

# D50H01 Military Department

## Program Description

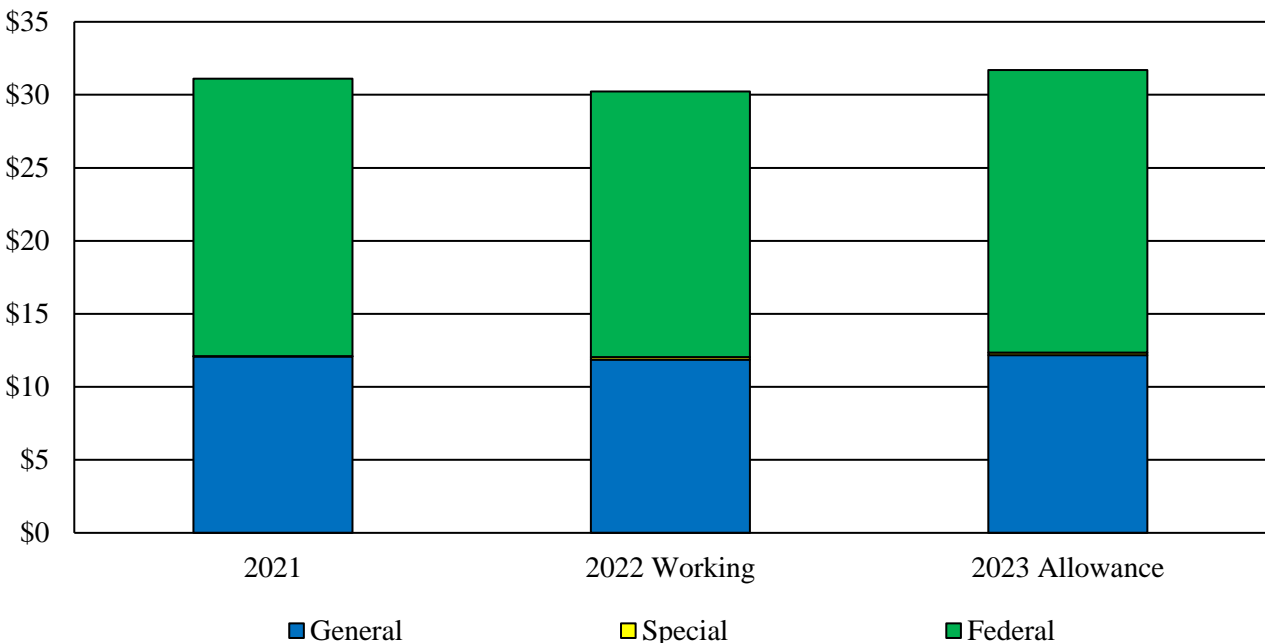
The Military Department provides overall direction and maintenance of the Maryland National Guard (MDNG), which is comprised of the Maryland Army National Guard and the Maryland Air National Guard. MDNG may be called up by the Governor during State emergencies or may be activated by the federal Department of Defense (DoD). Operating expenses of MDNG facilities are a shared State and federal responsibility. During Governor call-ups, MDNG salaries and expenses are the responsibility of the State; the remaining funding for equipment, training, and other federal missions are paid for by the National Guard Bureau (NGB) within DoD.

The Military Department's goals are to maintain proper readiness of its guardsmen, ensure that all facilities are maintained and provide adequate training and support of MDNG operations, provide at-risk youth an avenue to success through the Freestate Challenge Academy (FCA), and ensure that veterans are buried with honor and dignity.

