



# **Oregon Military Department Informational Presentation**

**Senate Committee on Veterans and  
Emergency Preparedness  
21 February 2013**

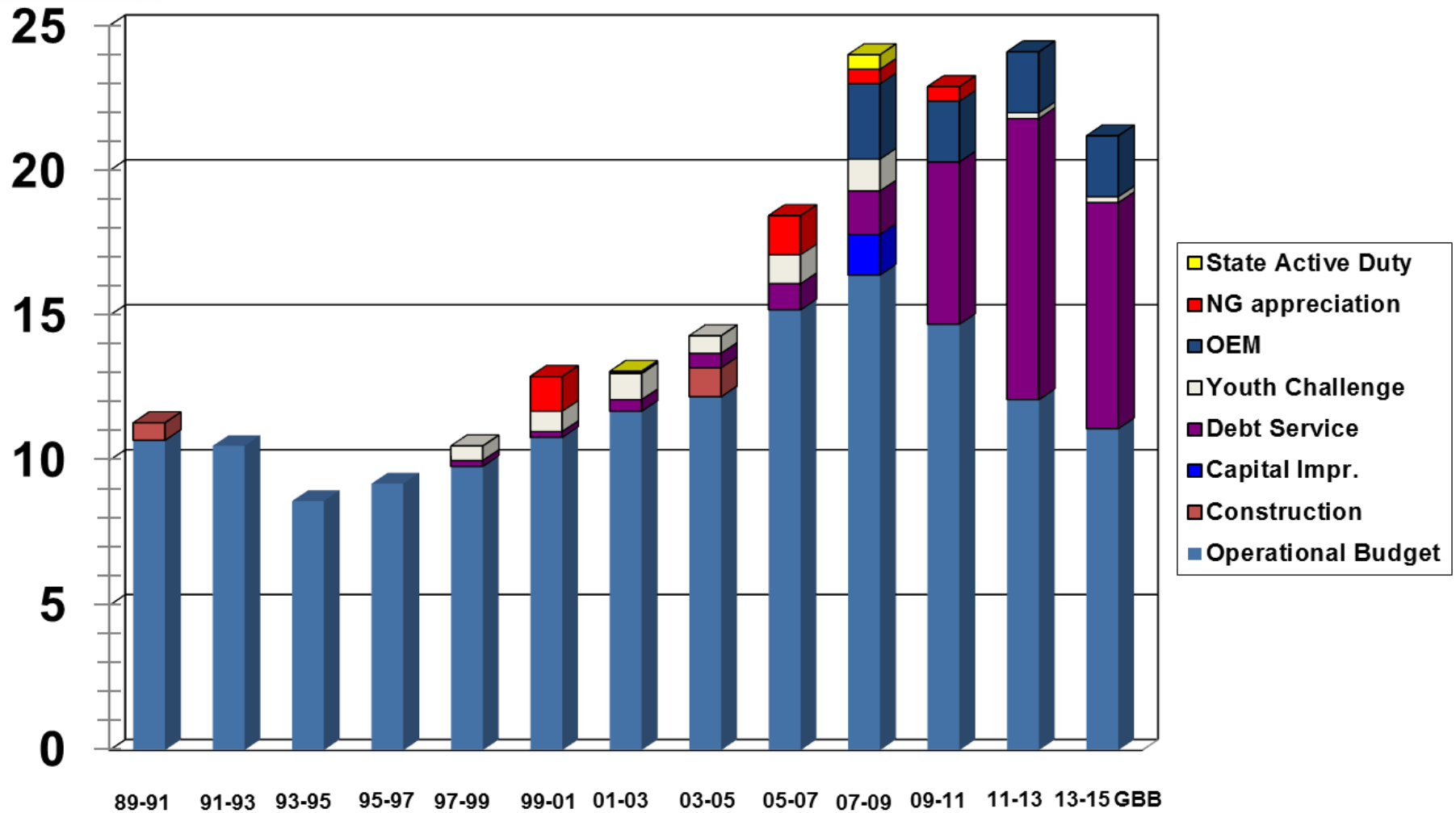


# Presentation Topics

- Budget Overview
- Pending State Legislation
- Reintegration Program
- Implications of Sequester
- Seismic and Tsunami Update



