

TESTIMONY
Committees on Appropriations
Fiscal Year 2018

February 2017

Functions Performed by the Department:

The Military Department's Narrative has in-depth information on the 5 Major Programs that make up this budget; Administration, Air Services, Army Services, Building Maintenance, and Veterans Affairs. These programs support the Missions of the Vermont National Guard. Listed below is the state support to our core mission:

1. Provide command and control for the Vermont National Guard to insure that it is prepared to respond to State and Federal activation.
2. Provide and alternate EOC, personnel and equipment support for Vermont emergencies.
3. Provide security for 4 VTNG facilities (Ethan Allen Firing Range, Camp Johnson, AASF, and VTANG), and firefighter support to the Burlington International Airport and surrounding communities.
4. Provide support services to Vermont Veterans.
5. Provide STEM education opportunities to Vermont children (STARBASE).
6. Maintain VTNG buildings and property; to include 21 armories and 12,000 acres throughout the State. The 21 Armories are divided into 14 state with a 50% share of state funds for operating cost and 7 federal armories with a 25% state share for operating cost.
7. Provide engineering, environmental and energy efficiency oversight.
8. Provide contracting authority to VTNG
9. Employ approximately 950 full-time; 2800 part-time personnel, federal payroll \$136M.

Federal Funding:

The VT National Guard brought over \$288M federal dollars into the State of Vermont during Federal Fiscal Year 2016. The Military Department's total expenditures were \$29.05M of which \$24.15M was federally reimbursed, leaving the state with \$4.9M or 16.87% of the total cost. This represents \$5.93 federal reimbursement for every \$1 of general funds spending.

Summary of Key FY 2018 Issues and Highlights:

The Key issues/highlights for the Military Department's FY 2018 budget are; (a) to include \$500,000 for the startup of tuition waiver program to be coupled with the \$250,000 for the National Guard Education Assistance Program (NGEAP); (b) the potential impact of the Federal Grant limitations on reimbursement for Military Leave signed by State Firefighters; and (c) Bennington Armory Renovations: Federal funds will pay 50% of the project costs. The facility is historical and has PCBs in the interior paint. EPA has dictated the remediation plan which will incur significant costs. This has required a reprioritization of Capital Construction funds, which

will delay some programmed projects and in turn put increased pressure on Building Maintenance General Funds due to additional repairs and maintenance.

Wages and benefits for the Military Department are budgeted at a total of \$10.61M for FY2018. The State's share is \$2.07M up from \$1.98M for FY2017; with \$1.49M dedicated to military operations up from \$1.41M for FY2017. For FY2017, the Military Department's position count is 129. Of the 129 positions, 113 receive Federal Funding with 79 positions 100% reimbursed and the remaining 34 positions are 75% reimbursed. Of the 129 positions, only 16 are 100% State Funded; 8 are dedicated to military operations and the other 8 to Veteran's Affairs a human services operation. 1 position is funded through the Vermont Veterans Cemetery Special Funds.

Budget Development Form:

The Military Department's total budget increased \$101,250 or 2.53% for FY2018. The Department's personnel cost increased \$388,084. The Administration realized a 5.28% increase in General Funds for salary/benefits and operating expenses. Air Services realized a 5.71% increase in General Funds for salary/benefits, decrease in operating costs and a contingency to cover the potential Military Leave/Salary Reimbursement Caps for the State employees. An additional \$50,000 combined with the existing \$30,000 from FY2017 is required to meet the Military Leave Cap for state firefighters in FY2018. The reimbursable pay cap for two facilities position increased by \$9,000, therefore requiring a net increase of \$41,000 in FY2018 to meet obligations above the Federal Leave and Pay Caps. These funds will be returned to the General Fund if VSEA agrees to a side letter on how Firefighters account for their Military Leave. Army Services has a -23.91% (\$4.4M) decrease that is all federal funds for the completion of the new Combined Maintenance Facility in North Hyde Park. Building Maintenance is increasing by 0.56% (\$8,446) which includes an increase in personal services and a decrease in vacancy savings and operating expenses. Veterans Affairs General Fund has a 0.07% increase for salary/benefits and decrease in operating expenses and they have a -93.46% decrease in federal funding for the completion for the expansion of the Vermont Veterans Cemetery. The Veterans Affairs' Veteran's Assistance Fund (aka Needy Fund) and Armed Services Scholarship Funds remained level funded for FY2017.

Grants:

VTNG Tuition Assistance Program for members of the National Guard is level funded at \$100,000 of General Funds for FY2016. Next Generation funds will be transferred to Military Department's budget for \$150,000 payable to VSAC for FY2016. Placing the total program value at \$250,000. An additional \$500,000 for the transition from tuition assistance to a tuition waiver program at all state colleges and universities is proposed.