## Operating Budget Summary

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### Fiscal 2023 Budget Increases \$1.5 Million, or 4.9%, to \$31.7 Million (\$ in Millions)



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

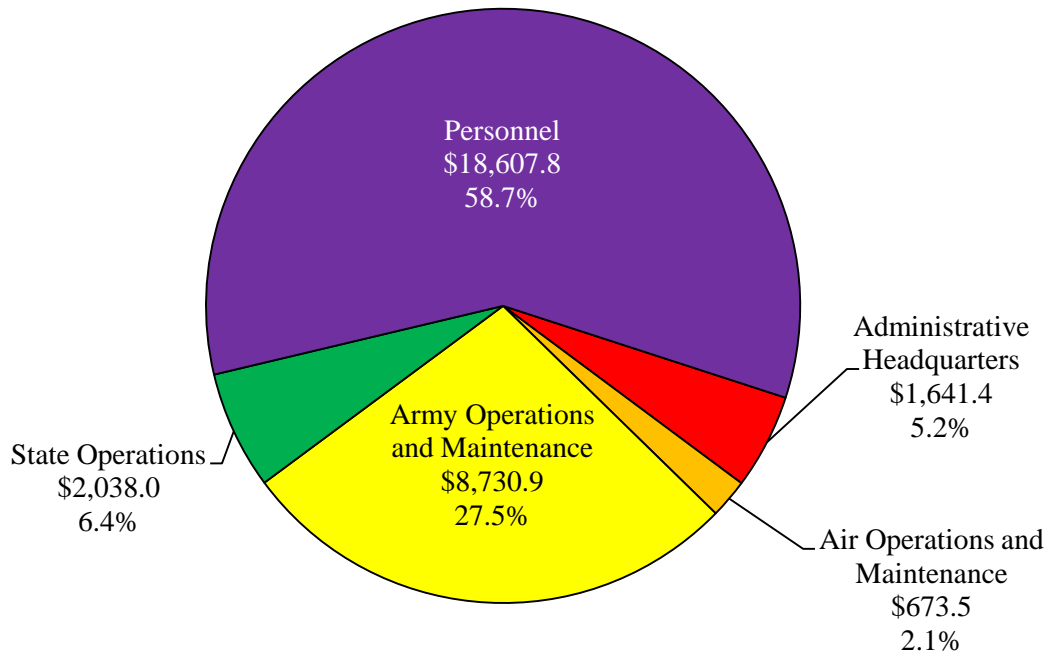
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## Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance provides a total of \$31.7 million for the Military Department. **Exhibit 1** illustrates how the nonpersonnel portion of these funds are allocated by program. Most of the allowance is appropriated for departmental personnel, totaling \$18.6 million (58.7%). This figure reflects personnel across the Administrative Headquarters, State Operations, and the Army and Air National Guards. The remaining appropriations reflect each program’s respective operational expenses as well as any grants and subsidies included within.

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2023 Allowance**  
**(\$ in Thousands)**



Source: Governor’s Fiscal 2023 Allowance

The Army National Guard, which provides combat troops to the U.S. Army, engineer transportation and medical units, and military police for State service, accounts for approximately \$8.7 million, or 27.5%, of total departmental expenditures in fiscal 2023.

The Air National Guard, which primarily provides air combat forces and aircraft as well as emergency support to the U.S. Air Force and other unified commands, only accounts for \$0.7 million (2.1%), the smallest nonpersonnel portion of the budget. This difference reflects the fact that the Army

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National Guard expends more resources on supporting State- or community-based missions, while the Air National Guard tends to be more federally focused in its responsibilities. A significant portion of the Military Department’s operations support 100% federally funded missions and operations with funding that does not appear in the State budget.

The State Operations Program primarily includes funding for the FCA program and the Honor Guard. This accounts for approximately 6.4% of the department’s fiscal 2023 allowance, and funding is split between general and federal fund support. The administrative functions performed by the department’s Headquarters accounts for the second smallest portion of the budget, approximately \$1.6 million (5.2%).

**Proposed Budget Change**

The Military Department’s fiscal 2023 allowance increases by nearly \$1.5 million, or 4.9%, over the fiscal 2022 working appropriation. **Exhibit 2** details this increase by fund. The general fund allowance increased by approximately \$301,000, or 2.5%. The largest increase occurred in the federal fund allowance, which grew by \$1.2 million, or 6.4%.