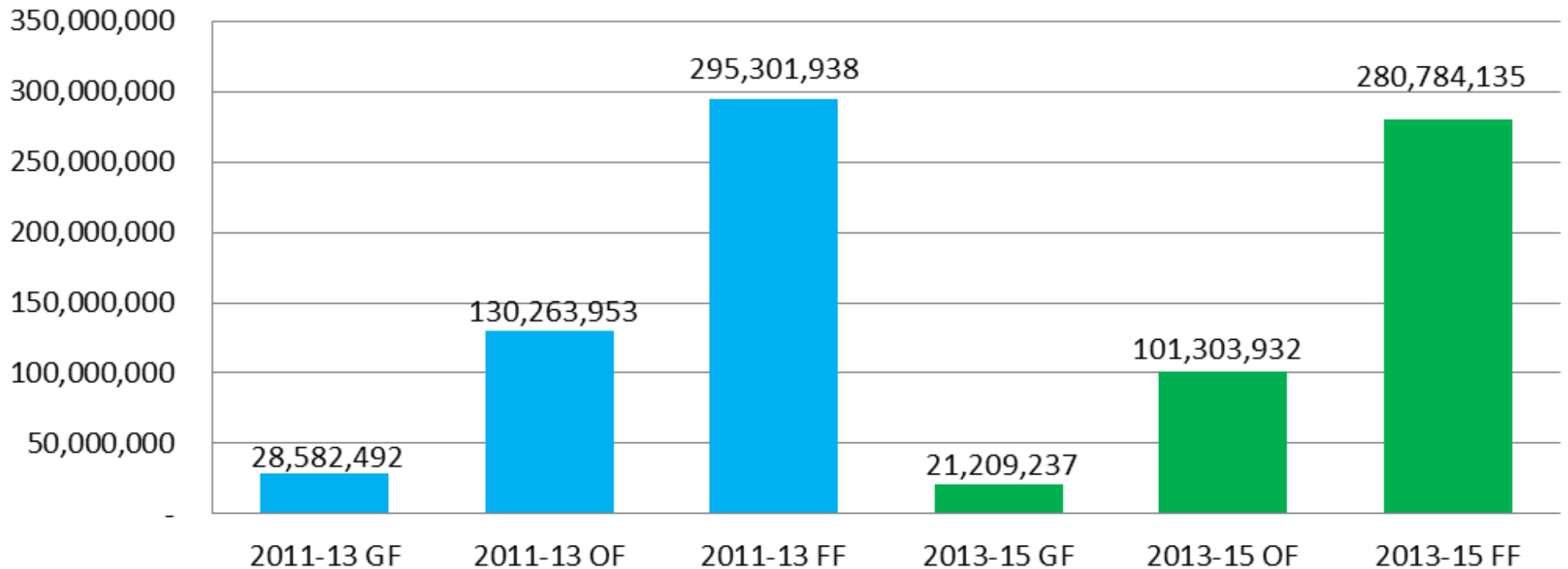
# 24 year General Fund history 1989 – 2013 (in millions)





