LSC Redbook

Analysis of the Executive Budget Proposal

Adjutant General

Jeffrey R. Kasler, Budget Analyst
Legislative Service Commission

March 2009

READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Adjutant General's Department (ADJ), which includes the following four sections.

1. **Overview:** Provides a description of the Department's existing functions and staffing, and an overview of the Department's executive recommended budget for the FY 2010-FY 2011 biennium, and notes other important budgetary matters.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the Department's executive recommended budget, including the funding and purposes for each appropriated line item, and the services and activities that are financed by those appropriated moneys.
3. **Comparison of Recommendation to Request:** Provides a description of the notable line item differences between the executive recommendation and the Department's request.
4. **Attachments:** Includes LSC's Catalog of Budget Line Items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet, which summarizes each line item's recent expenditure and appropriations history.

TABLE OF CONTENTS

OVERVIEW **1**

Mission **1**
Organized Militia **2**
Ohio Army National Guard 2
Ohio Air National Guard 2
Ohio Militia 2
Summary of Federal and State Appropriated Funds **2**
Personnel Figures **3**
Military and Civil Personnel 3
State Employees 4
Summary of Executive Budget Recommendation **4**
Appropriations by Fund Group 5
Appropriation by Expense Category 6
National Guard Scholarship Program (Regents GRF line item 235599) **6**
Property Management **7**

ANALYSIS OF EXECUTIVE PROPOSAL **8**

Funding Categories **8**
Funding Category 1: Ohio Army National Guard **9**
Army National Guard (GRF line item 745499) 9
Property Operations/Management (GSF line item 745612) 10
Army National Guard Agreement (FED line item 745616) 10
Community Match Armories (SSR line item 745613) 11
Funding Category 2: Ohio Air National Guard **11**
Air National Guard (GRF line item 745404) 12
Air National Guard Base Security (FED line item 745615) 12
Air National Guard Agreement (FED line item 745628) 13
Funding Category 3: Billeting and Event Facilities **13**
Ohio Military Reserve (GRF line item 745401) 14
Marksmanship Activities (GSF line item 745605) 14
Camp Perry/Buckeye Inn Operations (GSF line item 745620) 14
Funding Category 4: Central Administration **15**
National Guard Benefits (GRF line item 745407) 15
Central Administration (GRF line item 745409) 16
Ohio National Guard Facility Maintenance (GSF line item 745604) 16
Counter Drug Operations (FED line item 745603) 17

Permanent and Temporary Law **17**
Armory Improvements Fund (Fund 5340) 17
Community Match Armories Fund (Fund 5U80) 17
Camp Perry/Buckeye Inn Operations Fund (Fund 5360) 18
Marksmanship Activities Fund (Fund 5280) 18
National Guard Service Medal Fund (Fund 5DN0) 18
Ohio National Guard Facility Maintenance Fund (Fund 5370) 18
Workers' Compensation Costs 19
COMPARISON OF RECOMMENDATION TO REQUEST **20**

ATTACHMENTS:

Catalog of Budget Line Items
Budget Spreadsheet By Line Item

Adjutant General

- GRF flat funded; asset rentals and sales compensate
- Fiscal challenge: infrastructure maintenance
- Federal funds drive budget

OVERVIEW

Mission

The Adjutant General serves as the military chief of staff to the commander-in-chief (Governor) and as the administrative head of the organized militia. The Governor appoints the Adjutant General to serve during his term in office.

The Adjutant General's Department performs a combination of federal and state missions that can be summarized as follows:

- Provide trained and equipped reserve forces (National Guard) for joint military operations with the active military force (U.S. Army and Air Force).
- Participate in planning and coordinating with state officials for civil defense and disaster preparedness.
- Mobilize to assist state and local responders during periods of disaster, disturbance, or other emergency situations.
- Mobilize as a member of the Emergency Management Assistance Compact (EMAC), a national interstate mutual aid agreement that enables states to share resources during times of disaster.

For its federal mission, the Ohio National Guard is trained to respond, along with the nation's standing active military, in roles such as combat, peacekeeping, humanitarian support, and nation building in accordance with U.S. national defense strategies. Ohio National Guard members – when mobilized – serve under the command of the U.S. military in the area they are assigned.

Since September 11, 2001, the Ohio National Guard has mobilized more than 13,000 members in support of the global war on terrorism. Currently, more than 2,000 Ohio National Guard members remain on active duty in Iraq, Kuwait, Afghanistan, and other locations around the world.

For its state mission, the Ohio National Guard is equipped and trained to respond to public disturbances, natural disasters, and homeland security or defense initiatives and to assist law enforcement and state, federal, and community emergency response agencies in the protection of lives and property in Ohio. The Governor is able to activate Ohio National Guard units and dispatch them where needed around the state. Additionally, all equipment owned by the federal government and maintained for the Ohio National Guard is available for use by the state during an emergency.