In the Veterans Affairs division, Fiscal Year 2018 appropriates \$22,500 for the Veterans Assistance Fund; \$7,500 for the Veterans Day Boy Scouts parade; \$39,484 for Armed Services

Scholarship Fund; \$1,000 for Veterans Medals; \$5,000 for Military, Family, and Community Network; \$10,000 to the American Legion in support of VT Boys and Girls State and \$5,000 for Vermont State Council of Vietnam Veterans of America Service Office program.

Performance Measures:

The Military Department's performance is measure by the ability of the VT National Guard to accomplish its state and federal missions. The VTNG Joint Leadership Council has established three (3) strategic goals for the total VTNG. Those goals are:

1. Ready: Increase forces available to achieve state and federal missions
2. Reliable: Enhance our professional workforce's capability to support state and federal missions
3. Relevant: Seek emerging missions for which we are uniquely suited

Progress towards accomplishing these goals is measured by the VTNG strategic planning office, based on performance standards established and assessed by Army and Air Guard leadership (both officer and non-commissioned officers).

Performance Management Outcomes:

Vigilant Guard Exercise – July 2016

Purpose

The purpose of the Vigilant Guard 2016 full scale exercise was to assess the capabilities in protection, response and recovery activities following a statewide catastrophic event.

Scope

- The largest emergency response exercise conducted in State of Vermont history with over 5,000 participants.
- A 10 day, multi-operational period (24 hour), full-scale exercise that began the week of July 25th, 2016.
- All Department of Health personnel participated, along with 15 hospitals and 5 Medical Countermeasures (MCM) Points of Distribution (POD) sites totaling over 1,000 medical personnel.
- In addition to the medical exercise, there were 13 separate exercise locations in cities and towns throughout Vermont.
- Participants included Vermont local, state and National Guard personnel, as well as federal and military participants from 12 other states.

Outcome

- A collaboration of local, state, military and federal partners that improved coordination and relationships.

- Tested roles, responsibilities, and lines of authority for all stakeholders across all levels of government.
- Department of Health tested MCM plans and operations:
 - Over 159,000 courses of antibiotics were received and sorted at the VTANG air base.
 - 42,500 courses were delivered to 15 hospitals and 5 PODs by VTNG soldiers & airmen.
- Interagency cooperation in large scale Urban Search and Rescue hosted on VTNG facilities.
- Military Chemical, Biological, Radiological and Nuclear Response Elements (CBRNE) integrated into state response.
- Functional test of State Emergency Operations Center (SEOC) coordination with the National Guard.
- Tested National Guard integration with various Incident Commands at actual town locations & training sites.
- Cyber response was practiced with actual deployment of military assistance to a Vermont power company.

Benefits

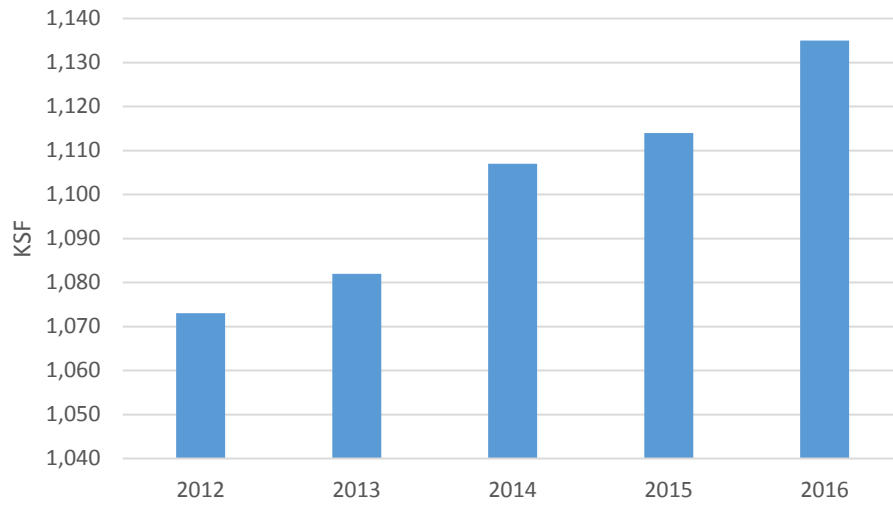
- The State of Vermont and the VTNG, along with regional partners are better prepared to respond to local and regional disasters.
- DPS, DEMHS, SEOC and VTNG staff relationships are the strongest ever.
- Wide area destruction (CEATS) & collapsed structure (CJ rubble pile) military training venues are available for use by state and regional teams.
- Cyber response is an emerging threat and a complex response capability. This exercise identified areas to be further developed (Legal issues, lead agency, process & procedures, coordination, etc.) in order to safeguard Vermont's critical infrastructure.
- Developed a regional mutually beneficial relationship for bridge replacement assistance from Connecticut NG for major flooding events. Connecticut can now use the AOT training site in Berlin rather than travel to Missouri.
- Local town exercises built citizen confidence in the capability of the State of Vermont and VTNG to support local populations in time of need.

