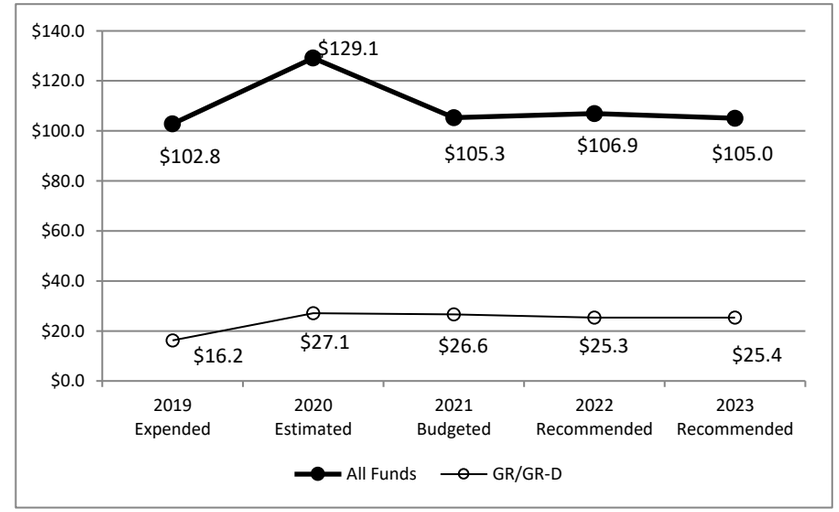
Military Department
Summary of Budget Recommendations - House

Page V-42
Maj. Gen. Tracy Norris, Texas Adjutant General
Kelsey Vela, LBB Analyst

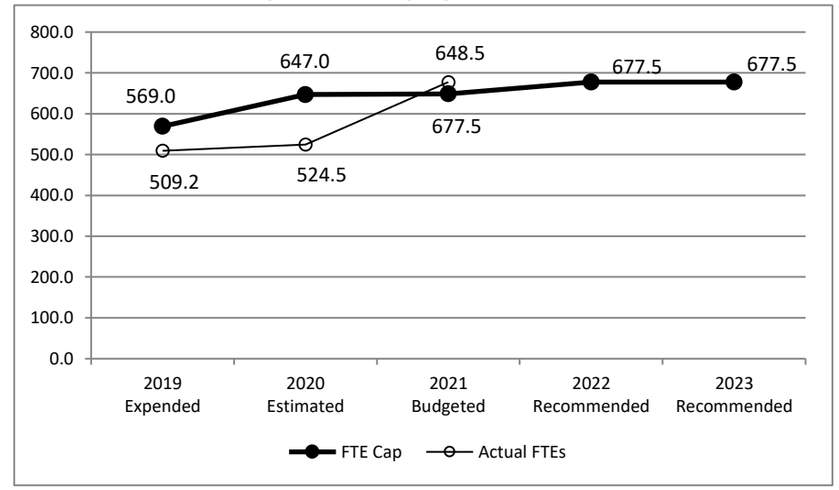
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$53,716,669	$50,661,142	($3,055,527)	(5.7%)
GR Dedicated Funds	$0	$0	$0	0.0%
Total GR-Related Funds	*$53,716,669*	*$50,661,142*	*($3,055,527)*	*(5.7%)*
Federal Funds	$141,195,233	$141,236,794	$41,561	0.0%
Other	$39,484,207	$20,075,000	($19,409,207)	(49.2%)
All Funds	**$234,396,109**	**$211,972,936**	**($22,423,173)**	**(9.6%)**

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	677.5	677.5	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