Through EMAC, the Ohio National Guard also assists other states. For example, over 2,500 Ohio Guard members assisted affected states during the aftermath of Hurricanes Katrina and Rita. Currently, 1,100 Ohio Army and Air National Guard members are deployed in support of Hurricane Gustav recovery operations.

Organized Militia

The Adjutant General's Department provides administration, oversight, and command-control of the Ohio organized militia, which is principally comprised of the Ohio Army National Guard, the Ohio Air National Guard, and the Ohio Militia.

Ohio Army National Guard

The Ohio Army National Guard was established in 1788. There are approximately 11,000 Army National Guard members in Ohio. The Ohio Army National Guard maintains 52 readiness and six training centers along with 23 logistical facilities that are used as emergency shelters, training facilities for the Guard, and civil activities.

Ohio Air National Guard

The Ohio Air National Guard was established in 1947. There are approximately 5,000 Air National Guard members in Ohio. Eleven Air National Guard units are located at seven bases. The flying units are based in Mansfield, Rickenbacker, Springfield, and Toledo. Specialized nonflying units that provide engineering, communications, and other support services are based in Blue Ash, Zanesville, and Camp Perry (Port Clinton).

Ohio Militia

The Ohio Militia has two elements: the Ohio Military Reserve and the Ohio Naval Militia. Their purpose is to provide, on a cadre or reserve basis, military forces capable of being expanded and trained to defend the state or provide emergency response.

Summary of Federal and State Appropriated Funds

Currently, the operating expenses for the Ohio Army and Air National Guard programs are well in excess of $400 million annually, roughly 90% of which is paid directly by the federal Department of Defense and not subject to the state's appropriations process. The remaining 10%, which generally runs between $42 million and $45 million annually, is subject to the state's appropriations process. And of that annual amount that is subject to the state's appropriations process, roughly 70% is composed of federal grants awarded to the Adjutant General for the purposes of maintaining and operating various military properties.

Table 1 immediately below illustrates, for FY 2008, this division of operating funds between those that are paid directly by the Department of Defense and those that are paid from funds that are appropriated as part of the state's biennial operating budget.

Table 1. Summary of Federal and State Appropriated Funds, FY 2008

Source	Amount of Funds (dollars in millions)	% of Total Funds
Federal Direct Allotment	$416.0	90.8%
State Budget		
Federal Grant	$28.0	6.1%
General Revenue	$12.4	2.7%
State Special Purposes	$1.9	1.9%
Total*	**$458.2**	**100%**

*Figures may not total due to rounding.

Personnel Figures

Military and Civil Personnel

The Adjutant General's Department is essentially the state's military organization, the largest component of which is the Ohio National Guard. The Ohio National Guard is comprised of around 16,000 traditional Guard members, of which approximately 11,000 and 5,000 serve in the Army National Guard and Air National Guard, respectively. These traditional Guard members are supported by a 3,000-plus mix of full-time state employees, federal technicians, and Active Guard/Reserve personnel located at various sites around the state. The composition of these military and civilian personnel from FYs 2006-2008 are depicted in Table 2 below.

The federal Department of Defense generally pays for all of the operating expenses associated with traditional Guard members and the supporting full-time staff, with the exception of approximately 120 state employees that are typically paid using state funds appropriated from the GRF and revenue-generating activities (property rentals, leases, sales, and lodging accommodations).

Table 2. Adjutant General Personnel Figures, FYs 2006-2008			
Type of Personnel	**2006**	**2007**	**2008**
Guard Members			
Army	10,844	10,392	10,926
Air	5,086	5,149	5,183
Totals	**15,930**	**15,541**	**16,109**
Full-Time Employees			
Army Active Guard/Reserve	602	630	682
Air Active Guard/Reserve	366	374	445
Technician – Army	629	636	674
Technician – Air	1,055	1,121	1,184
State	361	361	376
Totals	**3,013**	**3,122**	**3,361**

State Employees

Table 3 immediately below displays the number of staff paid by the Adjutant General from funds that are appropriated as part of the state's biennial operating budget. This number, expressed in terms of full-time equivalent (FTE) positions, has hovered around 370. As noted above, the bulk of the Army and Air National Guard operating expenses are paid directly by the federal Department of Defense. A considerably smaller share of federal grants and state funds are subject to the state's appropriations process.

The data in Table 3 support two generalizations. First, federal funding appropriated as part of the state's budget process pays for around 70% of the Department's FTEs. Second, changes in the total number of FTEs are typically traceable to federal funding as well.

