



INDIANA
JOINT FORCES HEADQUARTERS
NATIONAL GUARD
2002 SOUTH HOLT ROAD
INDIANAPOLIS, INDIANA 46241-4839



TO: Mr. Adam Horst
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FROM: R. Martin Umbarger
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DATE: November 12, 2012

RE: The Adjutant General Agency Overview, 2014-2015 Budget

MISSION STATEMENT.

To operate the Indiana Army and Air National Guard in a manner that optimizes the utilization of both State and Federal funds and personnel necessary to complete the Agency mission. The Agency must insure that its military units attain Federal readiness and mobilization standards and are prepared to respond to natural disaster and civil support requests from the State of Indiana. The following objectives are constant as we strive to pursue the accomplishment of our mission:

- a. Improve the personnel readiness of the Indiana National Guard.
- b. Support the education initiatives for Indiana National Guard personnel and provide the citizens of Indiana with education opportunities funded through National Guard membership.
- c. Deploy soldiers and airmen in support of our nation's war against terror.
- d. Place direct emphasis on Homeland Defense programs and provide support to the statewide effort.
- e. Continue to develop partnerships with community leaders, Indiana Business leaders, Universities and Colleges to promote economic development and employment.
- f. Implement a strategic facility plan throughout Indiana.
- g. Sustain the Hoosier Youth ChalleNGe Program that enhances the education and discipline of 16-18 year old youths.
- h. Continue the commitment to preserve and protect the environment.
- i. Improve Camp Atterbury as a Mobilization Station and military Power Generation Platform and also Muscatatuck as a Complex Urban Training Site.

AGENCY PROGRAMS/FUNCTIONS.

Several programs within this Agency are used to properly administer funds utilized by the Indiana National Guard. The State Controller Department, as part of the Adjutant General's Office, is responsible for the management of 57 Cooperative Agreements that include nine (9) major construction agreements, 38 master cooperative agreements and seven (7) agreements pertaining to the Hoosier Youth ChalleNGe Program. Additionally, there were two (2) grants from IDHS and one (1) Department of Energy Grant from the Lieutenant Governor's office. All totaled, the Federal share was \$51,913,680. The following paragraphs describe the function of each of this Agency's State supported programs and are listed in the order of priority to be funded:

a. **Adjutant General Funds (Main Operating).** This program supports the overall operational and administrative costs of the Indiana Army and Air National Guard that includes the Joint Forces Headquarters, Hulman and Baer Air Fields and 62 armories.

b. **Muscatatuck Urban Training Center (MUTC).** Located near North Vernon, Indiana, this facility provides both kinetic and non-kinetic training venues for Federal, State and Local government and military organizations.

c. **Atterbury-Muscatatuck Center for Complex Operations (AMCCO).** This organization, co-located at Camp Atterbury, is the integrating headquarters for Federal, State and private organizations utilizing Camp Atterbury and MUTC facilities and ranges.

d. **Hoosier Youth ChalleNGe Academy (HYCA).** Located at Knightstown, Indiana, HYCA is a 75% Federal and 25% State funded organization that targets 16-18 year old "at risk" youth. The purpose is to offer students a variety of educational opportunities and life skill to be successful members of their communities.

e. **Governor's Civil Military Contingency Funds.** The purpose of these funds is to provide State emergency funds for the commitment of National Guard forces in case of natural disaster or civil disturbance.

ACCOMPLISHMENTS.

a. **The Adjutant General's Main Operating Funds.** In FY2012, this program received an annual State appropriation of \$8,780,766 to manage and execute. During FY2012, this Agency managed and executed 57 Cooperative Agreements and Grants that brought over \$51 million into the State of Indiana.

b. **War Against Terror.** The Indiana National Guard has mobilized and deployed 18,681 soldier and airmen since 9/11 to fight the War against Terror. Currently, we have over 1,000 National Guardsmen mobilized supporting overseas contingency operations.

c. **Human Resources.** This Agency is currently authorized 551 full-time positions providing support to the Indiana Army and Air National Guard. Of these 471 are authorized and reimbursed in whole or in part by Federal funds through the National Guard Cooperative Agreements. They work in the areas of Program Management, Controller, Administrative, Logistical, Construction and Facilities, Environmental, Information Technology, anti-terrorism, at risk youth and emergency services, including security and firefighting. Also, this Agency has State employees at our 62 National Guard Armories/Readiness Centers, Camp Atterbury, Muscatatuck Urban Training Center, two Air National Guard bases, one in Terre Haute and one in Fort Wayne, Joint Forces Headquarters and Hoosier Youth ChalleNGe Academy in Knightstown.