**Exhibit 2  
Proposed Budget  
Military Department  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
Fiscal 2021 Actual	\$12,094	\$2	\$19,002	\$36	\$31,134
Fiscal 2022 Working Appropriation	11,874	162	18,184	0	30,219
Fiscal 2023 Allowance	<u>12,175</u>	<u>162</u>	<u>19,355</u>	<u>0</u>	<u>31,692</u>
Fiscal 2022-2023 Amount Change	\$301	\$0	\$1,171	\$0	\$1,472
Fiscal 2022-2023 Percent Change	2.5%		6.4%		4.9%

**Where It Goes:**

**Personnel Expenses**

	<b><u>Change</u></b>
Regular earnings.....	\$222
Employees’ retirement system and law enforcement officer pension system.....	128
Turnover adjustments.....	71
Other fringe benefit adjustments.....	25
Workers’ compensation premium assessment.....	0
Employee and retiree health insurance.....	-4

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<b>Where It Goes:</b>	<b><u>Change</u></b>
<b>Other Changes</b>	
Preventative maintenance contracts for aging Army National Guard facilities .....	1,208
700 MHz radio system operating costs .....	357
Insurance coverage paid to State Treasurer’s Office.....	163
Other.....	67
Office of Administrative Hearings reimbursements.....	18
Maryland Environmental Service charges.....	-19
Department of Information Technology services allocation .....	-671
<b>Total</b>	<b>\$1,472</b>

MHz: megahertz

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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The Army National Guard facility maintenance contracts funding increased by approximately \$1.2 million, an increase of about 120% over fiscal 2022. This funding is to support preventive maintenance measures necessary to improve the functionality of several aging Army National Guard facilities throughout the State. These funds include both State and federal dollars; \$400,000 in State funds were provided to leverage matching funds from DoD. However, the subprogram that specifically identifies Army National Guard maintenance funding dedicated to improving facility functionality in the department’s budget only grew by \$8,210 from fiscal 2022 to 2023. Further discussion of Army National Guard facilities can be found in the Key Observations section of this analysis.

### **Maryland Emergency Management Agency Becomes New Maryland Department of Emergency Management**

Chapter 287 of 2021 renamed the Maryland Emergency Management Agency (MEMA) as the Maryland Department of Emergency Management (MDEM) and authorized the transfer of MEMA’s budget from the Military Department. In July 2021, the Administration processed a budget amendment transferring MEMA’s fiscal 2022 working appropriation from the Military Department to MDEM. As such, the Military Department’s fiscal 2022 working appropriation decreased by \$167.2 million. The majority of these funds (87%) were federal funds and included \$119.0 million in Disaster Relief Grant funding. This change is not reflected in the previous chart, and the corresponding personnel changes are not reflected in the following chart. Further discussion can be found in the MDEM fiscal 2023 budget analysis.

## Military Department Continues to Play a Key Role in State’s COVID-19 Response

MDNG has played a significant role in the State’s response to the COVID-19 pandemic, with the National Guard being mobilized several times to assist State and local health officials. Services performed include, but are not limited to, providing logistical support, supporting operations at testing sites and mass vaccination sites, deploying and staffing mobile clinics, and assisting with patient transport. The Governor’s most recent mobilization was of 1,000 MDNG members on January 4, 2022.

Two types of MDNG mobilizations that are at the behest of and under control of the Governor include State Active Duty (SAD) activations and activations under Tittle 32 of the United States Code (T32). SAD activations, such as those listed in **Exhibit 3** are paid for with State funds and may be reimbursed later by the Federal Emergency Management Agency. The Military Department reports that since 2019, about 1,700 guardsmen have been mobilized under SAD activations for a variety of events.