Military Department
Summary of Funding Changes and Recommendations - House

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
A)	Reduction of $2.6 million in General Revenue Funds for Debt Service and State Military Tuition Assistance, pursuant to the 5 percent baseline reduction requirement.	($2.6)	$0.0	$0.0	$0.0	($2.6)	B.1.2. and C.1.2.
B)	National Guard Bureau Appendix 41- Family Readiness Program Support - Increase of $2.3 million in Federal Funds for 28.0 FTEs for a family support initiative that began in FY 2021.	$0.0	$0.0	$2.3	$0.0	$2.3	C.1.3.
C)	Civil Disturbance - Decrease of $19.4 million in Economic Stabilization Funds for Governor's disaster grants.	$0.0	$0.0	$0.0	($19.4)	($19.4)	A.1.1.
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
D)	Reduction of $0.5 million for a Texas Department of Emergency Management reimbursement related to State Active Duty Weather Response.	($0.5)	$0.0	$0.0	$0.0	($0.5)	A.1.1.
E)	Federal Funds - a decrease of $3.3 million for State Active Duty - Disaster funding for COVID-19, Hurricane Harvey, and Public Assistance Grant, an increase of $0.9 million for Facilities and Maintenance, and increase of $0.1 million due to the consolidation of ChalleNGe Academy locations.	$0.0	$0.0	($2.2)	$0.0	($2.2)	A.1.1, B.1.1, and C.1.1.
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		**($3.1)**	**$0.0**	**$0.1**	**($19.4)**	**($22.4)**	As Listed
	SIGNIFICANT & OTHER Funding Increases	$0.0	$0.0	$2.3	$0.0	$2.3	As Listed
	SIGNIFICANT & OTHER Funding Decreases	($3.1)	$0.0	($2.2)	($19.4)	($24.7)	As Listed

NOTE: Totals may not sum due to rounding.

Military Department
Selected Fiscal and Policy Issues - House

1. **Five Percent Reduction.** Recommendations for the Military Department (TMD) reduce funding from the 2020-21 General Revenue expenditure levels by $2.6 million and zero full-time equivalent positions (FTEs) as the result of the required five percent 2022-23 baseline reduction. Behavioral health funding ($2.0 million) was exempted from the required reduction. TMD reduced debt service amounts through reduced lease payment obligations by $339,050 per fiscal year and reduced funding for the Tuition Assistance Program by $937,253 per fiscal year. TMD was exempt from the five percent baseline reduction for the 2020-21 biennium.

2. **Civil Disturbance.** Recommendations include a $19.4 million decrease in Economic Stabilization Funds for Office of the Governor disaster grants from the 2020-21 biennium. According to TMD, new Guardsmen are not usually equipped with riot gear. When the Texas National Guard was activated for its civil disturbance mission, TMD had to borrow the necessary gear from other military agencies. The civil disturbance force has since been reduced from over 2,000 Guardsmen to 60 Guardsmen. TMD is requesting $1.1 million in General Revenue to purchase riot gear as part of the agency's fourth priority exceptional item.

3. **Full-time Equivalent Positions: Federal.** Beginning in fiscal year 2021, TMD received federal funding for 28.0 FTEs for the creation of a new Master Cooperative Agreement (MCA) Appendix 41 - Family Readiness Program Support. The National Guard Bureau developed Appendix 41 to allow states to hire staff to support the program through monthly wellness outreach to the families of deployed members, case management, referrals for crisis intervention, legal, and health insurance. Recommendations maintain the 28.0 FTE cap increase and include $4.6 million in Federal Funds.

4. **Full-time Equivalent Positions: Exceptional Item Request.** The Eighty-sixth Legislature appropriated $5.8 million in General Revenue and 30.0 FTEs for indirect administration support staff for the 2020-21 biennium in order to help TMD support day to day operations. According to TMD, as of January 2021, two positions remain vacant. All other administrative positions have been filled or have had staff turnover. For the 2022-23 biennium, TMD requested their first priority exceptional item of $6.4 million in General Revenue and $1.3 million in Federal Funds for 45.0 FTEs, which is not included in the recommendations. The exceptional item request includes:

    - $0.6 million in General Revenue for 4.0 FTEs for emergency support related to Texas Air National Guard Operations disaster response, Logistic Emergency Management, and Governor's Domestic Terrorism Taskforce.
    - $2.0 million in General Revenue for 13.0 FTEs for Texas State Guard operations and administration such as Inventory Management, Training, Payroll, Budget, Recruiting, and associated start up equipment costs.
    - $1.3 million in General Revenue and $1.3 million in estimated Federal Funds for 19.0 FTEs for facility maintenance and operation support. This request would include a 50 percent Federal Funds match. The FTEs would provide direct facilities maintenance support as well as provide contract and project management administrative support for major contracts.
    - $0.2 million in General Revenue for 1.0 FTE for the Military Funeral Honors program, which lacks a full-time FTE to manage the program and ensure continuity of operations.
    - $2.3 million in General Revenue for 8.0 FTEs for Cybersecurity. According to TMD, 2.0 FTEs would support state level cybersecurity response at the Joint Force Headquarters and 6.0 FTEs would support the cybersecurity program at the Texas State Guard by assisting state and local governments with prevention, training, response, and mitigation of cybersecurity events and improving the agency's own network.