# OMD State Budget

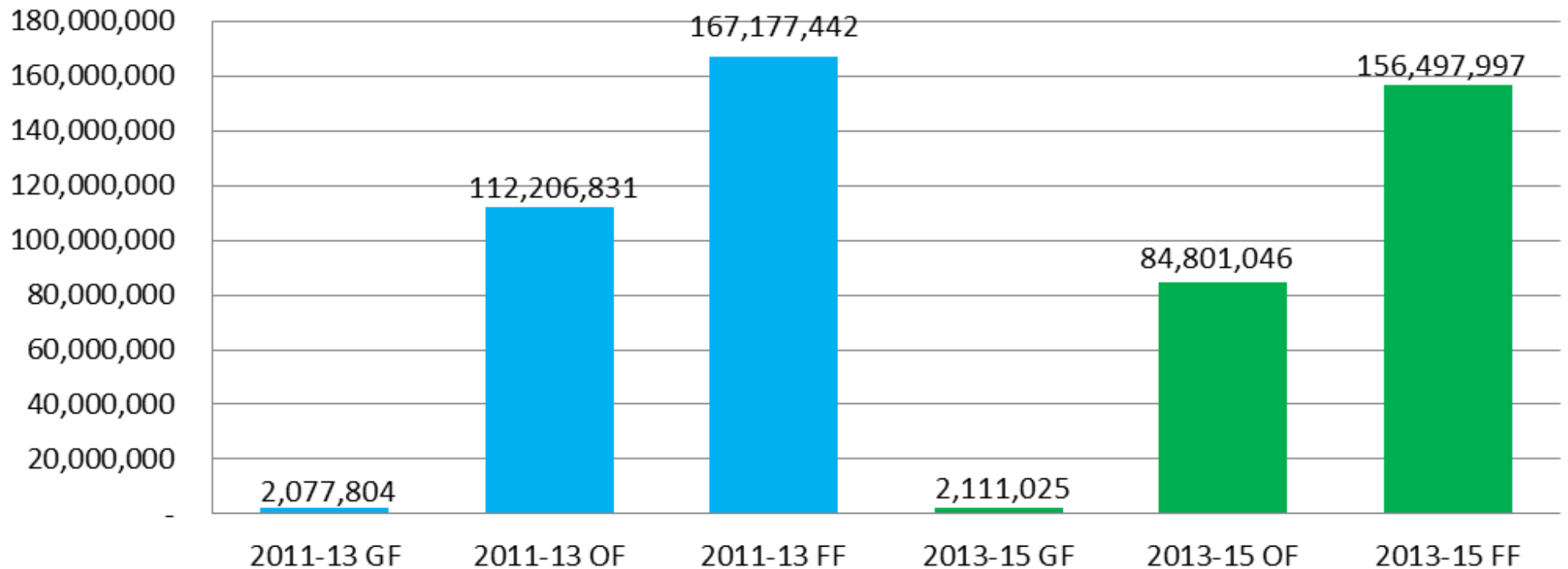
## 2011-13 Legislatively Approved Budget vs. 2013-15 Governor's Balanced Budget





# OEM State Budget

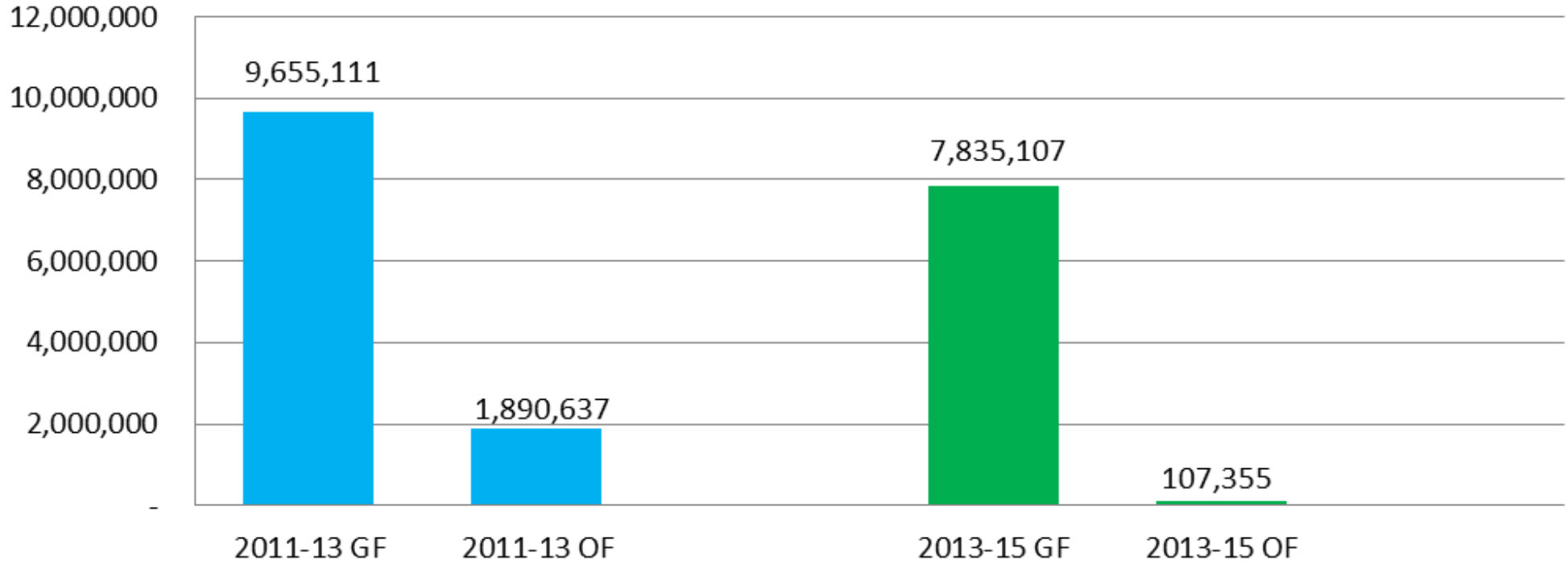
## 2011-13 Legislatively Approved Budget vs. 2013-15 Governor's Balanced Budget





