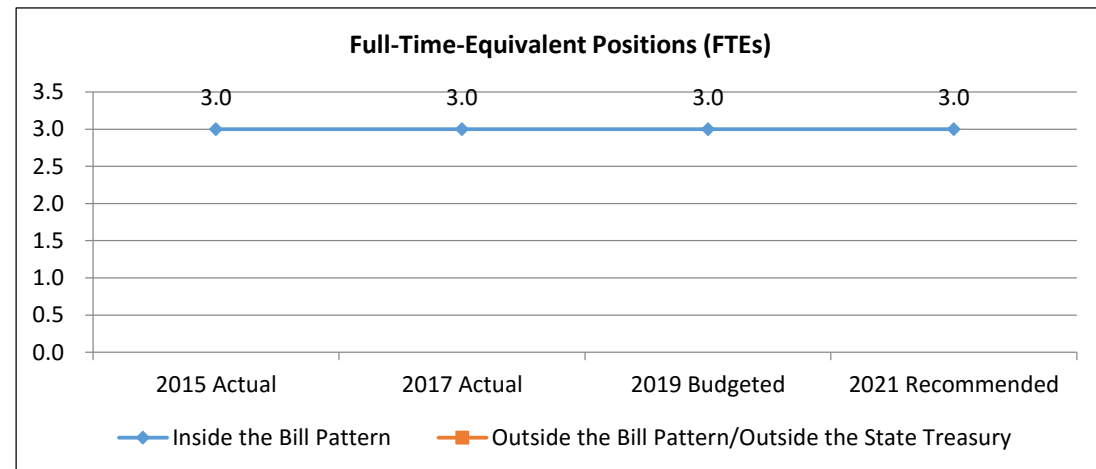
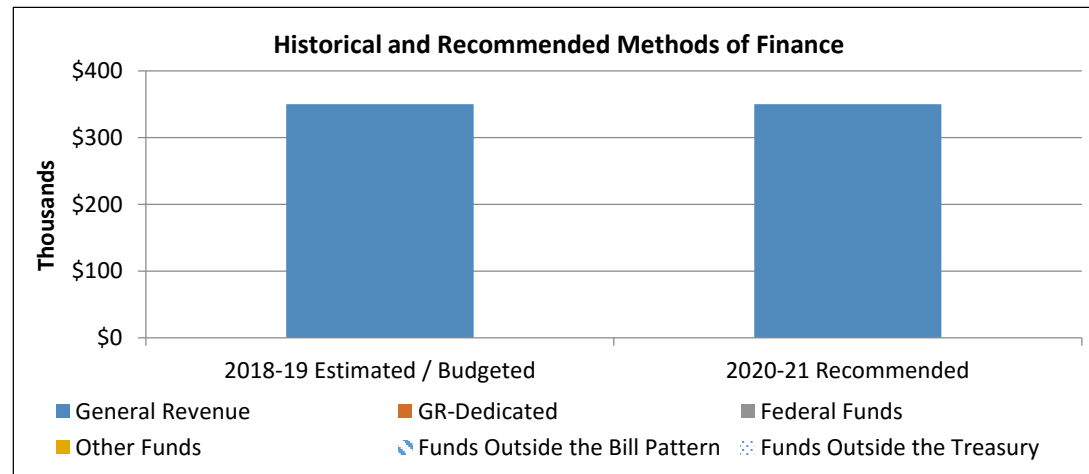
Provides historical information on the Texas Military Forces.

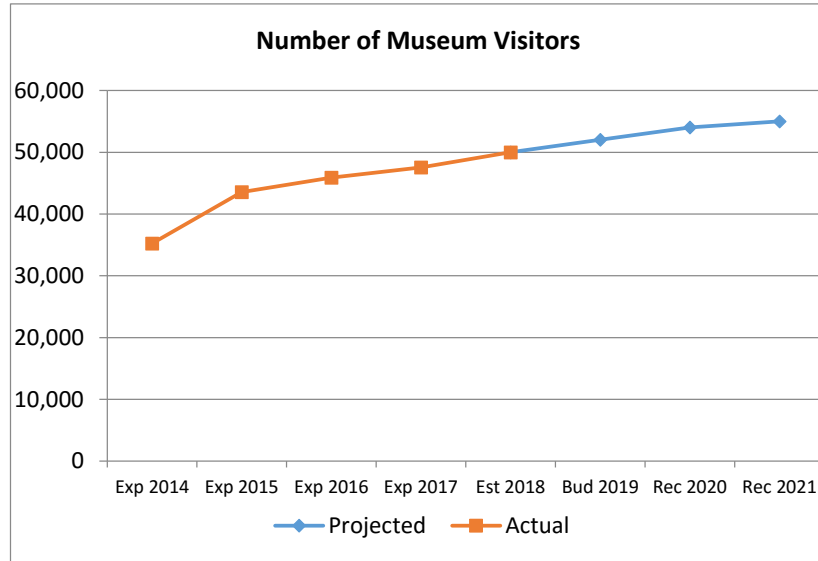
Legal Authority: Sec. 437.106. HISTORICAL PRESERVATION OF RECORDS AND PROPERTY. Except as provided by other law and in accordance with all applicable federal and state requirements, the department shall preserve all historically significant military records or property in the Texas Military Forces Museum.

Year Implemented	1992	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	NA	State Service(s)	K-12 Education Instruction		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 350,000	\$ 350,000	100.0%
Total	\$ 350,000	\$ 350,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 350,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 350,000	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations maintain \$0.4 million in General Revenue for the Youth Education Program – Museum. The appropriation only covers the salaries for the three FTEs that work in the museum. Utilities and maintenance costs are funded in the Facilities Management Program and are paid with General Revenue.

The museum houses more than 26,000 square feet of exhibits and approximately forty static display vehicles and aircraft. Collections currently include over 30,000 state owned three-dimensional artifacts (bibles, tactical-nuclear missiles), with 236 artifacts on loan from the US Army (tanks, aircraft, artillery pieces, armored vehicles). The museum’s current archival collection is 3,000 linear feet, with 35,000 photographs.

TMD reports that the museum plays an important role with youth education as approximately 10,000 to 12,000 of the annual museum visitors are from local schools (including public schools, home schools, private schools, universities, Junior ROTC programs, and scout groups), with the agency anticipating the number of visitors to increase by 500 to 1,000 in each year in the 2020-21 biennium.

The program is statutorily required. TMD reports the Camp Mabry Master Plan anticipates expansion of the exhibits to support ongoing preservation and restoration efforts, supporting the goal of public involvement and education.