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### Exhibit 3 Recent State Active Duty Activations Calendar 2019-2022

<u>Year</u>	<u>Event</u>	<u>Number of Guardsmen</u>
2019	Hurricane Dorian (in North Carolina)	5
2020	Civil unrest	32
2020	COVID-19 pandemic	1,413
2020	State police support	59
2021	State police support	65
2022	Snowstorm Kenan	100
	<b>Total</b>	<b>1,674</b>

Source: Military Department

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T32 activations are paid up front with federal funds. The Military Department reports that there have been two major T32 activations to support COVID-19 relief operations over the last two years. The number of guardsmen for both activations varied but reached up to about 1,500 personnel for extended periods. Though these activations are paid for with federal funds, they require the use of the State’s facilities. **The department should comment on the costs associated with the mobilization of guardsmen to assist with the State’s COVID-19 response.**

***Personnel Data***

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	<b><u>FY 21</u></b> <b><u>Actual</u></b>	<b><u>FY 22</u></b> <b><u>Working</u></b>	<b><u>FY 23</u></b> <b><u>Allowance</u></b>	<b><u>FY 22-23</u></b> <b><u>Change</u></b>
Regular Positions	230.50	228.50	228.50	0.00
Contractual FTEs	<u>20.00</u>	<u>11.00</u>	<u>11.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>250.50</b>	<b>239.50</b>	<b>239.50</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	18.67	8.17%
Positions and Percentage Vacant as of 12/31/21	50.00	21.88%
Vacancies Above Turnover	31.33	

- Departmental vacancies are over two and a half times more than budgeted, with 31 more positions vacant than is needed to meet the budgeted turnover rate of 8.17% in fiscal 2023.

## Key Observations

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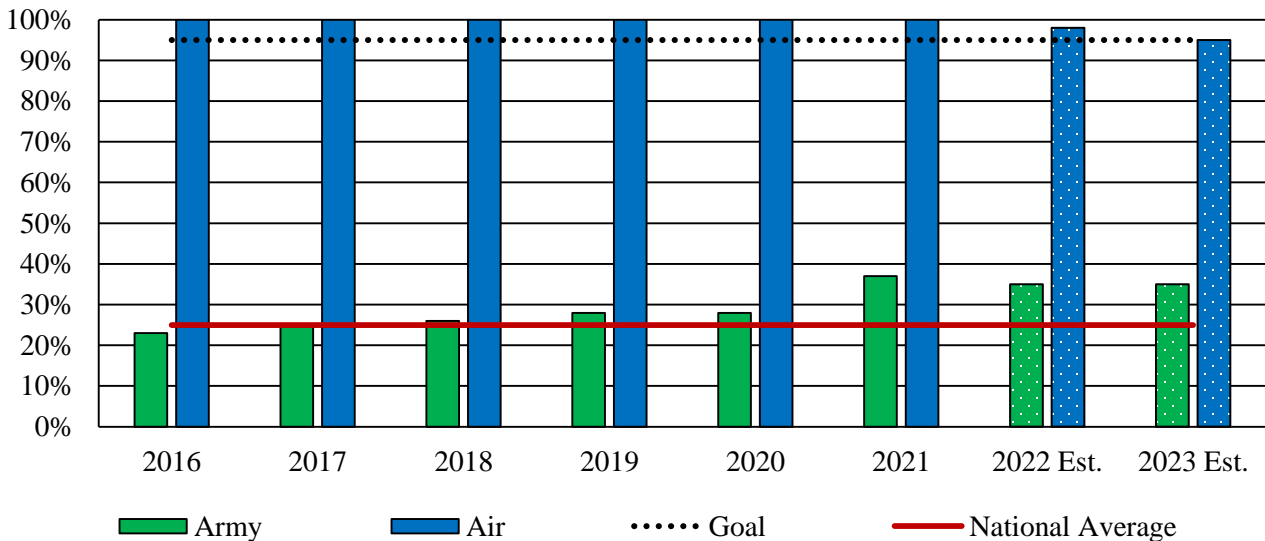
### 1. Functional Status of Army National Guard Facilities Improves but Continues to Not Meet Goals

All MDNG facilities and real property support the operation and training needs of MDNG and the ability to respond to State and local emergencies. One of the responsibilities of the Military Department is to build and maintain the armories and other facilities used by MDNG, and funding is split between federal and State funds depending on the facility through a cooperative agreement with the DoD NGB.