# Debt Service State Budget

## 2011-13 Legislatively Approved Budget vs. 2013-15 Governor's Balanced Budget





# Critical Approved Packages

- Operations New Positions – \$238,924 OF / \$1,326,884 FF / 11 Positions and 11.00 FTE
- Umatilla Caretaker Contract – \$8,995,890 FF / 23 Positions and 23.00 FTE
- Kingsley Field Firefighters – \$1,297,174 FF / 7 Positions and 7.00 FTE
- 9-1-1 Sunset Extension - \$62,528,008 OF / 9 Positions and 9.44 FTE
- 9-1-1 Next Generation Coordinator - \$277,868 OF / 1 Position and 1.00 FTE



# Critical Approved Packages

- Transfer of SRGP – (\$3,916,141) GF / (\$21,840,600) OF / (3) Positions and (3.00) FTE \*
- Statewide Administrative Savings – (\$60,744) GF / (\$546,687) OF\*
- PERS Taxation Policy – (\$18,440) GF / (\$22,798) OF / (\$147,449) FF\*
- Other PERS Adjustments – (\$147,338) GF / (\$182,171) OF / (\$1,178,185) FF\*

*\* Packages not put forth by OMD – Governor's Packages*





# Critical Non-Approved Packages

- Operations and Maintenance Funding (The Dalles, Nesmith Reserve Center (Dallas) – \$106,678 GF / \$106,678 FF)
- O&M funding at both airbases – \$344,500 GF / \$1,531,367 FF
- 9-1-1 Fund Shift - \$699,098 GF / (\$118,816) OF / \$478,171 FF
- OEM IT Consolidation - \$210,412 GF / \$515,000 OF / \$209,773 FF / 4 positions and 4.00 FTE
- OEM Regional Teams – \$563,614 GF / \$562,071 FF / 6 Positions and 6.00 FTE



# State Legislation Impacting OMD

- Please refer to your handout



# Family Assistance Program

- Ten federally funded Family Assistance Specialists are located throughout Oregon to serve the needs of Service Members and their Families by providing six essential services. The J-9 is the only Reintegration position funded with General Fund
- Six Essential Services:
  - Legal Resource and Referral
  - ID Cards and DEERS
  - Financial Resource and Referral
  - Crisis Intervention and Referral
  - TRICARE Resource and Referral
  - Community Information and Outreach
- Accomplishments in FY12
  - Family Interactions            58,302
  - Cases and Referrals            49,079



# Joint Transition Assistance Program

- Twelve federally funded JTAP members are located throughout Oregon to serve the needs of Service Members, Veterans, and Commands by providing vital outreach support and resource referrals.
- Accomplishments in FY12
  - Service Member Interactions 19,502
    - Critical Interactions 128
    - Employment 6,217
    - Confirmed Hires 328
    - Education 1,086
    - Health 1,409
- The \$1.83M Federal JTAP investment saved lives and potentially saved \$8.9M in unemployment compensation.