5. **Vehicle Replacement.** Recommendations include $0.3 million in base General Revenue funding and capital budget authority for the replacement of vehicles in the 2022–23 biennium. TMD estimates that 11 fleet vehicles would need to be replaced in fiscal year 2022 and 9 vehicles in fiscal year 2023 based on best practices to replace fleet vehicles after 10 years of service and over 100,000 miles. TMD's exceptional item request of $450,000 in General Revenue to replace aging

vehicles is not included in the recommendations. The Legislative Budget Board criteria for replacement is 10 years of age and 150,000 miles. According to LBB estimates, TMD will have 12 vehicles that meet the replacement threshold for an estimated cost of $570,000.

6. **Facilities Maintenance Funding.** TMD divides its facilities maintenance funding into two categories: State of Texas Armory Revitalization (STAR) program and deferred maintenance projects. The STAR program's mission is to fully renovate state armories and readiness facilities used by State and National Guard members. The program was launched in fiscal year 2015 as a 10-year plan to address TMD's armory maintenance. The deferred maintenance 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.

   Recommendations include $23.8 million in General Revenue and $105.8 million in Federal Funds for Facilities Management and Operations. Not included in the recommendations is $10.1 million in General Revenue and $4.5 million in matching Federal Funds for the agency's third exceptional item for STAR and Deferred Maintenance.

Military Department
Rider Highlights - House

Modification of Existing Riders

13. **Local Fund Authorization.** Recommendations include modifying Rider 13 Local Fund Authorization to clarify that unit funds for the post exchange services account may be expended for the purpose of operation and maintenance of TMD facilities.

Deleted Riders

30. **Sunset Contingency.** Recommendations include deleting Rider 30 Sunset Contingency. The rider is no longer necessary.

31. **Texas State Guard.** Recommendations include deleting Rider 31 Texas State Guard. The informational rider is no longer necessary because the Texas State Guard is now listed as a separate strategy.

Military Department
Items Not Included in Recommendations - House

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	Full-Time-Equivalent: Essential Positions - Funding for 45.0 FTEs across several strategies. The request includes FTEs for cybersecurity, disaster and emergency response, Texas State Guard, and Facilities Maintenance.	$6,365,864	$7,617,192	45.0	Yes	No	$7,419,192
2)	Texas State Guard - Funding for the purchase of search and rescue boats to assist with rescues and recovery missions during disasters and for the purchase of new Texas State Guard uniforms to help recruiting and retention efforts.	$626,498	$626,498	0.0	No	No	$287,778
3)	Facilities and Maintenance - Funding for the repair and renovation of facilities, including the State of Texas Armory Revitalization (STAR).	$10,145,175	$14,643,350	0.0	No	No	$14,643,350
4)	Support and Equipment Supplies - Funding for the purchase of body armor, weapons and ammunitions for civil disturbances, the purchase of a work flow tool for the continued improvement of administrative oversight, and the replacement of agency vehicles 10 years or older with 100k miles.	$2,208,540	$2,208,540	0.0	Yes	No	$413,044
5)	Training and Missions - Funding for TMD training and missions, including a parachute team, aviation participation, and increased troop meal and travel expenses.	$2,420,086	$2,420,086	0.0	No	No	$2,420,086
6)	State Tuition Assistance - To reinstate funding as a result of the 5 percent baseline reduction for the tuition assistance program.	$1,874,506	$1,874,506	0.0	No	No	$1,874,506
7)	State Active Duty: Disaster - The request (FY 2022 only) would provide immediate availability of funds at the onset of a declared disaster or emergency. This would reduce the transfers of funds required to initially fund state active duty response pending the receipt of other state or federal funds.	$5,500,000	$5,500,000	0.0	No	No	$5,500,000
8)	Rider 9 Appropriation - Billet Receipts: allows for billets unexpended balances to move to the next biennium for the same purpose.	$0	$0	0.0	No	No	$0