Challenges and Enhancement Opportunities

1 Appropriations for the Museum have remained the same across several biennia. TMD states that while the agency is mandated to operate a museum, the agency is not adequately funded to operate it and that the museum is running out of space to hold additional artifacts that are annually donated by citizens and veterans. The agency expends the appropriated \$0.4 million for the salary and wages of the three FTEs. The museum’s utilities and maintenance costs are absorbed by the Facilities Maintenance Program and are paid by General Revenue funds.

Alternative Funding Options

- 1 Authorize TMD to charge a nominal entrance fee to support the museum program. TMD currently charges no admission fee and generates no revenue for the program. This would require statutory change and appropriation of the fee revenue in the General Appropriations Act.
- 2 Direct TMD to pursue donations from museum visitors, or the general public, to support the museum program. TMD has existing authority to seek donations to support the museum pursuant to Government Code 437.111(c).

Military Department
Strategic Fiscal Review Appendix 5m: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	← →	
		X	
Authority			

Program: State Training Missions -- Distance Learning

Agency
Ranking

12 out of 17

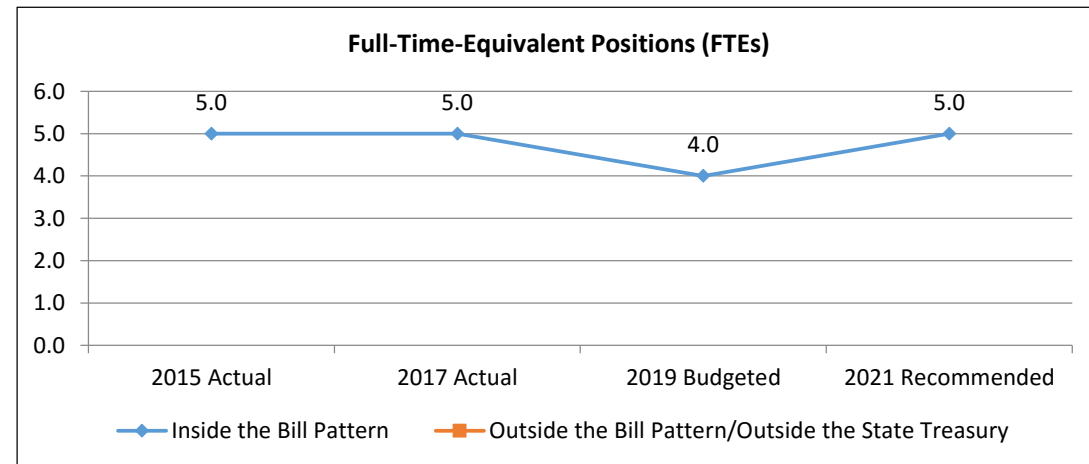
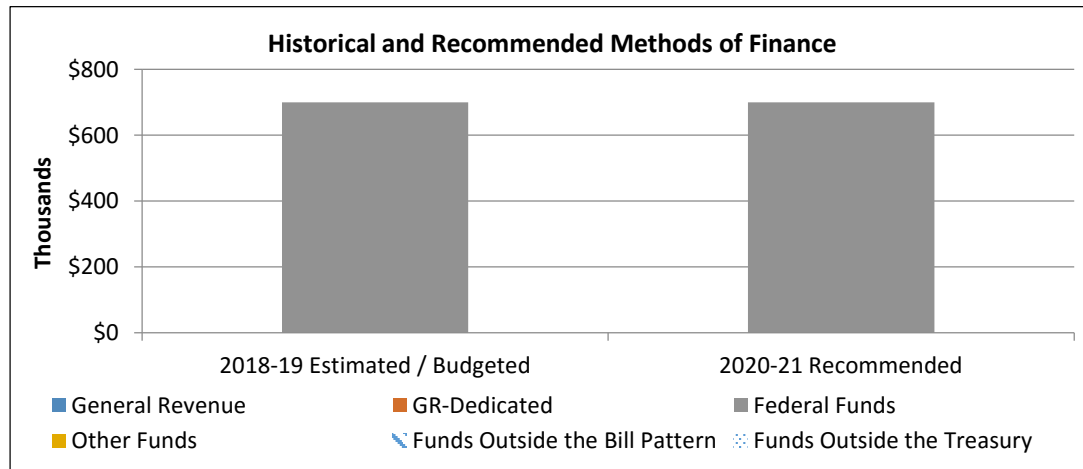
The Texas Military Department, through a Master Cooperative Agreement with the National Guard Bureau, provides support to the Texas Army National Guard Distributed Learning Program. It uses information technology to create content, provide access, and enable delivery of distributed guard training content.

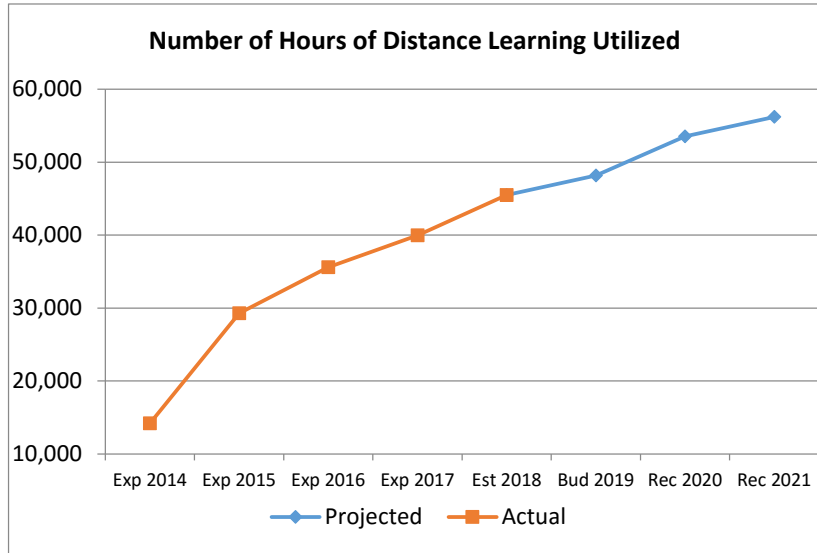
Legal Authority: Texas Government Code, Sec. 437.054(b) The adjutant general may execute the cooperative agreements with the National Guard Bureau and an interagency military agreement with a federal, state, or local governmental or quasi-governmental agency. Federal: 32 U.S.C. Section 106 and 107; 31 U.S.C Sections 6301-6308; 2 CFR part 200, subpart E.; National Guard Regulation 5-1

Year Implemented	2000	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 700,000	\$ 700,000	100.0%
Total	\$ 700,000	\$ 700,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 700,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 700,000	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations maintain an agency anticipated \$0.1 million in Federal Funds in the State Training Missions - Distance Learning Program in the 2020-21 biennium. The program uses information technology to create content, provide access, and enable delivery of distributed learning content. Fiscal year 2014 represents only a partial year of data as the automated system was initiated part-way through the fiscal year.

