



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

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April 17, 2015

Joint Committee on Finance

Paper #442

### **National Guard Readiness (Military Affairs)**

[LFB 2015-17 Budget Summary: Page 291, #7]

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#### **CURRENT LAW**

Article V, section 4 of the Wisconsin Constitution designates the Governor as the commander-in-chief of the National Guard. The Adjutant General serves as the head of the Department of Military Affairs. Wisconsin's National Guard is comprised of the Wisconsin Army National Guard and the Wisconsin Air National Guard. The mission of the National Guard is to provide fully capable citizen-soldiers and citizen-airmen prepared for deployment to support community, state, and federal missions. The federal mission is to provide trained units, soldiers and airmen in time of war or national emergency, as directed by the President of the United States. The state mission is to assist civil authorities in protecting life and property, and preserving peace, order and public safety during emergencies, as directed by the Governor of Wisconsin.

Under regulations established by the United States Army and utilized by the Wisconsin Army National Guard, in order to be deployed into active duty a soldier must have participated in the Guard's soldier readiness processing (SRP) program within the last 12 months. Further, an SRP status check must be performed within 30 days of the soldier being deployed into active duty to ensure that the soldier participated in the SPR in the last 12 months. Currently, the federal government provides funding to support the state's SRP program.

The Department's National Guard Operations public emergencies sum sufficient appropriation is utilized to defray all expenditures of the National Guard when it is called into state service to meet situations arising from war, riot, natural disaster, or great public emergency, and in preparation for an anticipated call into state service for these emergencies. Under current practice, expenditures are only made from this appropriation in association with an activation of the National Guard for state active duty. Base funding for the appropriation is \$40,000 GPR annually.

## **GOVERNOR**

Provide \$500,000 GPR annually to the National Guard Operations public emergencies sum sufficient appropriation to support the state's soldier readiness processing program.

## **DISCUSSION POINTS**

1. The Wisconsin Army National Guard's assigned strength, as of March, 2015, is approximately 7,500 soldiers. In order to deploy these soldiers into active duty, current regulations require that soldiers participate in the Army National Guard's soldier readiness processing program within 12 months of deployment. Further, an SRP status check must be performed within 30 days of the soldier's deployment to confirm the soldier's participation in the program. If it is discovered that a soldier has not participated in the SRP program within the last 12 months, the soldier must participate in the program prior to deployment, thus delaying the soldier's activation.

2. The state's SRP program is conducted at Fort McCoy, a military base located in Monroe County that serves as a training center and deployment site for the Army National Guard. The Army Guard's SRP program annually: (a) validates the soldier's dental, medical, and personnel records; (b) provides the soldier an opportunity to update his or her records, religious preferences, family information, beneficiaries, wills, powers of attorney, and other personal issues; and (c) awards the soldier an opportunity to review life insurance options and education benefits. Currently, the Army National Guard operates its SRP program during a two-week time period, one month a year, as well as one weekend a month for the remaining 11 months. Roughly half of the Army National Guard's soldiers participate in the SRP program during the two-week period, while the remaining half participate in the program when it is operated one weekend a month for the remaining eleven months. This current level of operation allows the Army National Guard to maintain a roughly 95% to 100% readiness level, meaning that 95% to 100% of all Army National Guard soldiers will have participated in the SRP within the last 12 months and are available for immediate deployment into state or federal service.

3. In recent years, funding for the Army National Guard's SRP program has been directly supported by the federal National Guard Bureau (NGB), which is funded through the Department of Defense (DOD). Costs supported by the federal government included, but were not limited to, personnel, equipment, and medical tests.

4. Through discussions with DOD and the National Guard Bureau, however, the Wisconsin Army National Guard has been informed that DOD's budget for Army operations, and similarly the National Guard Bureau's budget, will be reduced during the 2015-16 and 2016-17 federal fiscal years. The anticipated reductions in DOD's budget are the result of the expected decrease in the number of overseas Army deployments, as well as budget cuts required under the federal sequester. Due to expected reductions to the NGB's budget, the NGB has informed the Wisconsin Army National Guard that it will most likely be unable to support the SRP program.

5. With regards to Wisconsin's Air National Guard, the administration indicates, "The [U.S.] Air Force has not reduced the funding provided to the Air National Guard to support readiness and deployment preparation because the deployment tempo of Air National Guard members will not be decreasing in future years. No additional funds are required to maintain 100%

readiness."

6. Since it is anticipated that the federal government will not support the Army National Guard's SRP program during the 2015-17 biennium, the bill provides state funding to support the program. Specifically, the bill provides \$500,000 GPR annually to the National Guard Operations public emergencies sum sufficient appropriation. [Base funding for the sum sufficient appropriation is \$40,000 GPR annually.] Funding under the bill would be utilized to support the Army National Guard's SRP program for one weekend a month, eleven months out of the year. In addition, the Department would utilize federal funding that is allocated for training to support the SRP program for a two-week period, one month out of the year. The Department indicates that this utilization of both state and federal funding would allow the Army National Guard to maintain a 95% to 100% readiness level.

7. The National Guard Operations public emergencies appropriation is utilized in association with an activation of the National Guard. Accordingly, to the extent that state funding is utilized to support the Army National's Guard's SRP program, the Governor intends to activate the National Guard on an ongoing basis. The National Guard members called into active duty would be the military dental, medical, and administrative personnel who would administer the SRP program.

8. If state funding is not provided to support the SRP program then, due to the anticipated federal funding reductions, the Army National Guard's readiness level will drop by roughly half. As a result, approximately 3,750 of the Army National Guard's 7,500 soldiers would not be immediately available to be called into state active duty service, due to the fact that the soldiers would not have participated in the SRP program within the last 12 months. Therefore, if those soldiers were needed for state active duty, they would have to participate in the SRP program before being deployed, thus delaying their response.