# Reintegration Issues and Concerns

- Budget reduction impacting reintegration support
  - 2012 Funds: \$3.9M Federal (99%) - \$44K State (1%)
  - 2013 Funds: \$2.3M Federal - \$44K State
  - 2014 - No Federal funding for JTAP (12 positions), Joining Community Forces (1 position)
- 2014-15 - 41 Infantry Brigade Combat Team deployment
  - Family Program and JTAP Support Critical
- 2014-15 - Unknown State and Federal funding to support 41 Infantry Brigade Combat Team deployment preparation and reintegration
- Additional 2013-15 funding/positions required to fully support Oregon Service Members and their Families



# National Impacts of DoD Sequestration

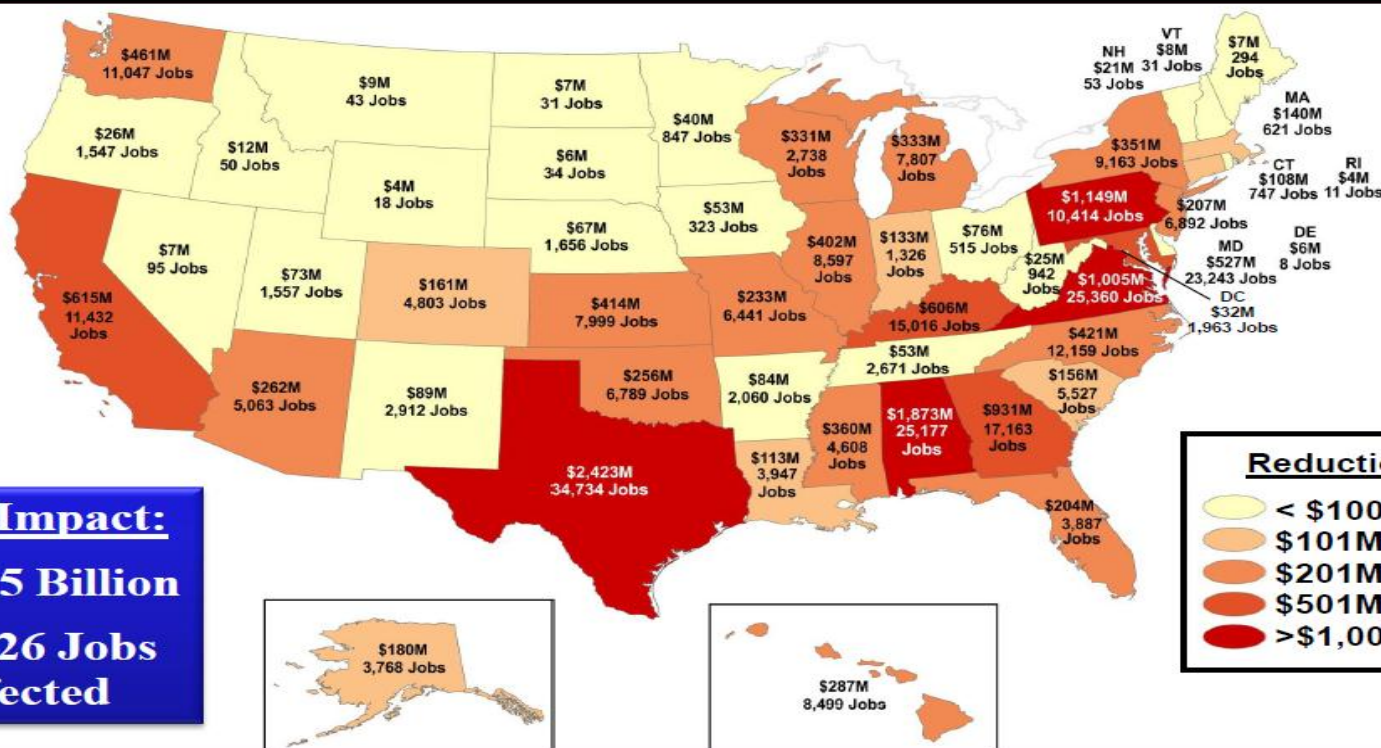
- Sequestration will have immediate and significant negative impacts on the operational readiness and capabilities of NG Forces.
  - Personnel Impacts - National
  - Equipment Impacts - National
  - Training and Facility Impacts - National
  - Operational Impacts - National
  - Domestic Response Impacts - National
  - ORANG Impacts
  - ORARNG Impacts
  - State Impacts