Army National Guard Distributed Learning Program (ARNG DLP or Distance Learning or Distributive Learning) produces electronic and online training resources through Computer Based Training (CBT), Web Based Training (WBT) and Video Tele-training (VTT). The purpose of these technologies is to provide access to required DOD readiness training. The ARNG DLP uses information technology to create content, provide access, and enable delivery of DL content to enhance the readiness of soldiers and units throughout the Army National Guard. The ARNG DLP has a federally-managed nationwide network of ARNG Distributed Learning Centers (DLC), with State-level DL Programs in every state and territory to operate and administer the ARNG DLCs.

TMD reported that it is necessary for this program to be stand-alone. Programs have been presented as broadly aligned with each Appendix within the Master Cooperative Agreement (MCA) with the National Guard Bureau (NGB) or significant missions with the Texas Military Forces (TXMF) components that include Army, Air and Texas State Guard. However, TMD's use of "program" does not necessarily indicate supervision, oversight or placement within the organizational structure. Because each Appendix has unique federal requirements, budgeting and reporting, TMD has chosen to identify each Appendix under the MCA as an individual program.

Challenges and Enhancement Opportunities

1 Providing this program is dependent on the execution of a master cooperative agreement and federal funding.

Military Department
Strategic Fiscal Review Appendix 5n: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
Authority	X		

Program: State Training Missions -- Community Health Programs

Agency Ranking

13 out of 17

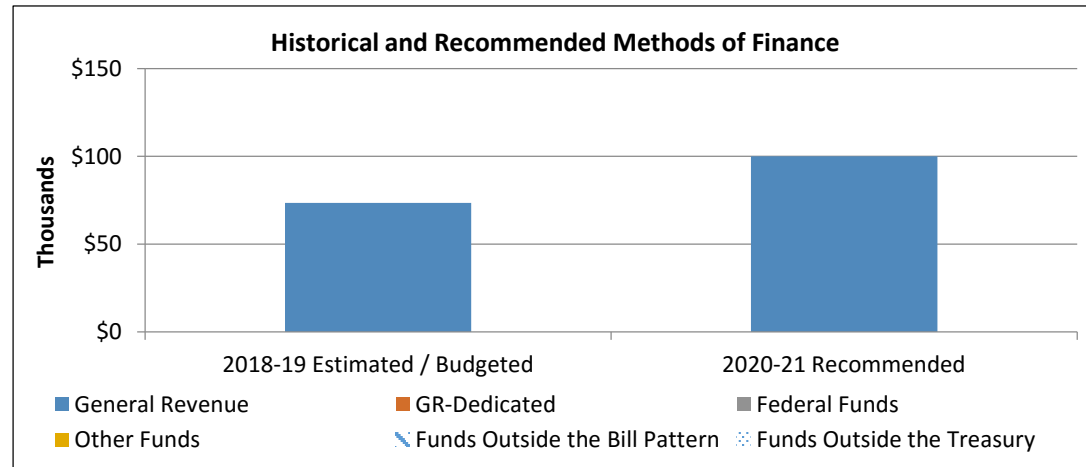
State Training Missions-community programs, includes Operation Lone Star (OLS) and the Oral Rabies Vaccination Program (ORVP).

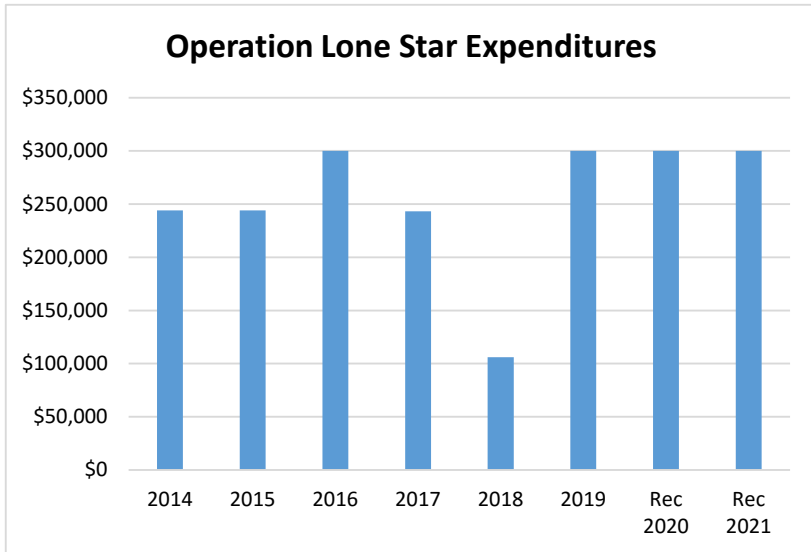
Legal Authority: Texas General Appropriations Act, Article V, Military Department

Year Implemented	1998	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Regional	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 73,482	\$ 100,000	100.0%
Total	\$ 73,482	\$ 100,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 100,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 100,000	100.0%



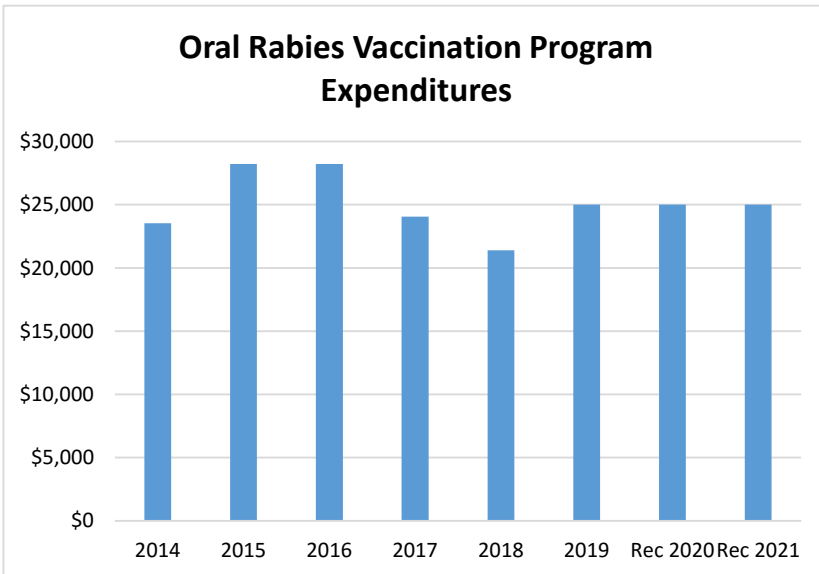


Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include \$0.1 million in General Revenue in the State Training Missions - Community Health Program for the 2020-21 biennium, which is a 25 percent increase from the previous biennium. The increase was achieved by TMD allocating additional funding for this purpose within its base funding level. The program includes two cooperative Department of State Health Services missions, Operation Lone Star (OLS) and the Oral Rabies Vaccination Program (ORVP). The Texas State Guard provides personnel resources only and TMD does not capture data for the number of persons served or the number of rabies vaccinations provided. According to the agency, this program is a useful training exercise and provides assistance to communities in need.

