



DEPARTMENTS OF THE ARMY AND THE AIR FORCE

JOINT FORCE HEADQUARTERS MINNESOTA
OFFICE OF THE ADJUTANT GENERAL
20 12TH STREET WEST
SAINT PAUL, MN 55155-2004

March 1st, 2017

House State Government Finance Committee

Subject: Summary of Department of Military Affairs Testimony for HF1080 on 2 Mar 17

Incentives Appropriation Increase

- An increase in the Incentives appropriation by **\$11.536M** for BFY18-19 to meet on-going financial needs to fund current education benefits to service members and other eligible individuals referenced in MN Statute §192.501.
- Allows the agency to fund the following current incentive programs to recruit and retain members:
 - **State Tuition Reimbursement Program** - Reimburse up to 100 percent of tuition for coursework (undergraduate and graduate) at accredited post-secondary institutions.
 - **State Reenlistment Bonus Program** – Offered to service members that have completed 6 years of service creditable for retirement and must have less than 13 years of service creditable for retirement on their current Expiration Term of Service date.
 - **State Medic Bonus Program** - Authorized for current members that are servicing in an authorized duty position that requires the Emergency Medical Technician – B certification and have a current National Registry of Emergency Medical Technician card.
 - **State Enlistment Bonus Program** - Authorized for non-prior service or prior service Army skill-level 10 (E-4 and below) and Air E-3 and below (training level 1 or 3) enlisting within selected Career Management Fields and Air Force Specialty Codes (AFSCs).
 - **State Reclassification Bonus Program** - Authorized for E-5 through E-7 vacancies in Military Occupational Specialties and AFSCs identified by The Adjutant General.

Operating Budget Increase

- Request operating budget increase of **\$178,000** for BFY18-19 to address increase in compensation costs such as employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs.
- Maintain current level of service deliveries:
 - Managing the Master Cooperative Agreements with the federal government.
 - Providing the leadership, planning, technical services and support for the agency in conducting training and exercises to enhance readiness in performing support to civil authorities.
 - Providing the support for the separate grants and programs authorized by the legislature, such as the Beyond the Yellow Ribbon Program and Support Our Troops funding.

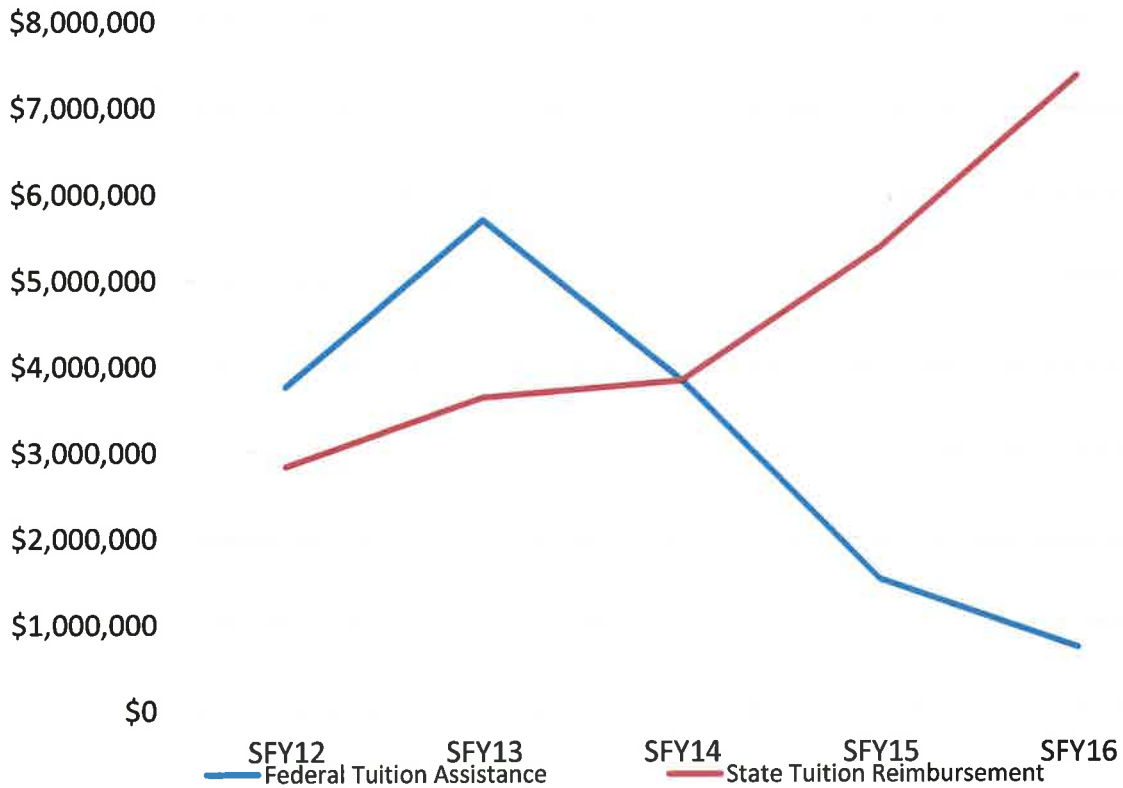
- Maintaining and developing sustainable infrastructure which includes Camp Ripley Training Center, two airbases, two army aviation support facilities and the Training & Community Centers (TACCs).