# National Impacts of DoD Sequestration



## Budget Uncertainty Impact on the United States Army by State



**Total Impact:**  
 ~\$15.35 Billion  
 302,626 Jobs Affected

**Budget Control Act reduces the Army end strength over 106,600 Soldiers and Civilians  
 Sequestration doubles end strength reductions to over ~200,000 total  
 Every installation will be impacted**

\*Budget uncertainty includes CR, Sequestration and pressure created by emerging OCO requirements  
 \*Jobs Affected: Include DA Civilian furloughs, and jobs lost due to reduced military investments, reduced MILCON, decreased DEPOT operations, and reduced Base Operations  
 As of 15FEB13



# National Impacts of DoD Sequestration

- Sequester may result in cuts to “most” DoD accounts by up to 12% - Worst Case Scenario
  - Army National Guard Operations and Maintenance (OMNG) targeted reduction - \$662 Million
  - Army National Guard Military Construction targeted reduction - \$122 Million
  - Air National Guard Operations and Maintenance (OMNG) targeted reduction - \$709 Million
  - Air National Guard Military Construction targeted reduction - \$31.8 Million
- Continuing Resolution diminishes options for managing sequestration through the remainder of Fiscal Year 2013





# National Impacts of DoD Sequestration – Personnel

- Reduction in initial-qualification training for job skills.
- Reduction in advanced training for certain specialties
- Reduction in annual medical and dental examinations.
  - May result in a 50% reduction to overall medical readiness
- Termination of temporary Military Technicians (MILTECHS).
  - Highly Impacted States – OH: 220, CA: 438, GA: 503, HI: 343, KS: 158, PA: 198
- Hiring freeze for all MILTECHS



# National Impacts of DoD Sequestration – Personnel Cont.

- MILTECH Furloughs of 22 Days
  - Results in a 22% salary cut
  - Adverse impacts to local economies
  - Potential impact to Oregon of \$11,483,900 in lost wages
    - Oregon DoD Civilians – 3,561 positions
    - Oregon MILTECHS – 1,197 positions (Subset of DoD Civilian)



# National Impacts of DoD Sequestration – Equipment

- Equipment resets for redeploying Army National Guard will cease
  - Affects equipment availability and readiness for 8 National Guard Brigade Combat Teams & 450 Army National Guard Units
  - Limits equipment availability for use in domestic missions
  - Air National Guard will not induct 118 Aircraft and 65 aircraft engines needed for depot level maintenance
  - Will result in grounding of A-10, C-130, F-15, F-16, KC-135, HH-60 aircrafts



# National Impacts of DoD Sequestration – Facility Impacts

- Facility sustainment, restoration and modernization will be reduced
  - Current armory infrastructure will continue to degrade
  - (OMD currently has \$72 million in Deferred Maintenance )
  - Continuing Resolution prohibits new starts in Military Construction



# National Impacts of DoD Sequestration – Operations

- Potential off-ramping of National Guard Units scheduled for deployment
  - Enable active component units to deploy in place of NG units
  - Removing National Guard Units from operational deployment cycles will severely impact readiness levels
  - Will place an inordinate level of dwell-time pressure on the Active Forces
  - This action is not reversible, and impacts will be long-term
  - Units not scheduled for deployment may become targets for reduced readiness funding



# National Priorities of DoD Sequestration – Domestic Response

- Reductions to training and equipment for:
  - Homeland Response Forces (HRFs)
  - Chemical, Biological, Radiological, and Nuclear Forces (CBRN)
  - Enhanced Force Response Packages (CERFPs)
  - Civil Support Teams (CST's)
  - Reduced Training for 1,600 CST members



# Impacts of DoD Sequestration – OR Air National Guard (ORANG)

- Training Readiness:
  - Cuts to flying hour and weapons system sustainment of 18% (\$14,158,800) resulting in:
    - Parked Aircraft
    - Regressed Readiness Standards for Pilots and Maintainers
  - Deferral of facility restoration and modernization projects
- Personnel:
  - Reduction of initial qualifications training for AF specialty codes
  - Termination of temporary MILTECHS (83 Positions - \$7,273,000)
  - MILTECH hiring freeze
  - 22 MILTECH furlough days (\$4,035,000 - \$7,400 per employee)