ORVP is an initiative to eradicate rabies from species populations in Texas. Approximately 10 State Guard personnel participate annually.

OLS is an annual five-day emergency preparedness exercise that provides preventative medical care to underserved Texas residents in La Joya, Pharr, Brownsville, Rio Grande City and Laredo.



Military Department
Strategic Fiscal Review Appendix 5o: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
	X		
Authority			

Program: Ellington Firefighters

Agency Ranking

14 out of 17

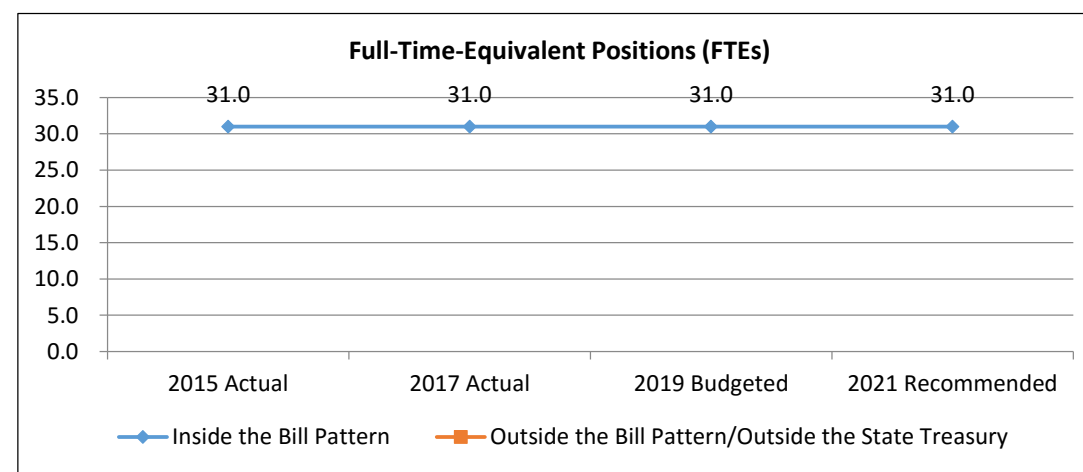
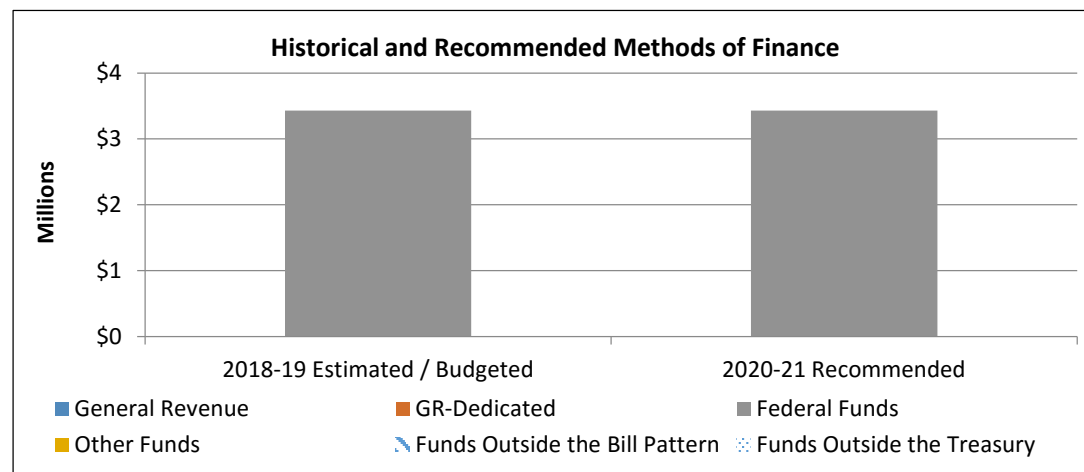
The Texas Military Department, through a Master Cooperative Agreement with the National Guard Bureau, provides Aircraft Rescue and Fire Fighting (AAFF) services to military installations identified by National Guard Bureau.

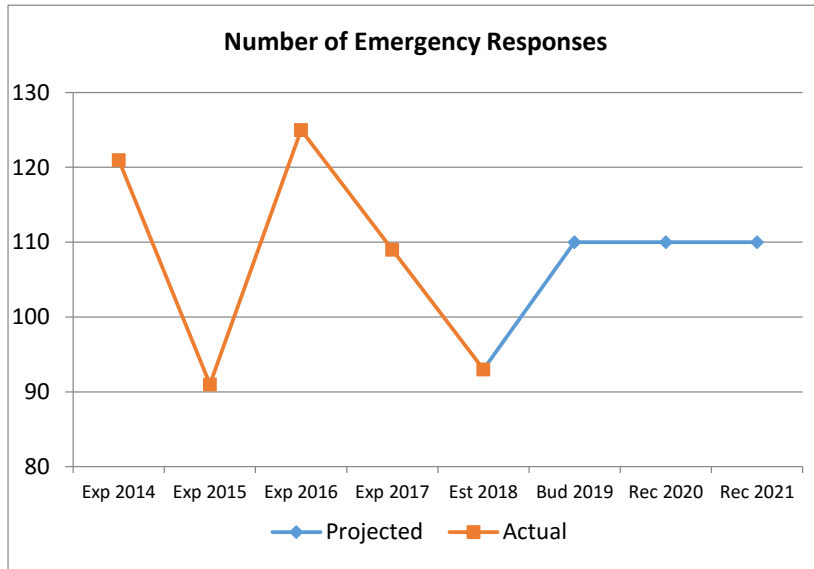
Legal Authority: Texas Government Code, Sec. 437.054(b) The adjutant general may execute the cooperative agreements with the National Guard Bureau and an interagency military agreement with a federal, state, or local governmental or quasi-governmental agency. Federal: 32 U.S.C. Section 106 and 107; 31 U.S.C Sections 6301-6308; 2 CFR part 200, subpart E.; National Guard Regulation 5-1