**Exhibit 4** shows the percentage of air and army facilities that are currently in fully functional status between fiscal 2016 and 2023. The Maryland Air National Guard facilities have consistently maintained 100% functionality in recent years, although that is expected to decline slightly in fiscal 2022 and 2023. The Army National Guard facilities have improved in recent years, from 23% in fiscal 2016 to 37% in fiscal 2021, though this still fails to meet MDNG’s goal of 95% functionality.

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**Exhibit 4**  
**National Guard Facilities in Functional Status**  
Fiscal 2016-2023 Est.



Source: Fiscal 2023 Managing for Results

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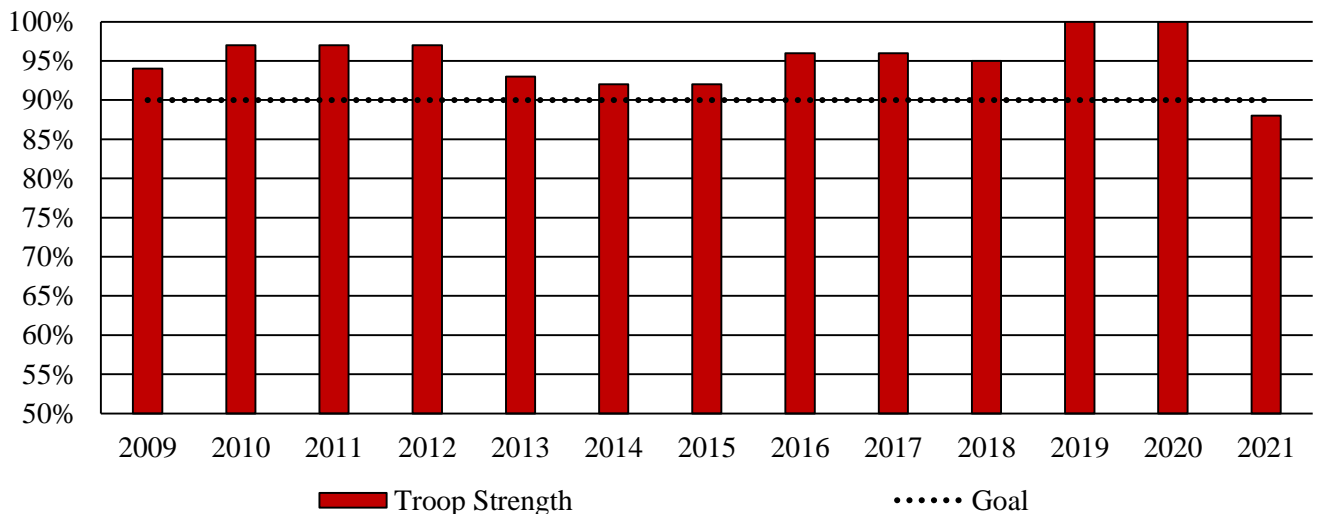
The fiscal 2023 allowance includes an increase of approximately \$1.2 million, split between general and federal funds, for contracts and grants for Army National Guard facility maintenance. **The**

department should comment on the projects that this additional funding will be used for, as well as the impact that the number of facilities in fully functional status has on current operations.

## 2. National Guard Troop Strength

It is MDNG’s goal to attain 90% of the federally defined authorized troop strength. The department exceeded this goal each year from fiscal 2009 through 2020, as shown in **Exhibit 5**. In fiscal 2019 and 2020, the department achieved an authorized troop strength of 100%. However, in fiscal 2021, the figure declined to 88%. Prior to fiscal 2009, MDNG had not met this goal since fiscal 2002. At that time, heavy reliance upon the guard for activations and extended overseas tours of duty in combat zones took a toll on the department’s recruitment and retention efforts.