# Impacts of DoD Sequestration – ORANG (Continued)

- Economic Impacts:
  - Reduced O&M expenditures
  - No new construction to include the Installation Development Plan at Portland ANG Base
- Operational Impacts:
  - Removal of ORANG units from deployment cycles irreversibly impacts readiness
- Domestic Response Impacts:
  - Degradation of Army Aviation capability, loss of full time staff for maintenance and training. Will impact sustainability





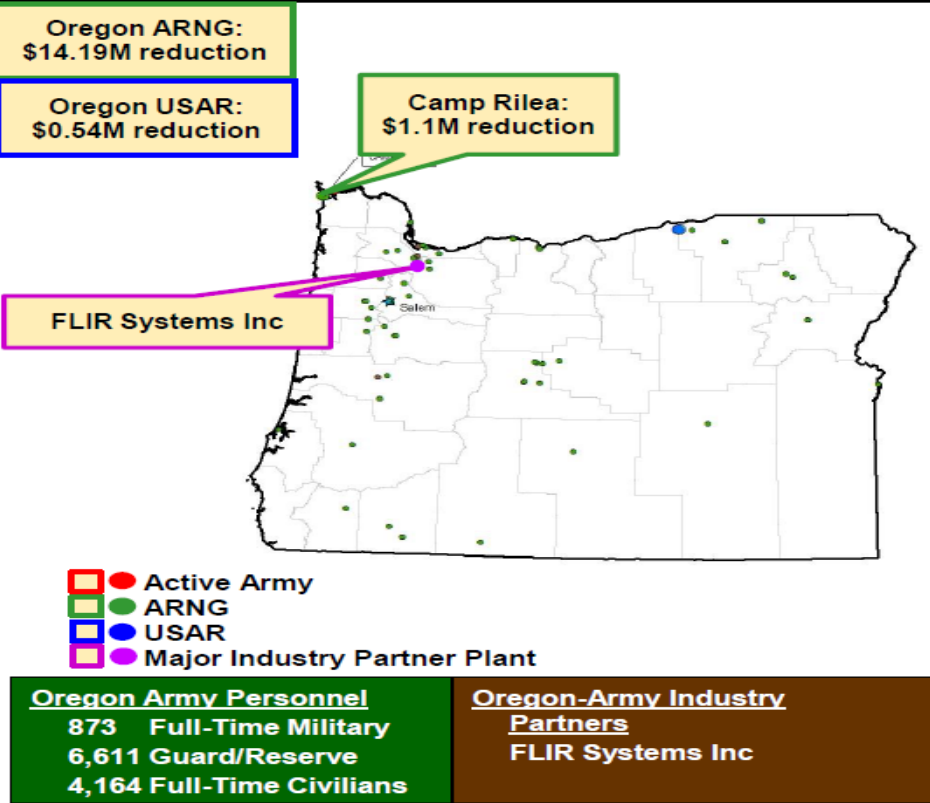
# Sequester Contingencies – ORANG

- ORANG Missions to be Prioritized
  - 142d Fighter Wing
    - Aerospace Control Alert
    - Offensive and Defensive Counter-Air
  - 173<sup>rd</sup> Fighter Wing
    - Sole F-15C/D Air Superiority Training for the USAF
  - Oregon Combat Operations Group
    - 125<sup>th</sup> Special Tactics Squadron
    - 270<sup>th</sup> Air Traffic Control Squadron
    - 123<sup>rd</sup> Weather Flight
    - 116<sup>th</sup> Air Control Squadron



# Impacts of DoD Sequestration – OR Army National Guard (ORARNG)

**AMERICA'S ARMY: THE STRENGTH OF THE NATION** Budget Uncertainty Impact  
Oregon: **~\$26M Economic Loss / 1,547 Jobs Affected**



## Rollup of Impacts in Oregon

### Jobs:

- 1,512 DA Civilians furloughed – loss of \$9M in pay
- 15 private sector jobs lost from reduced military investments
- 20 BOS contractor jobs impacted