Year Implemented	2000	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Weak	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 3,308,168	\$ 3,308,168	96.4%
Operating Costs	\$ 124,000	\$ 124,000	3.6%
Total	\$ 3,432,168	\$ 3,432,168	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 3,432,168	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 3,432,168	100.0%





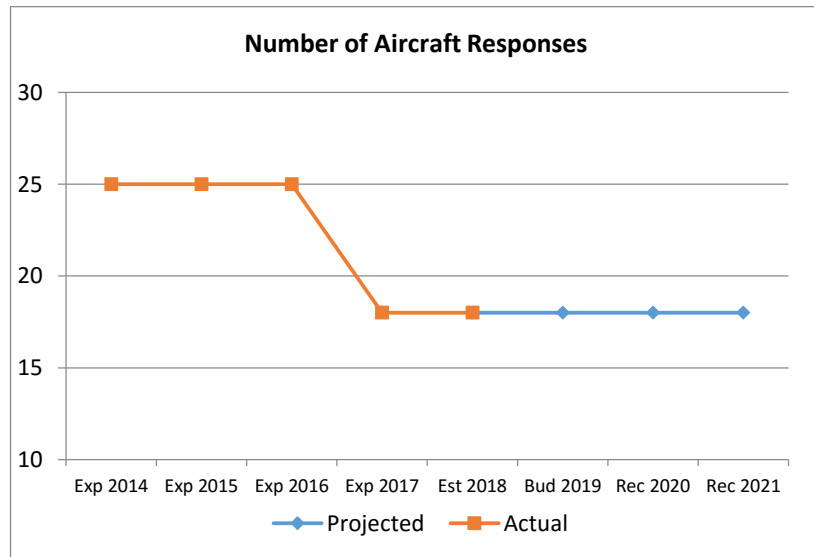
Summary of Recommendations and Fiscal and Policy Issues

1 Recommendation maintain \$3.4 million in Federal Funds for the Ellington Firefighters program in the 2020-21 biennium. Aircraft rescue and fire fighting services are provided to military installations throughout the state. The program also provides annual facility fire safety inspections to TMD facilities and contract lodging facilities upon request. The program averages 75 inspections per fiscal year.

Internal training: Annual scheduled proficiency training is 129 CEUs (continuing education units), this number has been and will remain constant for the period of 2014-2021.

Challenges and Enhancement Opportunities

1 This program is 100% federally reimbursed and is dependent upon Federal Funds.



Military Department
Strategic Fiscal Review Appendix 5p: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality		
		X	
Authority			

Program: Debt Service

Agency
Ranking

15 out of 17

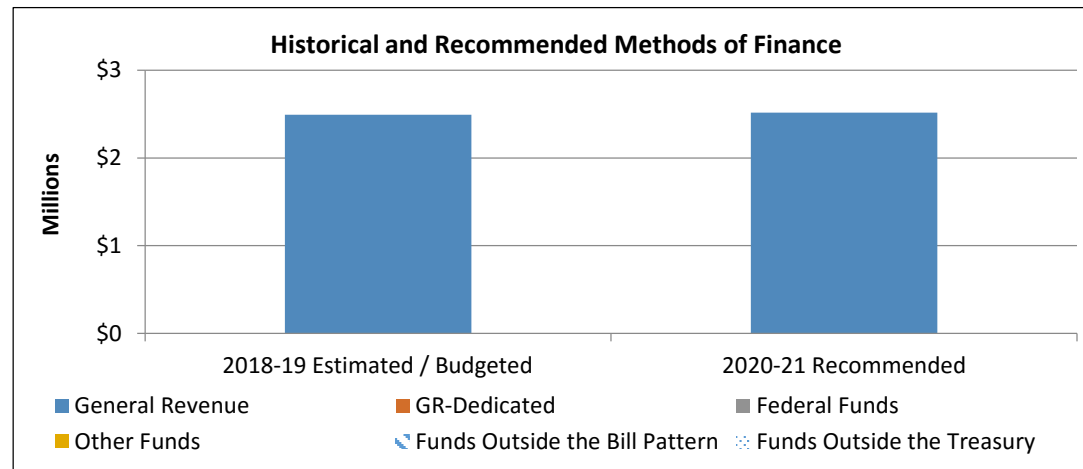
Debt service on outstanding bonds, insurance, audit fees, and administrative fees to finance the state costs of armory construction and major maintenance and repair.

Legal Authority: Government Code, Sec. 431.0292

Year Implemented	2016	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	NA	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 2,494,300	\$ 2,514,900	100.0%
Total	\$ 2,494,300	\$ 2,514,900	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,514,900	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 2,514,900	100.0%



Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include \$2.5 million in General Revenue for debt service on the Series 2015B Revenue Refunding Bond. Debt service is transferred to the Texas Public Finance Authority for the interest payments on outstanding debt. The TPFA 2020-21 estimated debt service includes a \$0.2 million increase from the 2018-19 expenditure level. No specific population is served, but the improvements to facilities made with the bond proceeds benefit staff and TXMF members who utilize those facilities. TMD anticipates a need for this program through fiscal year 2024 when the debt is expected to be eliminated unless additional revenue bonds are appropriated.

Military Department
Strategic Fiscal Review Appendix 5q: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
		X	
Authority			

Program: State Training Missions -- Border Star

Agency Ranking

16 out of 17

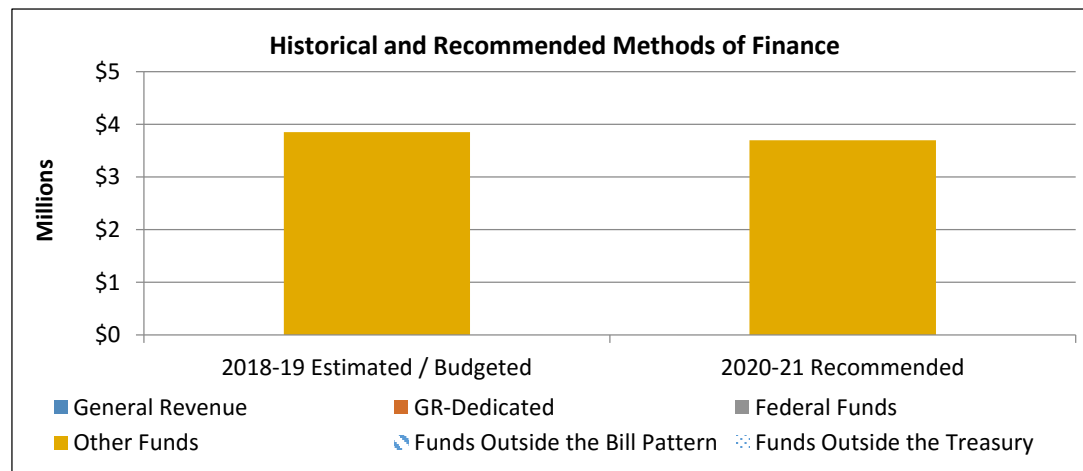
Interagency Contract with the Texas Ranger Division. Provides personnel and equipment, to include support necessary to perform administrative and operational tasks in support of joint border security operations.

