

**AGENDA
SUBCOMMITTEE No. 4
ON STATE ADMINISTRATION**

ASSEMBLYMEMBER JUAN ARAMBULA, CHAIR

**WEDNESDAY, APRIL 18, 2007
STATE CAPITOL, ROOM 437
1:30 P.M.**

PROPOSED CONSENT CALENDAR

| ITEM | DESCRIPTION | PAGE |
|-------------|---|-------------|
| 8940 | MILITARY DEPARTMENT | |
| ISSUE 3 | NEW ARMORY UTILITIES COST AND MAINTENANCE | 5 |
| ISSUE 4 | MILITARY FUNERAL HONORS PROGRAM | 5 |
| ISSUE 5 | ADMINISTRATIVE STAFFING | 6 |
| Issue 6 | DISASTER RESPONSE TRAINING FOR HELICOPTER CREWS | 6 |
| Issue 7 | SERVICE MEMBER CARE POSITION | 6 |
| ISSUE 8 | SECURITY STAFFING | 7 |
| ISSUE 9 | UNIFORM ALLOWANCE | 7 |
| ISSUE 10 | BARSTOW READINESS CENTER | 7 |
| ISSUE 11 | HOMELAND SECURITY TRAINING AND EXERCISE PROGRAM | 8 |
| ISSUE 12 | STATE ACTIVE DUTY PAY INCREASE | 8 |

ITEMS TO BE HEARD

| ITEM | DESCRIPTION | PAGE |
|-------------|--------------------------------------|-------------|
| 8940 | MILITARY DEPARTMENT | |
| ISSUE 1 | TUITION ASSISTANCE | 2 |
| Issue 2 | ARMORY MAINTENANCE AND MODERNIZATION | 4 |

8940 MILITARY DEPARTMENT

The Military Department is responsible for the command, leadership and management of the California Army and Air National Guard and five other related programs. The purpose of the California National Guard is to provide military service supporting the state and the nation. The three missions of the California National Guard are to provide: (1) mission ready forces to the federal government as directed by the President, (2) emergency public safety support to civil authorities as directed by the Governor, and (3) support to the community as approved by proper authority. The Military Department is organized in accordance with Departments of the Army and Air Force staffing patterns. Since department programs drive the need for infrastructure investment, each department has a related capital outlay program to support this need. In addition to the funding that flows through the State Treasury, the Military Department also receives Federal Funding directly from the Department of Defense.

The Governor's budget proposes total expenditure level of \$62.7 million (Peace Officers Training Fund) and 117.8 positions, an increase of \$10.6 million and 2.8 positions over the revised current year estimates.

ISSUE 1: TUITION ASSISTANCE

The administration requests \$1.7 million General Fund augmentation to establish a tuition assistance program for members of the California National Guard (CNG). The program, which would annualize to \$3.3 million in FY 08-09 is intended to assist California National Guard members that are not eligible for federal programs, such as the Montgomery GI bill. The funding would reimburse for tuition, book fees, and student fees at universities and colleges in California.

California offers fewer benefits to National Guard members than other states. The proposed tuition assistance program would bring the state in line with most others. The Military Department assumes 1,816 California National Guard members will participate in the program. The budget also includes placeholder Trailer Bill Language to implement the new tuition assistance program through a regulatory process.

COMMENTS

Senate Bill 983, by Senator Lou Correa, was introduced on February 23, 2007. The language contained within SB 983 is identical to the administration's proposed trailer bill language. On April 11, 2007, the bill passed through the Senate Committee on Veterans Affairs and is schedule to be hearing in Senate Appropriations on April 23, 2007.

LAO

The department request is based on the idea that a tuition program of some type is essential to the recruitment activities of the California National Guard and, without such a program, recruiting quotas will go unfilled. This same rationale for improved recruitment led to the National Guard Assumption Program for Loans for Education (NG-APLE), created by Chapter 345, Statutes of 2003 (AB 547, Liu). The NG-APLE is administered by the California Student Aid Commission (CSAC), and pays off student loans for qualified students who fulfill specified terms of enlistment in the National Guard. The CSAC may only award the number of NG-APLE warrants authorized in the annual budget act. No warrants were authorized until the 2006-07 Budget Act, which authorized 100 grants. The program is due to sunset at the end of 2006-07.

Assembly Bill 111, by Assembly Blakeslee, extends the sunset date on the National Guard Assumption Program of Loans for Education (NG-APLE) by three years and makes policy changes in the program.

The LAO recommends deleting a request for \$1.7 million from the General Fund to establish a Tuition Assistance Program as an aid to recruitment efforts. This request duplicates a loan forgiveness program established in 2003. (Reduce Item 8940-001-0001 by \$1,699,000.)

ISSUE 2: ARMORY MAINTENANCE AND MODERNIZATION

The Military Department requests \$4.5 million (\$3.0 million General Fund and \$1.5 million Federal Trust Fund) for maintenance and repairs at armories statewide. The proposed funding will allow the department to continue making needed repairs, modernizing its armory infrastructure, and ensuring compliance with environmental laws and building codes at various armories on a priority basis.