The Military Department submitted two items as part of the RBA process:

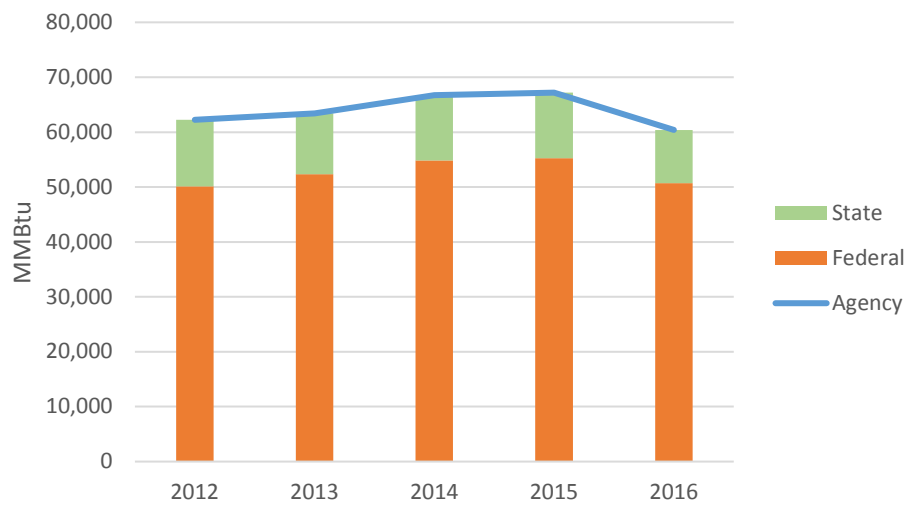
(1) Energy Management has been a priority for the Vermont National Guard and the Military Department. While gaining more than 60,000 square feet of facility space over the last four years, total energy consumption is below 2012 levels.

This is attributed to maximizing the federal match to upgrade heating systems to include geo-thermal, wood chip, natural gas and upgrading electrical system to incorporate solar and converting lighting (indoor /outdoor) to LED. Additionally, there have been many facility upgrades to include insulation, windows and doors. All new construction meets Leadership in Energy and Environmental Design (LEED) standards.

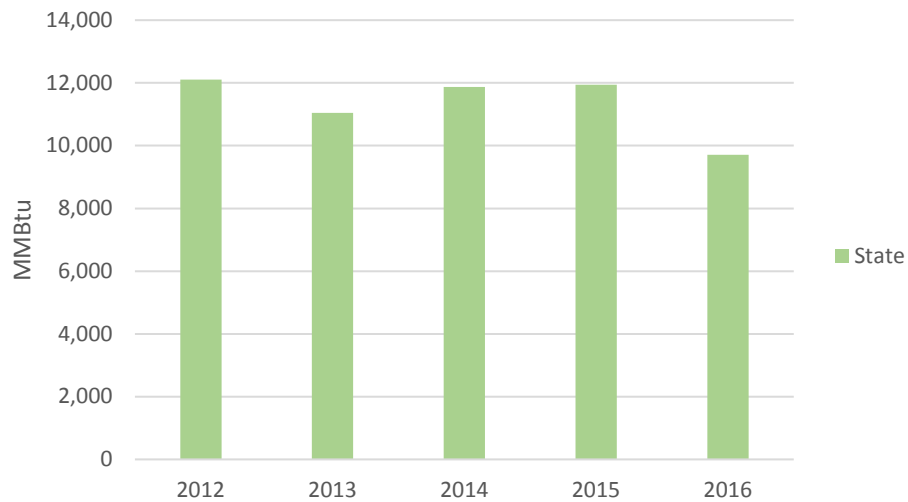
VTARNG - Total Space



VTARNG - Energy



VTARNG - Energy



(2) State Veterans Service Officer Performance Activities: State Veterans Service Officers are part of the Office of Veterans Affairs. Their function is to provide outreach to over 48,000 veterans currently living in Vermont and to advocate on their behalf regarding benefits claim to the federal government. They also conduct workshops for veterans and veterans group to help connect them to what resources are available to them. There are 3 Veterans Service Officers and their salaries/benefits total approximately \$231,000 annually and is paid from the General Fund. As represented in performance measures; they are doing great work helping veterans receive their benefits which in-turn reduces hardships to our veterans. Their caseload for FY2016 was 902 claims versus 700 claims in FY2015. They helped veterans recover \$5 Million in FY2016 compared to \$6 Million in FY2015.

As the caseload continues to increase, it is critical to recognize that the Veterans Service Officers perform an invaluable service in support of our veterans that relieves many burdens and financial hardships.