d. **Facilities and Contracting.** This Agency supports the Adjutant General in providing maintenance and care for armories and support facilities for the use of the military forces of the State of Indiana. The Agency currently has 230 buildings and 62 armories throughout Indiana. The State Facilities section executed/obligated over \$62 million in Federal construction funds during FY2012. This was to support the assigned soldiers and airmen and training facilities. National Guard armories are used in support of a variety of activities beyond their primary purpose as a military installation. Examples of this utilization are:

- (1) Community Centers, especially in the smaller communities throughout the State;
- (2) Distance Learning and Education Centers for military and civilian use. These centers provide communities broad access to educations, training and information for the development of new skills to enhance the quality life. They also serve as a means of communication during times of natural disaster or civil disturbance.
- (3) Supplemental classrooms for primary, secondary and post secondary educational institutions.
- (4) Emergency operations centers and shelters in the event of a natural disaster or civil disturbance.
- (5) Employer guard support meetings.
- (6) Family support group centers supporting deployed troops and their families.

e. **Atterbury-Muscatatuck Center for Complex Operations (AMCCO).** In FY2012, this program received an annual State appropriation of \$863,251 to manage and execute. AMCCO is located at Camp Atterbury, in Edinburgh, Indiana. It serves as the coordinating headquarters for the Camp Atterbury and Muscatatuck training and testing complex. The primary activity of AMCCO is working with a number of military and non-military partnering agencies in a consortium which includes National, State and Local government agencies and activities, several institutions of higher education, and a variety of private sector businesses and firms.

The Atterbury-Muscatatuck complex provides many unique training and testing venues to prepare individuals and military organizations to meet challenges at home and abroad. Included in the offerings are multiple weapons ranges, tactical maneuver areas, urban assault courses, air to ground gunnery, live and virtual simulation facilities and agricultural training areas. During FY2012, Federal spending for payroll, facility maintenance and construction, and supply and service contracts was in excess of \$418.5 million.

Camp Atterbury is one of the U.S. Army's six enduring Mobilization Training Centers. Since being activated for the mobilization and deployment of Reserve Component organizations for the Global War on Terror in February 2003, a total of 92,586 military and civilian personnel have been deployed to various areas of conflict throughout the world. A total of 70,497 personnel have been demobilized during the same period, returning to their families and homes within Indiana and other locations of the U.S.

Major military deployments have been to the Iraq and Afghanistan Theaters of Operation, with smaller deployments to Kuwait, Bosnia and the Horn of Africa. In addition to processing military personnel for deployment (including some members of the Air Force, Navy and Marine Corps.), Atterbury has also continued to process Department of Defense and Department of State civilians and contractors for assignment to those same areas of the world.

f. **Muscatatuck Urban Training (MUTC).** In FY2012, this program received an annual State appropriation of \$1,178,870 to manage and execute. MUTC, a training range component of Camp Atterbury located near North Vernon, Indiana, continues its development into a nationally recognized “state of the art” urban training and testing facility for military and non-military organizations. This includes many Federal, State and Local agencies and activities.

A number of training facilities and new venues were added and upgraded at MUTC during FY2012. Included are the following: an underground subway trainer, a partially submerged “flooded” city, a “to scale” soccer stadium, and completion of a Range Operations Center. The construction of a Multi-Purpose Machine Gun Range, a village training complex, replicating a village found in Afghanistan and several additions to the non-tactical training infrastructure were completed at Camp Atterbury during this same period. These upgrades, as well as others being planned, are the result of training and testing resource requirements identified by major stakeholders and their commitment to return for future training events. Among the several major stakeholders are the 5th Army/ARNORTH, 1st Army Training Support Brigade efforts in conjunction with the mobilization and deployment mission, the Department of Defense, the Department of State, and the joint services Special Operations Command (SOCOM).

g. **Hoosier Youth Challenge Academy (HYCA)/Knightstown.** This Agency continues to improve on the success with HYCA. This program has a Federal/State total cost during FY2012 of \$3.5 million. The current general fund State appropriation for both HYCA and Knightstown is \$1.8 million. Of which, \$875,000 is devoted to HYCA and \$925,000 is devoted to the operations and maintenance of the Knightstown facility.