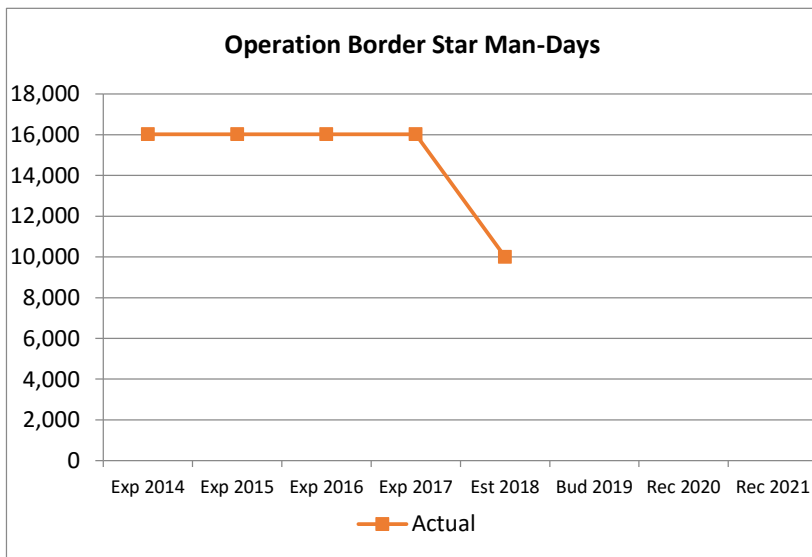
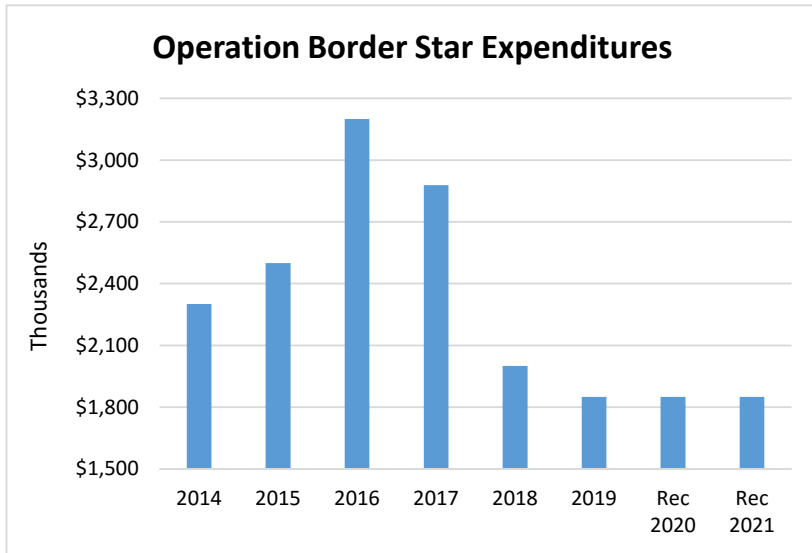
Legal Authority: Texas Government Code Chapter 771; Texas Government Code, Chapter 437.054

Year Implemented	2006	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Regional	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 2,850,000	\$ 3,700,000	100.0%
Operating Costs	\$ 1,000,000	\$ -	0.0%
Total	\$ 3,850,000	\$ 3,700,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 3,700,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 3,700,000	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations decrease program funding by \$0.2 million in Interagency Contracts (Other Funds) with the DPS Texas Ranger Division based on agency estimates. The program provides personnel and equipment, including support necessary to perform administrative and operational tasks in joint border security operation centers. Funding for this program is subject to DPS appropriations for this purpose.

Challenges and Enhancement Opportunities

1 Funding is dependent on DPS receiving an appropriation for this purpose and on an IAC being executed.

Military Department
Strategic Fiscal Review Appendix 5r: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
Authority ↑		X	

Program: Border Security

Agency Ranking

17 out of 17

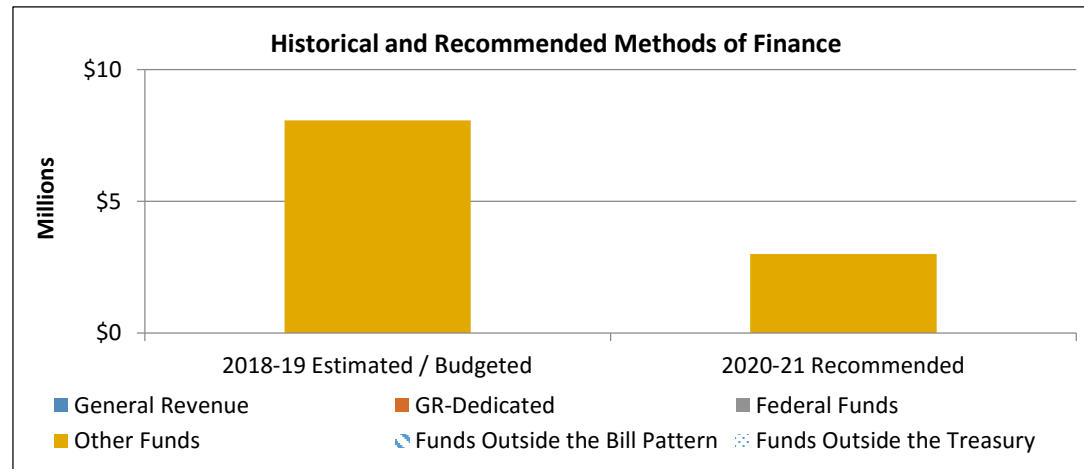
The border security program is an interagency contract with the Department of Public Safety for Operation Drawbridge and to support deployment of the Texas National Guard to the border region at the call of the Governor.