Military Department
Items Not Included in Recommendations - House

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
9)	Rider 10 Unexpended Balances, Payments to National Guard for State Active Duty: allows for unexpended funds to roll to the next biennium for the same purpose.	$0	$0	0.0	No	No	$0
10)	Rider 11 Cash Flow Contingency: modifies requirement that the temporary utilization of General Revenue Funds be repaid by November 30 of the following fiscal year.	$0	$0	0.0	No	No	$0
11)	Rider 15 Disposition and Use of Funds from State-owned Property Sales: authorizes any unexpended and unobligated balances to be appropriated for the same purpose for the next fiscal year. Also removes the $5.0 million cap related to the sale of state-owned property.	$0	$0	0.0	No	No	$0
12)	Rider 24 Governor Grant for Payroll Processing and Other Expenses in Event of Disaster: expands the use of disaster grants from the Office of the Governor to include expenses other than payroll processing.	$0	$0	0.0	No	No	$0
13)	Rider 27 Capital Budget Expenditure from Federal and Other Funding Sources: exempts TMD from certain Article IX Capital Budget rider provisions and clarifies that TMD's capital budget authority is not impacted by funds received by the Federal government, donations, or other sources.	$0	$0	0.0	No	No	$0
14)	Texas State Guard Clothing Provision: addition of a rider to authorize TMD to purchase uniforms for full-time state employees with appropriated funds.	$0	$0	0.0	No	No	$0
15)	Appropriation: Contingency Asset Forfeiture Program: addition of a rider appropriating forfeited money, including earned interest, related to TMD's participation in counterdrug or other law enforcement activities. Allows for unexpended balances to move within and between biennia for the same purpose.	$0	$0	0.0	No	No	$0
TOTAL Items Not Included in Recommendations		**$29,140,669**	**$34,890,172**	**45.0**			**$32,557,956**

Military Department
Appendices - House

Table of Contents		
Appendix	**Appendix Title**	**Page**
A	Funding Changes and Recommendations by Strategy	9
B	Summary of Federal Funds	11
C	FTE Highlights	12

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
STATE ACTIVE DUTY - DISASTER A.1.1	$24,164,124	$592,458	($23,571,666)	(97.5%)	Recommendations include a $19.4 million decrease in Economic Stabilization Funds for Civil Disturbance, a $3.3 million decrease in Federal Funds for Public Assistance Grants, COVID-19 and Hurricane Harvey funding, a $0.5 million decrease in General Revenue for State Active Duty Weather Response, and a $0.4 million decrease in General Revenue as the result of transfers under Article IX, Sec. 14.04 Disaster Related Transfer Authority.
STATE TRAINING MISSIONS A.1.2	$10,006,000	$10,306,000	$300,000	3.0%	Recommendations include a $0.3 million increase in General Revenue as the result of a 2020-21 transfer to Strategy A.1.1. State Active Duty - Disaster according to Article IX, Sec. 14.04 Disaster Related Transfer Authority.
TEXAS STATE GUARD A.1.3	$5,305,638	$5,305,638	$0	0.0%	
Total, Goal A, OPERATIONS RESPONSE	**$39,475,762**	**$16,204,096**	**($23,271,666)**	**(59.0%)**	
FACILITIES MANAGEMENT & OPERATIONS B.1.1	$139,465,000	$140,125,600	$660,600	0.5%	Recommendations include a $0.9 million increase in Federal Funds and a $0.3 million decrease in General Revenue as the result of a transfer to Strategy C.1.2.
DEBT SERVICE B.1.2	$2,514,900	$1,836,800	($678,100)	(27.0%)	Recommendations include a $0.7 million decrease in General Revenue for reduced revenue bond lease agreements as a result of the 5 percent baseline reduction.
UTILITIES B.1.3	$17,560,000	$17,560,000	$0	0.0%	
FIREFIGHTERS - ELLINGTON AFB B.2.1	$3,432,168	$3,432,168	$0	0.0%	
Total, Goal B, OPERATIONS SUPPORT	**$162,972,068**	**$162,954,568**	**($17,500)**	**(0.0%)**	
YOUTH EDUCATION PROGRAMS C.1.1	$12,337,340	$12,437,340	$100,000	0.8%	Recommendations include a $0.1 million increase in Federal Funds as a result of the consolidation of the ChalleNGe Academy into one location.
STATE MILITARY TUITION ASSISTANCE C.1.2	$3,002,928	$1,378,422	($1,624,506)	(54.1%)	Recommendations include a $1.9 million decrease in General Revenue as a result of the 5 percent baseline reduction and a $0.3 million increase as the result of a transfer.
MENTAL HEALTH INITIATIVE C.1.3	$4,189,600	$6,580,100	$2,390,500	57.1%	Recommendations include a $2.3 million increase in Federal Funds for 28.0 FTEs and a $0.1 million increase in General Revenue as the result of a transfer to Strategy A.1.1. State Active Duty - Disaster according to Article IX, Sec. 14.04 Disaster Related Transfer Authority.