HYCA is a program that targets 16-18 year old, at risk youth. It has already achieved significant success after six classes. The reading and math skills of students greatly improve as a result of this program. Most students begin with an approximate 6th grade level and improve to an 8th grade level, for an average increase of 1.46 grade level during the 22 week course.

A total of 686 cadets have graduated from this program with 297 receiving a GED, 190 students have received at least three (3) college credits from Ivy Tech State College while attending HYCA. College scholarships totaling \$235,200 have been awarded to graduating students.

Other significant accomplishments include 175 students registering to vote and 279 signing up for selective service. Leading students to become responsible citizens is one of the key goals of this program. This goal is being accomplished by providing the students opportunities to perform community service. To date, 34,705 hours of community service have been completed. This translates into \$251,611 of free labor to local communities when figured at the minimum wage rate.

CHALLENGES.

The most significant challenge for this Agency continues to be associated with the HYCA program due to maintaining a much larger facility since moving from its previous location at Camp Atterbury to its new location at the former Indiana Soldiers’ and Sailors’ Children’s Home in Knightstown, Indiana. This move, while greatly expanding the program’s ability to positively impact both the program’s students and the community, requires us to maintain a much larger facility. The increase to payroll, utilities and operations and maintenance costs continue to be a challenge for our Agency. Thus far this challenge has been met through a spirit of cooperation between this Agency, the State Budget Agency and the State Armory Board. Additional funding to support the maintenance and upkeep of the numerous aging facilities at this campus will be addressed in the FY2014-2015 budget request.

STRATEGIC OBJECTIVES.

Our armories are a vital link between our National Guard units and the public for which they serve. We strive to continue to renovate them as best we can through our limited Federal support, capital improvement funds and the State Armory Board resources. During FY2010, we announced the closing of three (3) armories, for a combined total of 11 armories closed in the past five (5) years that were determined to be cost prohibitive to maintain. In FY2011, we held ground breaking ceremonies for the construction of two (2) new armories and in FY2012 we held opening ceremonies for these facilities that allow for the consolidation of units into these facilities.

Next to personnel costs, energy costs are this Agency's second highest expense. To that end, this Agency's Energy Committee, established in FY2009, continues to research and look for possible alternative energy sources that may be available as well as searching for other-than-State funding streams to support these initiatives. During FY2012, this Agency was a recipient of a Department of Energy Grant through the Lieutenant Governor's office where over \$2 million were awarded that supported several energy cost-saving initiatives to be implemented at Camp Atterbury and Muscatatuck training sites, two (2) of our biggest energy consumers.

NEW INITIATIVES.

a. Hoosier Youth ChalleNGe Academy (HYCA)/Knightstown (KTOWN).

This Agency is requesting an increase of \$405,000 to the FY2014 and 2015 appropriation for our Knightstown, Indiana campus where HYCA is located. Approval of this request will bring the current appropriation from \$1,800,000 to \$2,205,000. This increase is in support of the KTOWN facility.

The HYCA program occupies eight (8) buildings at our Knightstown facility. The current Cooperative Agreement provides 75% Federal funding of the program in the amount of \$2,625,000 and 25% State match of \$875,000, for a program total of \$3,500,000.

The remaining KTOWN facility consists of 50 buildings and 467 acres. The remaining \$925,000 appropriation to operate and maintain this facility is inadequate. Low estimates show payroll totals at \$618,364 and utilities at \$408,900, which exceeds the appropriation and provides no funding for maintenance or upkeep. To provide bare minimum operations and maintenance, \$1,330,000 is necessary. This is an increase of \$405,000 to support this facility.

The State Armory Board (SAB) has supported HYCA and KTOWN with over \$1 million in maintenance projects as well as budget shortfalls the past two (2) years. Current SAB obligations for this Agency's operations, maintenance and programs total \$3,150,050 of its current \$5,299,898 balance. The SAB may not be able to absorb the HYCA/KTOWN shortfall. Therefore, we are requesting that the FY2014 and 2015 general fund appropriation be increased by \$405,000 from \$1,800,000 to \$2,205,000.

b. Appendix 24F, 122nd Air National Guard Fire Fighters.