**Exhibit 5**  
**Maryland National Guard Authorized Troop Strength**  
**Fiscal 2009-2021**



Source: Fiscal 2023 Managing for Results

The department should comment on the decline in troop strength in fiscal 2021, the extent to which the pandemic has influenced troop strength, and the efforts that will be taken for MDNG to reach its goal.

## 3. FCA Operations during the COVID-19 Pandemic

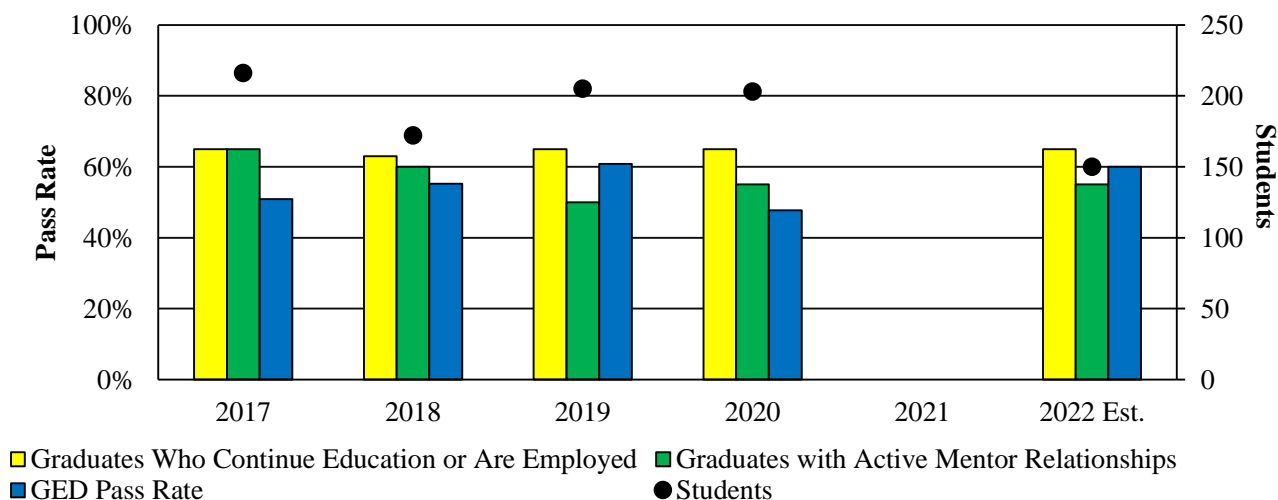
FCA is a State-run 22-week residential program that is followed by a 12-month post-residential intervention phase for 16- to 18-year-olds who have dropped out of high school or are at risk of



dropping out. MDNG typically operates two classes of about 100 students annually. In response to the COVID-19 pandemic, FCA released its class in session on March 13, 2020, to complete the remainder of its residential phase virtually. With the approval of NGB, FCA did not hold the two classes that were planned for fiscal 2021. During 2020 and early 2021, most FCA staff were reallocated to support pandemic relief measures. FCA used its budgeted funds for fiscal 2021 to initiate construction on infrastructure improvements for the quality of life for future students and staff. **The department should comment on the status of the FCA facility upgrade projects.**

MDNG typically has a goal of having 200 program graduates annually, but this goal was changed for fiscal 2022. The goal was set to approximately 150 students – a 25% reduction for each class – to assist social distancing efforts and to maintain a safe and secure environment within the academy. The difference in the number of anticipated students is reflected in **Exhibit 6**, along with select measurements of the program’s success. FCA aims to have at least 80% of its graduates continue their schooling, find employment, or enter the military, and at least 60% of graduates maintain active mentor relationships for more than six months following graduation.