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
TEXAS MILITARY FORCES MUSEUM C.1.4	$350,000	$350,000	$0	0.0%	
COUNTERDRUG C.1.5	$1,600,000	$1,600,000	$0	0.0%	
Total, Goal C, COMMUNITY SUPPORT	**$21,479,868**	**$22,345,862**	**$865,994**	**4.0%**	
INDIRECT ADMINISTRATION D.1.1	$10,468,411	$10,468,410	($1)	(0.0%)	Decrease is the result of a rounding error.
Total, Goal D, INDIRECT ADMINISTRATION	**$10,468,411**	**$10,468,410**	**($1)**	**(0.0%)**	
Grand Total, All Strategies	**$234,396,109**	**$211,972,936**	**($22,423,173)**	**(9.6%)**	

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

Program	Est 2020	Bud 2021	Rec 2022	Rec 2023	2020-21 Base	2022-23 Rec	2022-23 Rec % Total	Recommended Over/(Under) Base	% Change from Base
National Guard Operations and Maintenance	$63.3	$63.5	$65.5	$64.6	$126.9	$130.1	**92.1%**	**$3.2**	**2.5%**
National Guard Civilian Youth Opportunities	$4.5	$4.5	$4.5	$4.5	$9.0	$9.0	**6.4%**	**$0.0**	**0.0%**
Asset Forfeiture & Money Laundering Task Force Grant	$0.8	$0.8	$0.8	$0.8	$1.6	$1.6	**1.1%**	**$0.0**	**0.0%**
National School Lunch Program	$0.1	$0.1	$0.2	$0.2	$0.2	$0.3	**0.2%**	**$0.1**	**25.0%**
School Breakfast Program	$0.1	$0.1	$0.1	$0.1	$0.2	$0.2	**0.2%**	**$0.0**	**20.0%**
Public Assistance Grants*	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**0.0%**	**($0.0)**	**(100.0%)**
Hurricane Harvey Public Assistance Grants	$2.1	$0.0	$0.0	$0.0	$2.1	$0.0	**0.0%**	**($2.1)**	**(100.0%)**
COVID-19 Public Assistance Category B (Emergency Protective Measures)	$1.1	$0.0	$0.0	$0.0	$1.1	$0.0	**0.0%**	**($1.1)**	**(100.0%)**
TOTAL:	**$72.1**	**$69.1**	**$71.1**	**$70.2**	**$141.2**	**$141.2**	**100.0%**	**$0.0**	**0.0%**

*Amounts round to less than $0.1 million.

Military Department
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Estimated 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	569.0	647.0	648.5	677.5	677.5
Actual/Budgeted	509.2	524.5	677.5	NA	NA

Schedule of Exempt Positions (Cap)					
Adjutant General, Group 6	$178,196	$191,357	$191,357	$191,357	$191,357

Notes:

a) State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.

b) Fiscal Years 2019 and 2020 actual FTE figures are less than the FTE cap due to an staff vacancies, turnover, and lack of available office space.

c) TMD received funding for 28.0 new federal FTEs in FY 2021. See Item 3 in Section 3 for additional detail.

d) The State Auditor's Office Report, Executive Compensation at State Agencies (Report No. 20-706, August 2020) indicates a market salary of $204,534 for the Adjutant General position at the Texas Military Department. The report also recommends keeping the salary classification group of Group 6. The agency is not requesting any changes to its Exempt Position.