Base Operations: ~1.6\$M reduction

Acquisition and Military Industrial Base Investments: ~\$30K reduction

Military Construction / Sustainment, Restoration, and Modernization:  
~\$1M in projects cancellations

**Budget Control Act reduces the Army end strength over 106,600 Soldiers and Civilians  
Sequestration doubles end strength reductions to over ~200,000 total  
Every installation will be impacted**



# Impacts of DoD Sequestration – ORARNG (Continued)

- Personnel Impact:
  - Reduction of initial qualifications training for critical specialty codes
  - 22% cut in annual medical and dental examinations
    - 22 MILTECH Furlough Days
  - Termination of 80 ORARNG Temp Employees
  - MILTECH Hiring Freeze
  - Reduced or elimination of professional development training critical for soldier development



# Impacts of DoD Sequestration – ORARNG

- Economic Impacts:
  - Inability to purchase parts, fuel, and other mission critical supplies
- Operational Impacts:
  - Suspension of all flying activities for the LUH-72 Lakota, and contract maintenance for C-23 and C-12.
  - Removal of ORARNG units from deployment cycles irreversibly impacts readiness
  - ORARNG units no longer in the mix for deployments may become potential targets for reduced funding
  - 30% reduction in base operating services as compared to FY 12 levels – \$18,162,559 FY 12 Budget



# Impacts of DoD Sequestration – ORARNG

- Flight School training will be reduced
  - Impacts the level of trained and qualified helicopter and fixed wing pilots



# Sequester Contingencies – ORNG

- ORNG Missions to be Prioritized
  - Search and Rescue
  - Wildland / Forrest Fire Support
  - 102<sup>nd</sup> Civil Support Team
  - CERFP
  - National Guard Response Force
  - State Natural Disaster Response
  - 2-641 Aviation
    - 1-168 Aviation Mobilization 2<sup>nd</sup> Qtr. 2014
    - C/7-158 Medical Team Mobilization 3<sup>rd</sup> Qtr. 2014
  - 41<sup>st</sup> Infantry Brigade Combat Team Mobilization 3<sup>rd</sup> Qtr. 2014
  - 234 Engineer Company Mobilization 3<sup>rd</sup> Qtr. 2014



# Impacts of DoD Sequestration – State Impact

- Cut to ANG and ARNG Federal cost shares to state Cooperative Agreements: 12% = \$5,128,640 / 22% = \$9,402,506
- Possible elimination of the RSMS program – 66 positions
- Possible elimination of positions funded with GF and FF
- May result in cuts to state employees in the following areas:
  - Security Services – Portland Air Base / Kingsley Field
  - Fire Departments – Portland Air Base / Kingsley Field
  - Grounds Keeping – 53 Facilities
  - Custodial & Building Maintenance – 53 Facilities



# Impacts of DoD Sequestration – State Impacts Cont.

- Funding levels to support Youth Challenge may be limited to 70% (Currently Federal Funding accounts for 75% of Program Operations)
  - Results in a \$116,534 Federal Funds reduction to Oregon (based on FY 13 award)
  - Would require an increase of \$116,534 in matching funds
  - Travel funds would be curtailed
  - Training and Evaluation funds may be eliminated
  - Potential impact to the Annual Accountability Report
  - Second Directors Workshop may not be funded





# Impacts of Dept. of Homeland Security Sequestration

- Emergency Management Performance Grant – (FY 12 award - \$5,043,236 FF)
  - Award date and amount not finalized
  - 16 state positions funded with EMPG dollars
  - Potential impacts to local emergency management programs
- State Homeland Security Grants – (FY 12 award - \$2,801,316 FF)
  - Potentially significant reduction to state award
  - 11 state positions funded with SHSP dollars
  - Potential impact to local Homeland Security initiatives
- Urban Area Security Initiatives Grant – (FY 12 award- \$2,157,259 FF)
  - Potential Reduction to state award
  - Potential impact to local UASI initiatives



# Seismic / Tsunami Updates

- OSSPAC Resilience Plan
- Seismic Rehabilitation Grant Program
- OEM Tsunami and Earthquake Roadshow



# Thank You

- Questions