According to the Bureau of State Audits, 87 percent of the state's 109 armories are "in need of improvement". The Auditor looked at the rating of these facilities based upon the Army's criteria for evaluating facilities, which assigns a color to assess the overall adequacy of a facility based upon a traffic light (green, amber, and red) rating. In the latest rating, 72 of the armories were rated "red" and 23 of the armories were rated "amber". The Military Department has a backlog of about \$35.7 million in maintenance issues at the 109 armories. The proposed increase will result in a total of \$5.5 million (\$3.6 million General Fund) available for maintenance and modernization.

COMMENTS

An alternative presented in the BCP suggests a moderated repair schedule, at an annual cost of \$2 million General Fund and \$1.5 million Federal Trust Fund. According to the department, as long as it is predictable funding, this appropriation would still make significant strides in repairing the state's armories.

Given the state's worsening financial condition, it would be more fiscally prudent at this time to adopt a lower appropriation and possibly reconsider a higher ongoing appropriation at a later date. Federal funds would be unaffected by the lower appropriation: the state will still receive \$1.5 million from the federal government for this purpose.

ISSUE 3: NEW ARMORY UTILITIES COST AND MAINTENANCE - CONSENT

The Military Department requests 1.5 million (\$694,000 General Fund) and 12 positions for additional maintenance at Military Department facilities. Of this amount, \$774,000 (\$442,000 General Fund) and 3.8 positions are provided to support the maintenance needs of four new armories at Azusa, Bakersfield, Lancaster, and Moreno Valley. In addition, \$428,000 (\$86,000 General Fund) and six positions are requested to support the maintenance and operation of the Fresno Air National Guard 144th Civil Engineering Squadron. The Budget also proposes \$292,000 (\$166,000 General Fund) and two positions (one in Northern California and one in Southern California) to provide regional facilities and engineering support.

ISSUE 4: MILITARY FUNERAL HONORS PROGRAM – CONSENT

The Military Department requests \$1.8 million General Fund and 22.1 positions to meet the demand for increased military funeral honor ceremonies in California. The California National Guard serves as the principle provider of such ceremonies for veterans who or whose families request funeral services in California with military honors. Last year the existing 43 positions performed 600 of the 900 military services requested. The Military Department projects 65,000 veteran deaths annually, which has resulted in the increased demand for additional funeral ceremonies.

ISSUE 5: ADMINISTRATIVE STAFFING - CONSENT

The Military Department requests \$82,000 General Fund and one position to support the Department's fiscal and personnel processes. Specifically, \$40,000 is requested for contract services to determine the feasibility of modifying or replacing the current Emergency State Active Duty payroll system which is failing. The remaining \$42,000 would fund an additional position to support the functions of the Comptroller and State Personnel Offices.

ISSUE 6: DISASTER RESPONSE TRAINING FOR HELICOPTER CREWS - CONSENT

The Military Department request \$138,000 to train helicopter crew members to support the Military Support to Civil Authority during wild fire and flood rescue missions. California National Guard personnel have been called upon for firefighting and water rescues that require special training and equipment.

ISSUE 7: SERVICE MEMBER CARE POSITION - CONSENT

The Military Department requests \$165,000 General Fund and one position to provide Service Member Care. The position will provide emergency crisis counseling, referral and personal support, combat stress evaluation, and mental health services to the State military force. Unlike law enforcement agencies, the California National Guard has no full-time support system in place for service members and the federal government offers no long-term mental health benefits National Guard Members.

ISSUE 8: SECURITY STAFFING - CONSENT

The Military Department requests \$3.5 million in federal funding authority and 47 three-year limited term positions for security at Military Department installations. The California Army National Guard has eight sites which have been designated by the Department of Army and National Guard Bureau as Mission Essential Vulnerability Areas.

ISSUE 9: UNIFORM ALLOWANCE - CONSENT

The Military Department requests \$69,000 General Fund to implement SB 1244 (Soto) which provides eligible State Military Reserve members with an annual \$125 uniform and travel allowance. SB 1244 requires the Military Department to provide a uniform and travel allowance of \$125 annually to each member of the State Military Reserve (SMR) who completes "satisfactory service"-defined as 100 percent attendance at training assemblies or as otherwise defined by the department.

ISSUE 10: CAPITAL OUTLAY – BARSTOW READINESS CENTER - CONSENT

The Military Department requests \$375,000 (\$169,000 General Fund) to renovate and enlarge the kitchen and latrine area at the Barstow Readiness Center. The current kitchen facilities do not meet state requirements and cannot be used for food preparation. The requested funds support the entire construction process for this project.

ISSUE 11: HOMELAND SECURITY TRAINING AND EXERCISE PROGRAM - CONSENT

The Military Department requests \$5.7 million in reimbursement authority and 12 five-year limited-term positions to support homeland security functions performed by the Military Department. The Military Department provides the training and exercises associated with the Office of Homeland Security's statewide anti-terrorism program and other training activities.

ISSUE 12: STATE ACTIVE DUTY PAY INCREASE – CONSENT

The administration submitted a finance letter requesting \$1.3 million (\$596,000 General Fund) to reflect the increase costs of the Congressionally-mandate State Active Duty pay adjustment. This request is in anticipation of the federal authorization of increases to State Active Duty Pay and allowances.