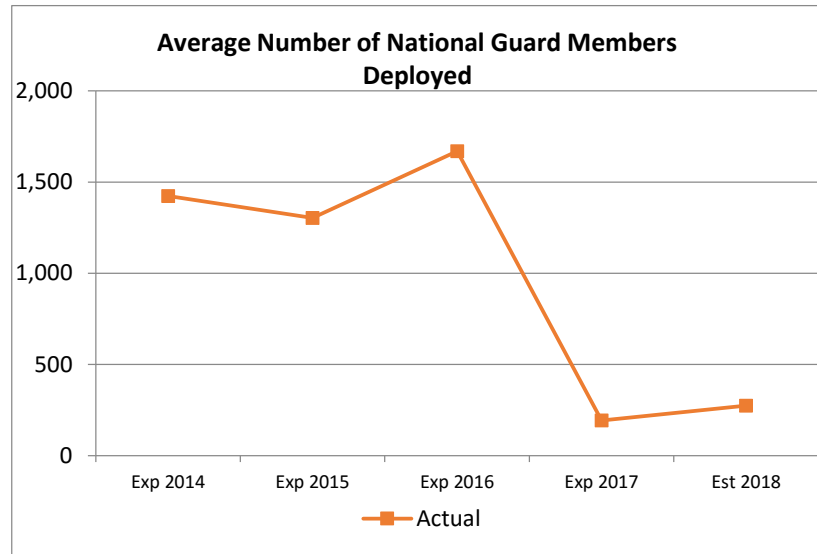
Legal Authority: Article V-56 Rider 53 Department of Public Safety/Military Department Transitional Funding; Government Code, Section 437.005

Year Implemented	2014	Performance and/or		Revenue Supported	No
Authority	Weak	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	Yes	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Legal Services & Law Enforcement		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 8,077,000	\$ 3,000,000	100.0%
Total	\$ 8,077,000	\$ 3,000,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 3,000,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 3,000,000	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 The border security program is funded through an interagency contract with the Texas Department of Public Safety for Operation Drawbridge and to support the Texas National Guard when the Governor deploys it to the Texas-Mexico border. Recommendations eliminate \$5.1 million in Interagency Contracts (Other Funds) with DPS for surge funding provided in the 2018-19 biennium.

Operation Drawbridge is a state funded camera project that uses motion activated game cameras to detect and report drug and human smuggling events in real time. General Revenue is appropriated to DPS, who then contracts with TMD for camera installation and replacement. In FY 2018-19, TMD received \$3.0 million for this purpose and anticipates base level funding in the 2020-21 biennium.

Through the first half of 2018, the Governor deployed a monthly average of 120 National Guard members to the US–Mexico border. In April 2018, in response to the President’s order to ramp up border security, Governor Abbott increased deployment to 1,000 National Guard members. At that time, the mission became federally funded. As of January 2019, there are approximately 1,222 Army National Guardsmen in Texas in support of the President’s Border Security Initiative. There are currently 43 Texas State Guard Members on the border, active under Operation Drawbridge and Operation Border Star, funded by state initiatives.

In April 2018, the President ordered approximately 5,600 military personnel to the US–Mexico border to establish a greater border security presence. As of January 2019, there are approximately 1,222 Army National Guardsmen in Texas in support of the President’s Border Security Initiative. There are currently 43 Texas State Guard Members on the border, active under Operation Drawbridge and Operation Border Star, funded by state initiatives.

Challenges and Enhancement Opportunities

1 TMD is not directly appropriated funding for Border Security Operations. The level of involvement of the organization in Border Security Operations is dependent upon the Governor’s priorities and funding.

Military Department
Strategic Fiscal Review Appendix 6: Program and Strategies Crosswalk - House

Agency Ranking	Program	Strategy
1	<i>Indirect Administration</i>	4.1.1 Indirect Administration
2	Facilities Maintenance	2.1.1 Facilities Management & Operations
3	Utilities	2.1.3 Utilities
4	State Training Missions -- Administration	1.1.2 State Training Missions
5	State Training Missions -- Training Activities	1.1.2 State Training Missions
6	State Active Duty -- Disaster	1.1.1 State Active Duty - Disaster
7	Mental Health Services	3.1.3 Mental Health Initiative
8	State Military Tuition Assistance	3.1.2 State Military Tuition Assistance
9	Youth Education Program -- Challenge Program	3.1.1 Youth Education Programs
10	Youth Education Program -- Starbase Program	3.1.1 Youth Education Programs
11	Youth Education Program -- Museum	3.1.1 Youth Education Programs
12	State Training Missions -- Distance Learning	1.1.2 State Training Missions
13	State Training Missions -- Community Health Programs	1.1.2 State Training Missions
14	Ellington Firefighters	2.2.1 Firefighters - Ellington Afb
15	Debt Service	2.1.2 Debt Service
16	State Training Missions -- Border Star	1.1.2 State Training Missions
17	Border Security	1.1.2 State Training Missions

Note: Indirect administration program names are italicized.

**Military Department
Appendices - House**

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B	Summary of Federal Funds	60
C	FTE Highlights	61
D	Performance Measure Highlights	62
E	Summary of Ten Percent Biennial Base Reduction Options	63

Military Department
Funding Changes and Recommendations - House by Strategy -- ALL FUNDS