Cost Pressure Circumstances for Agency FY18-19

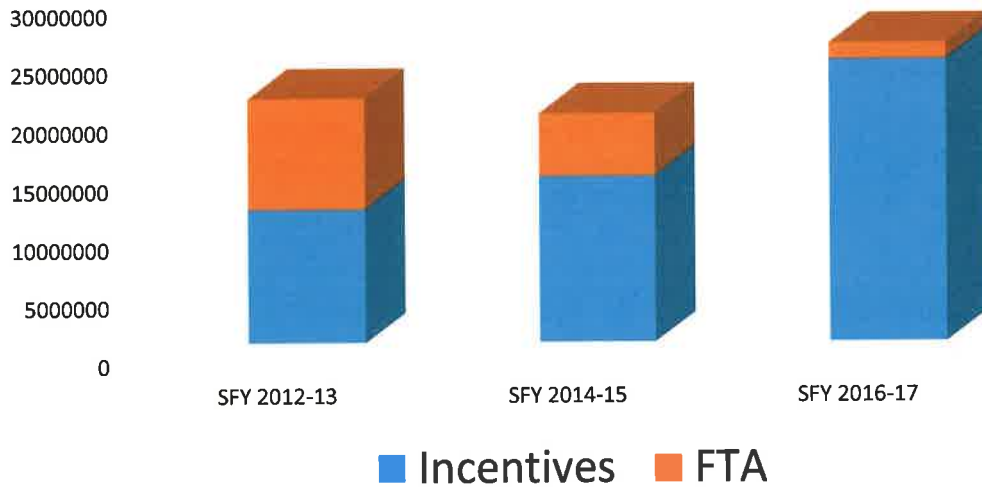
- Federal Tuition Assistance program reductions
- Significantly higher utilization rate of State Tuition Reimbursement program

Impact of recent changes

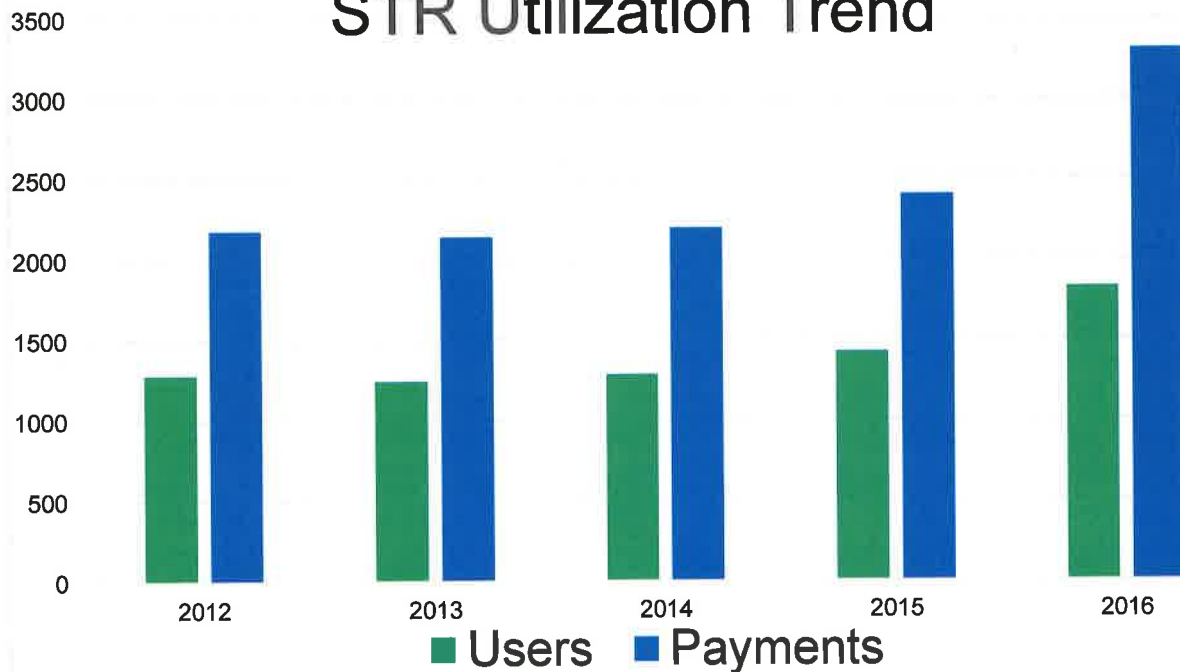
FTA use vs. STR use



FTA Funding Relative to STR Funding



STR Utilization Trend



Impacts to Agency if No Increase

1. Reduces higher education funding availability to 848 newly enlisted members from diverse communities (LAST TWO YEARS)
2. Significant reduction to service members' incentive programs:
 ~1,900 Services members impacted on Tuition Reimbursement
 1,523 Service members impacted on Bonus incentive
3. Adversely affect retention
4. Increase the number of facilities with a "Poor" condition rating if fund transfer from maintenance is required