9. With regards to the costs associated with the SRP program, the state would have to support the cost of 92 military dental, medical, and administrative personnel. Personnel costs include pay, lodging, travel, and other incidental costs. Other costs, such as building maintenance, equipment, and medical tests would continue to be covered by the federal government. The table below identifies the annual personnel costs that would be supported by the state. Annual costs are based on the fact that the state would support the SRP program for one weekend a month (two days), eleven months out of the year.

**State Costs Associated With the Wisconsin Army  
National Guard's Soldier Readiness Processing Program**

Base Pay and Allowance*	\$302,800
Travel	171,500
Lodging**	22,300
Incidental Costs	<u>10,100</u>
Total	\$506,700

\*Base pay and allowances are set by the U.S. Army.

\*\*Lodging is based on the \$11 per night rate that will be charged by the state's billeting operation at the Wisconsin Military Academy at Fort McCoy.

10. Funding under the bill is provided to the National Guard Operations sum sufficient public emergencies appropriation. As a sum sufficient appropriation, the Department does not require legislative approval to expend amounts beyond what is appropriated, as long as the expenditures are made for purposes authorized under statute. Appropriations are typically created as sum sufficient if the Legislature determines that the state should fund any amount necessary to support the program for which the appropriation was created. The public emergencies appropriation has been sum sufficient since the Department of Military Affairs was created during the 1967-69 biennium (the appropriation also existed as a sum sufficient prior to the creation of DMA). Under current law, the appropriation is authorized to, "defray all expenditures of the Wisconsin National Guard ... when is (sic) called into state service to meet situations arising from war, riot, natural disaster, or great public emergency and *in preparation for an anticipated call into state service for these emergencies.*" [Emphasis added]

11. While DMA has been informed that it is expected that the National Guard Bureau will not support the state's Army National Guard SRP program due to federal budget reductions during the 2015-16 and 2016-17 federal fiscal years, the federal budget for these years has yet to be established and the reduction in federal funding for the SRP program is not definite. Regarding the utilization of state funds for the SRP, the administration indicates that, "The department will continue to spend all available federal funding for the SRP before spending state funds. If federal funding is not reduced as expected, the state funding will not be expended..."

12. Given that the Department anticipates reductions in federal funding for the SRP program and that providing state funds for the SRP program would allow the Wisconsin Army National Guard to maintain 95% to 100% readiness, the Committee could approve the Governor's recommendation and provide the Department \$500,000 GPR annually to its National Guard Operations sum sufficient appropriation [Alternative 1].

13. Alternatively, the Committee could modify the Governor's recommendation to account for the following: (a) the different start dates of the state fiscal year and the federal fiscal year; and (b) subsequent to the introduction of the budget bill, the Department provided a more detailed calculation of the anticipated annual state costs of the SRP program.

14. The federal fiscal year begins October 1<sup>st</sup>, while the state fiscal year begins July 1<sup>st</sup>. Given that the anticipated federal budget reductions would begin in federal fiscal year 2016, it is expected that the reductions would not impact the state for the first three months of state fiscal year 2016. As a result, it could be argued that the amount provided under the bill for state fiscal year 2015-16 should be reduced in order to provide eight months of funding for the SRP program as opposed to 11 months of funding. Further, as indicated in the table above, the annual costs of supporting the Army National Guard's totals \$506,700. Based on these considerations, the Committee could modify the amounts provided under the bill by -\$131,500 GPR in 2015-16 and \$6,700 GPR in 2016-17 [Alternative 2]. Under this alternative, the bill would be modified to provide DMA \$368,500 GPR in 2015-16 and \$506,700 GPR in 2016-17 to support the Army National Guard's SRP program.

15. On the other hand, the Committee could delete the provision due to the fact that federal reductions are not definite since the federal budget for the 2015-16 and 2016-17 federal fiscal year

has yet to be established [Alternative 3]. As a result, funding for the public emergencies sum sufficient appropriation would remain at \$40,000 GPR annually during the 2015-17 biennium.

16. It should be noted, however, that while the federal budget for the 2015-16 and 2016-17 federal fiscal year has yet to be established, the Department indicates that federal funding reductions for the state's Army National Guard SRP program should be expected.

17. Further, given that the public emergencies appropriation is sum sufficient, the Department does not require legislative approval to expend amounts beyond that appropriated to support the SRP program. The Department indicates that if the federal government reduces its funding for the state's SRP program, the Governor intends to activate the National Guard on an ongoing basis and utilize the sum sufficient appropriation to support the SRP program. Therefore, if the Committee decides not to increase the appropriation's expenditure authority, it may be anticipated that actual expenditures would exceed appropriated amounts.

## ALTERNATIVES

1. Approve the Governor's recommendation to provide \$500,000 GPR annually to the Department of Military Affairs National Guard Operations public emergencies sum sufficient appropriation to support the Wisconsin Army National Guard's soldier readiness processing program.

2. Modify the amounts provided under the bill by -\$131,500 GPR in 2015-16 and \$6,700 GPR in 2016-17 to account for the following: (a) the different start dates of the state fiscal year and the federal fiscal year; and (b) a recalculation of the anticipated annual state costs of the SRP program.

<b>ALT 2</b>	<b>Change to Bill</b>
GPR	- \$124,800

3. Delete provision.

<b>ALT 3</b>	<b>Change to Bill</b>
GPR	- \$1,000,000

Prepared by: Michael Steinschneider