This Agency requests an increase to our main operating fund in the amount of \$55,900 for FY2014 and 2015. This request is due to changes made by National Guard Bureau to Appendix 24F of the Master Cooperative Agreement. This document outlines what expenses the Federal government will reimburse the State of Indiana pertaining to Air National Guard fire fighters at Baer Field, Fort Wayne, Indiana. Specifically, fringe benefits, to include workers compensation, are no longer reimbursable by the Federal government.

KEY PERFORMANCE INDICATORS.

Total number of soldiers and airmen authorized/assigned in the Indiana Army and Air National Guard:

Organization	Authorized	Assigned	% Assigned
Army	11,410	12,171	106.7%
Air	<u>1,882</u>	<u>1,849</u>	<u>98.2%</u>
Total	13,292	14,020	105.5%

Total number of Federal reimbursed State employees:

Total number of authorized State positions:	551
Total number of Federal reimbursed positions:	471
Percentage of Federal reimbursed positions:	85.4%

Indiana National Guard ability to respond to Governor's request for a State emergency:

Total number of State Active Duty (SAD) during 2011-2012:	3
Total number of days of SAD operations:	22
Total number of soldiers/airmen currently mobilized:	1,078
Total number of soldiers/airmen available for SAD:	7,346
Total number of soldiers/airmen performed SAD:	1,475

ORGANIZATIONAL CHART. (See attached chart).

PROGRAMS REDUCED/ELIMINATED/REPLACED.

In FY2010 the Federal government agreed to pay 50% of our building service workers' salaries/benefits which helped to enable this Agency to meet our reserve requirement and pay the medical retiree benefit costs. In FY2012, thanks to the State Budget Agency providing an itemized list that included the actual charge per Federal reimbursed employee, we were able to pass this cost on to the Federal government with a total savings of over \$500,000 to this Agency. In FY2010, we negotiated with our Federal Director of Communications to increase their percent of reimbursement for communication costs from 95% Federal/5% State to 98% Federal/2% State. This change resulted in approximately \$50,000 savings for our State communication costs.

REALLOCATION OF FUNDS TO ACCOMPLISH CHANGES.

Utility costs as well as operations and maintenance costs of our 62 armories and numerous maintenance facilities continue to be a serious challenge. Our State Armory Board makes up the shortfall between our appropriated amount and the Federal reimbursement received for these expenses, averaging approximately \$500,000 per year. We continue to aggressively pursue the renting of our armories to local communities/organizations. Rental revenues are maintained at the local armory level and are used specifically to assist in the maintenance and upkeep of that armory.

Another key cost saving factor is our State warehouse. This facility provides supplies to our armories at a significant savings due to our ability to purchase large quantities from our Indiana businesses and pass the savings on to our armory managers.

SUMMARY.

The most critical issue for the Indiana National Guard continues to be our ability to recruit and retain our soldiers and airmen. High personnel readiness levels are the driving force in the Federal appropriations to the Indiana National Guard. As the fourth largest Army National Guard and the 13th largest Air National Guard in the United States, the Indiana National Guard received over \$600 million in Federal funds in FY2012 to support training throughout Indiana, Slovakia and many other parts of the world.

We continue to be very proud of how we have transformed the MUTC facility. A facility that was destined to be closed has been transformed into a state of the art training facility used by an assortment of agencies, both military and civilian, to prepare to go into harm's way or defend the homeland. At the same time, it provides much needed jobs and resources into our State's economy.

We are equally proud and excited with success of our Hoosier Youth ChalleNGe program and the lives of our young Hoosier men and women being changed by it. The move to the Knightstown facility provides for the possibility of even greater accomplishments and growth through this program. Likewise, we are proud of being able to take this facility that was destined to be closed and turn it into something positive that changes lives and provides jobs for Hoosiers.

Our people are our most important resource. This includes our State employees as well as our soldiers and airmen. Our State employees provide the necessary maintenance and upkeep of our armories. This allows our soldiers and airmen to be able to focus on their training mission during their weekend drills and annual training, thus allowing them to maintain a high level of readiness in preparation for State or Federal active duty.

This Agency appreciates the great support we have received from the State Budget Agency, the General Assembly and the Governor of Indiana. While states all around us were in critical, financial difficulty Indiana was able to stay in the black without impacting this Agency. It is imperative that we continue to receive adequate funding that allows us to sustain our State facilities, reward our State employees as they continue to provide outstanding support to our armories and assist in providing a safer Indiana.

R. Martin Umbarger
Major General, Indiana National Guard
The Adjutant General