**Exhibit 6**  
**Students in the FCA and Performance Measures**  
**Fiscal 2017-2022 Est.**



FCA: Freestate Challenge Academy

Note: No classes in fiscal 2021 due to COVID-19.

Source: Fiscal 2023 Managing for Results

Though NGB authorized the program to be fully staffed despite the reduced class size, MDNG reports that it has yet to recruit and hire for all of its intended positions. Of the department’s 50 vacancies in January 2022, 8, or 16.0%, were for FCA positions. **The department should comment on the efforts to resume classes for FCA students and recruit staff for the program.**

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1**  
**2021 Joint Chairmen’s Report Responses from Agency**

The 2021 *Joint Chairmen’s Report* (JCR) requested that the Military Department prepare one report. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Impact of COVID-19 on FCA:*** Committee narrative requested that the Military Department provide information on the impact of the COVID-19 pandemic on FCA. The Military Department reports that FCA did not hold Classes 55 and 56 because of the pandemic with the approval of NGB. Further discussion of this topic can be found in the Key Observations section of this analysis.

**Appendix 2  
Audit Findings**

Audit Period for Last Audit:	July 1, 2015 – May 20, 2019
Issue Date:	June 2020
Number of Findings:	3
Number of Repeat Findings:	1
% of Repeat Findings:	33.3%
Rating: (if applicable)	n/a

**Finding 1:** **The Military Department did not always submit requests for reimbursement of federal fund expenditures in a timely manner.**

**Finding 2:** The department divided purchases of certain equipment maintenance services into multiple procurements and inflated the value of certain purchase orders.

**Finding 3:** Supervisory reviews of adjustments to leave balances were not documented and were not performed by an independent employee.

\*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3  
Object/Fund Difference Report  
Military Department**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	230.50	228.50	228.50	0.00	0%
02 Contractual	20.00	11.00	11.00	0.00	0%
<b>Total Positions</b>	<b>250.50</b>	<b>239.50</b>	<b>239.50</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 16,238,851	\$ 17,396,903	\$ 17,746,284	\$ 349,381	2.0%
02 Technical and Special Fees	2,148,646	777,296	861,509	84,213	10.8%
03 Communication	550,873	446,524	803,682	357,158	80.0%
04 Travel	123,581	9,677	9,677	0	0%
06 Fuel and Utilities	2,965,812	2,277,930	2,259,198	-18,732	-0.8%
07 Motor Vehicles	216,975	227,607	216,533	-11,074	-4.9%
08 Contractual Services	5,305,455	4,251,626	4,803,662	552,036	13.0%
09 Supplies and Materials	568,777	570,160	566,980	-3,180	-0.6%
10 Equipment – Replacement	162,434	84,618	84,618	0	0%
11 Equipment – Additional	242,045	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	371,064	661,900	661,900	0	0%
13 Fixed Charges	157,371	199,677	362,261	162,584	81.4%
14 Land and Structures	2,081,715	3,315,385	3,315,385	0	0%
<b>Total Objects</b>	<b>\$ 31,133,599</b>	<b>\$ 30,219,303</b>	<b>\$ 31,691,689</b>	<b>\$ 1,472,386</b>	<b>4.9%</b>
<b>Funds</b>					
01 General Fund	\$ 12,093,544	\$ 11,873,835	\$ 12,174,908	\$ 301,073	2.5%
03 Special Fund	1,575	161,967	161,967	0	0%
05 Federal Fund	19,002,163	18,183,501	19,354,814	1,171,313	6.4%
09 Reimbursable Fund	36,317	0	0	0	0.0%
<b>Total Funds</b>	<b>\$ 31,133,599</b>	<b>\$ 30,219,303</b>	<b>\$ 31,691,689</b>	<b>\$ 1,472,386</b>	<b>4.9%</b>

Note: The fiscal 2022 appropriation does not include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.