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
STATE ACTIVE DUTY - DISASTER A.1.1	\$35,678,870	\$592,458	(\$35,086,412)	(98.3%)	A \$26.8 million decrease in Federal Funds in one-time Hurricane Harvey Public Assistance grants and a \$8.3 million decrease from the elimination of one-time funding in Governor's Emergency and Deficiency grants (Other Funds).
STATE TRAINING MISSIONS A.1.2	\$18,338,638	\$13,111,638	(\$5,227,000)	(28.5%)	A \$5.1 million decrease in Other Funds (Interagency Contracts) for Border Security and \$0.1 million decrease for the Border Star program.
Total, Goal A, OPERATIONS RESPONSE	\$54,017,508	\$13,704,096	(\$40,313,412)	(74.6%)	
FACILITIES MANAGEMENT & OPERATIONS B.1.1	\$121,117,019	\$130,029,876	\$8,912,857	7.4%	A \$77,896 increase in General Revenue due to an increase in DCS current obligations; a \$16.3 million decrease in ESF for deferred maintenance and STAR; a \$5.0 million increase in Current Fund Balance to maintain 2018-19 appropriated estimates; a \$0.7 decrease in General Obligation Bond Proceeds; and an agency anticipated \$20.9 million increase in Federal Funds.
DEBT SERVICE B.1.2	\$2,494,300	\$2,514,900	\$20,600	0.8%	A \$20,600 increase in General Revenue for an anticipated increase of debt service payments to the Texas Public Finance Authority.
UTILITIES B.1.3	\$17,780,000	\$17,560,000	(\$220,000)	(1.2%)	A \$0.2 million decrease in Federal Funds as the result of consolidating multiple programs into one strategy.
FIREFIGHTERS - ELLINGTON AFB B.2.1	\$3,432,168	\$3,432,168	\$0	0.0%	
Total, Goal B, OPERATIONS SUPPORT	\$144,823,487	\$153,536,944	\$8,713,457	6.0%	
YOUTH EDUCATION PROGRAMS C.1.1	\$13,200,340	\$12,247,340	(\$953,000)	(7.2%)	A \$1.0 million decrease in Other Funds (Interagency Contracts - Transfer from Foundation School Program) due to the consolidation of Challenge Academies and the closure of the Sheffield location.
STATE MILITARY TUITION ASSISTANCE C.1.2	\$3,002,928	\$3,002,928	\$0	0.0%	
MENTAL HEALTH INITIATIVE C.1.3	\$1,911,600	\$1,911,600	\$0	0.0%	
Total, Goal C, COMMUNITY SUPPORT	\$18,114,868	\$17,161,868	(\$953,000)	(5.3%)	

Military Department
Funding Changes and Recommendations - House by Strategy -- ALL FUNDS

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION D.1.1	\$5,968,131	\$5,968,411	\$280	0.0%	A \$280 increase in General Revenue as the result of the agency's realignment of funding.
Total, Goal D, INDIRECT ADMINISTRATION	\$5,968,131	\$5,968,411	\$280	0.0%	
Grand Total, All Strategies	\$222,923,994	\$190,371,319	(\$32,552,675)	(14.6%)	

**Military Department
Summary of Federal Funds
(Dollar amounts in Millions) - House**

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
National Guard Military	\$55.5	\$54.6	\$65.4	\$65.4	\$110.1	\$130.8	93.5%	\$20.6	18.7%
National Guard ChalleNGe	\$3.4	\$3.5	\$3.5	\$3.5	\$6.9	\$7.0	5.0%	\$0.1	1.4%
Asset Forfeiture & Money Laundering	\$0.8	\$0.8	\$0.8	\$0.8	\$1.6	\$1.6	1.1%	\$0.0	0.0%
School Breakfast Program	\$0.2	\$0.1	\$0.1	\$0.1	\$0.3	\$0.3	0.2%	(\$0.0)	(7.1%)
National School Lunch Program	\$0.2	\$0.1	\$0.1	\$0.1	\$0.2	\$0.1	0.1%	(\$0.1)	(36.4%)
Hurricane Harvey Public Assistance Grants	\$26.8	\$0.0	\$0.0	\$0.0	\$26.8	\$0.0	0.0%	(\$26.8)	(100.0%)
TOTAL:	\$86.9	\$59.1	\$69.9	\$69.9	\$146.0	\$139.8	100.0%	(\$6.2)	(4.2%)

**Military Department
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	615.0	569.0	569.0	569.0	569.0
Actual/Budgeted	530.9	534.0	569.0	NA	NA

Schedule of Exempt Positions (Cap)					
Adjutant General, Group 5	\$172,122	\$178,196	\$178,196	\$178,196	\$178,196

Notes:

- a) State Auditor's Office is the source for the FY 2017 and FY 2018 annual average (actual) FTE levels.
- b) Fiscal years 2017 and 2018 actual FTE figures are less than the FTE cap due to staff vacancies.
- c) The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report No. 18-705, August 2018) indicates a market average salary of \$201,428 for the Adjutant General position at the Texas Military Department. The report also recommends changing the salary classification group from Group 5 to Group 6. The agency is not requesting any changes to its Exempt Position.

**Military Department
Performance Measure Highlights - House**

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
<ul style="list-style-type: none"> • <i>Number of Texas State Guard Members</i> <p><i>Measure Explanation: Number of Texas National Guard members.</i></p>	21,493	21,039	2,300	2,300	2,300
<ul style="list-style-type: none"> • <i>Number of Texas National Guard Members</i> <p><i>Measure Explanation: Number of Texas State Guard members.</i></p>	1,849	1,825	23,000	23,000	23,000
<ul style="list-style-type: none"> • <i>Number of Students Completing ChalleNGe Education Program</i> <p><i>Measure Explanation: Number of students who graduated the 22-week residential phase of the Challenge Special Youth Education Program.</i></p>	200	175	230	260	260
<ul style="list-style-type: none"> • <i>Number of Students Who Completed the STARBASE Special Youth Education Program</i> <p><i>Measure Explanation: Number of students who completed the STARBASE Special Youth Education Program.</i></p>	2,243	2,764	2,000	2,300	2,300
<ul style="list-style-type: none"> • <i>Average Cost per Student Completing STARBASE Education Program</i> <p><i>Measure Explanation: Average cost per student completing the STARBASE special youth education program.</i></p>	1,478	208	476	476	476
<ul style="list-style-type: none"> • <i>Average Cost per Student Completing ChalleNGe</i> <p><i>Measure Explanation: Average cost per student graduating the ChalleNGe Special Youth Education program's residential phase.</i></p>	10,161	10,546	18,000	22,453	22,453

**Military Department
Summary of Ten Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Programs Service Reductions	The first 2.5 percent reduction would be taken from Tuition Assistance and equates to \$649,872. As a result, over 225 Service Members would lose access to this educational benefit.	\$649,872	\$649,872	0.0	\$0			No
2)	Programs Service Reductions	The second 2.5 percent reduction would also be taken from Tuition Assistance for a total of \$649,872. The program would be suspended and over 450 Service Members would no longer have access to it.	\$649,872	\$649,872	0.0	\$0			No
3)	Programs Service Reductions	The third 2.5 percent of the reduction would be taken from State Training Missions will be reduced by \$649,872.25. Approximately 43 percent of the State Training Missions funding supports operational activities – flight hours, vehicles mileage, fuel, travel, and pay and allowances – to support drills, exercises, and training with interagency partners.	\$649,872	\$649,872	0.0	\$0			No
4)	Programs Service Reductions	The final 2.5 percent reduction would affect the Texas State Guard, as the program would be reduced by \$649,872.25.	\$649,872	\$649,872	0.0	\$0			No
TOTAL, 10% Reduction Options			\$2,599,489	\$2,599,489	0.0	\$0			