

Public Safety

OREGON MILITARY DEPARTMENT

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$12,854,157	\$13,719,463	\$13,248,049	\$13,017,427
Lottery Funds	0	0	0	0
Other Funds	8,042,250	5,995,197	6,841,122	\$5,731,700
Federal Funds	42,699,014	47,915,450	49,493,706	52,435,118
Other Funds (Nonlimited)	0	0	0	0
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$63,595,421	\$67,630,110	\$69,582,877	\$71,184,245
Positions	415	420	417	401
Full-time Equivalent	408.66	377.24	369.20	360.58

Overview

The Military Department has a dual mission. Its federal responsibility is to provide combat-ready units and equipment to be deployed in support of national defense under the direction of the President. The Department's state mission is to provide trained personnel and equipment to protect life and property in Oregon during natural disasters or civil unrest under the direction of the Governor.

Oregon has a significant commitment of National Guard assets. As of September 2002, the Oregon National Guard has a force strength of over 8,000 Army and Air Guard members in combat, engineering, medical, security, communications, radar, and support units. The Department manages 532 buildings with 3.5 million square feet of operational space in 25 counties throughout the state. These facilities consist of 38 armories, two air bases, and four training and military installations. In addition to the state budget and personnel, the Department manages a federal program of approximately \$430 million per biennium and 1,660 federal employees.

The Department faces challenges in maintaining its resources in the face of state and federal budget pressures. As of September 2002, there were 928 fewer Guard members than are authorized by the National Guard Bureau. Most armories are in poor condition; a recent study showed that only 13 percent meet federal standards.

Balanced Budget

The Governor's balanced budget for the Oregon Military Department is \$71.2 million total funds, a 2.3 percent increase from the 2001-03 Legislatively Approved Budget through the 2002 Fifth Special Session. The General Fund budget of \$13 million is 1.7 percent less than the 2001-03 Legislatively Approved Budget through the Fifth Special Session.

Public Safety

Funding for the Tuition Assistance program, that assists Guard members with post-secondary education costs, is eliminated. The program was reduced in the 2002 Second Special Session. The 2003-05 impact of the 2002 Fifth Special Session reductions eliminates remaining funding for the program. The Oregon Student Assistance Commission, that administers the program on behalf of the Military Department, has sufficient carry-forward funds to support some currently-enrolled students in the next biennium. Elimination of the program is expected to affect the Department's success in recruiting Guard members.

The Youth Challenge Program is continued at a reduced level without General Fund. The program provides structured educational services to at-risk youth who have dropped out of school. The Department will continue to operate the program with Other Fund and Federal Fund revenues, reducing class sizes from 100-110 to 65-75. Congressional action may reduce the required state match from 40 percent to 25 percent, which would allow the Department to return to the original class sizes. If the match is not reduced, unanticipated expenses could affect the program's ability to operate even at a reduced level.

The balanced budget includes \$3.2 million Federal Funds for three capital construction projects: a new dining facility at Camp Rilea and two training facilities at the Boardman Bombing Range. Federal Funds are increased by \$3.6 million for repair and maintenance of Army Guard facilities at federally supported installations.

The Department is investigating purchase of 4.5 acres adjacent to the Salem Army Aviation Facility to provide increased security for the airfield and acquire a site for construction of a new operations facility. The budget does not include funds for purchase of the property, mitigation of known environmental issues, or construction of the operations facility. If the project is approved, funding for debt service on Certificates of Participation to finance the state's share of the cost would be requested from the Emergency Fund.

The budget also includes federally supported positions for facilities planning, environmental management, and services to families of National Guard members. Two administrative positions are eliminated and Services and Supplies are reduced.

Revenue

General Fund is used to pay wages and salaries of state employees, state matching funds for various facilities management activities, and matching funds for various Oregon National Guard activities. The matching funds draw Federal Fund revenues into Oregon through 17 cooperative agreements with the federal government for training, logistics facilities, air bases, and stations. Generally, the state match requirements are 20 percent at the Portland Air Base, 15 percent at Klamath Air Base, 25 percent at Camp Rilea Air National Guard Facility, and zero to 50 percent at other facilities.

Other Funds include revenues from federal contributions to the payment of facilities' operating costs; facility rental fees; proceeds from real property sales; interest on funds in the Military Construction Account; miscellaneous funds from vending machines, pay telephones, etc; and an inter-agency transfer of federal revenues to support central administrative costs. Facility rental fees contribute to, but do not fully cover, armory maintenance and operations costs. The declining condition of the armories makes it increasingly difficult for the Department to meet Other Funds revenue goals.

Public Safety

Federal Funds pay wages and salaries of federal employees assigned to Oregon National Guard duties; provide construction funds for a variety of maintenance, armory, training, and reserve center facilities; fund several programs for at-risk youth; and contribute to central administrative costs through an inter-agency transfer.

The Department's federal budget of approximately \$430 million in the 2001-03 biennium is administered separately from its state budget and is not included in the Department's Federal Funds expenditure limitation.