Table 3. Adjutant General State Employee FTEs, FY 2006-FY 2011						
Funding Source	**2006**	**2007**	**2008**	**2009***	**2010***	**2011***
General Revenue	108.3	106.8	106.3	106.3	106.3	106.3
Federal Special Revenue	248.2	251.4	250.6	255.6	264.6	264.6
General Services	14.0	14.0	13.5	13.5	12.5	12.5
Totals	**370.5**	**372.2**	**370.4**	**375.4**	**383.4**	**383.4**

*FY 2009 FTEs as of March 2009; FYs 2010-2011 are estimates.

Summary of Executive Budget Recommendation

The Department's adjusted FY 2009 appropriations are compared with the executive recommendations for FYs 2010 and 2011, by fund group, in Table 4 below. To support the Department's services and activities, the executive budget recommends

FY 2010 appropriations totaling $44,681,349, an increase of about $2,133,958, or 5.0%, from the total adjusted FY 2009 appropriation of $42,547,391. For FY 2011, the executive budget recommends appropriations totaling $44,706,949, or 0.1%, above the FY 2010 recommendation.

At least three notable storylines can be extracted from Table 4. First, the executive budget essentially proposes to appropriate, in comparison to FY 2009, slightly less GRF funding in each of FYs 2010 and 2011. Second, the Department's revenue-generating services and activities will be expected to absorb more of its maintenance costs. Third, federal grant funding is expected to increase by around $1.5 million annually.

Table 4. Executive Budget Recommendations by Fund Group, FY 2010-FY 2011

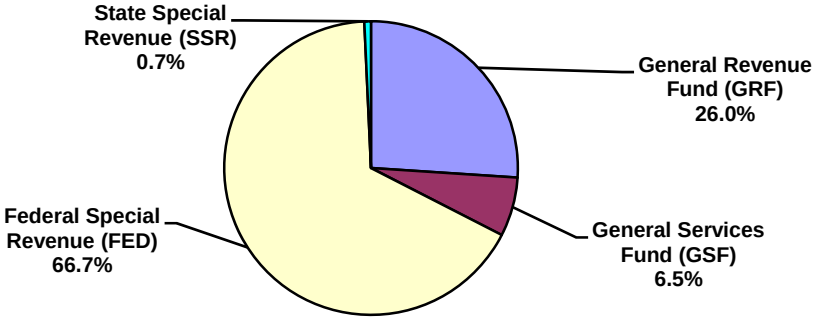
Fund Group	FY 2009*	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	$11,639,882	$11,638,616	0.0%	$11,638,616	0.0%
General Services	$2,307,100	$2,901,396	25.8%	$2,901,396	0.0%
Federal Special Revenue	$28,251,809	$29,821,337	5.6%	$29,821,337	0.0%
State Special Revenue	$348,600	$320,000	-8.2%	$345,600	8.0%
TOTALS	**$42,547,391**	**$44,681,349**	**5.0%**	**$44,706,949**	**0.1%**

*FY 2009 figures represent adjusted appropriations.

Appropriations by Fund Group

Chart 1 below shows the Department's total recommended appropriations (FYs 2010 and 2011) by fund group. Federal grant funding, primarily to operate and maintain Ohio Army and Air National Guard properties, will comprise approximately two-thirds (66.7%) of the Adjutant General's biennial state operating budget. The second largest funding source is the GRF, at 26% of the Department's state operating budget. And the remainder (7.2%) will be drawn from a mix of revenue generated from the use, sale, and lease of various properties and services.

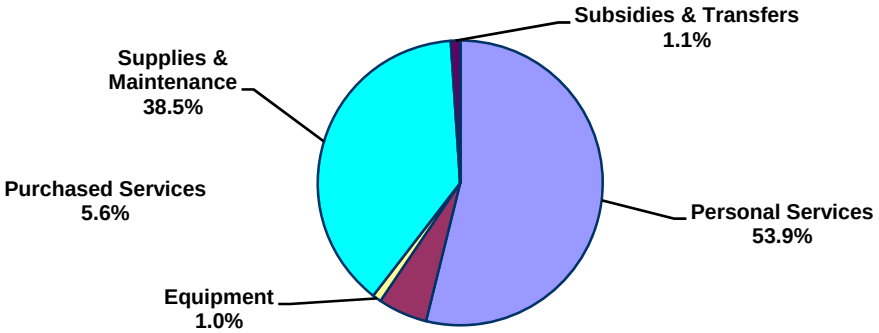
Chart 1: Biennial Budget Recommendations by Fund Group, FY 2010-FY 2011



Appropriation by Expense Category

Chart 2 below shows the executive budget recommendations by expense category. Just over 50% of the Department's biennial operating budget will be allocated for personal services (payroll-related expenses). Equally notable is that close to 40% of the Department's biennial operating budget will be allocated for supplies and maintenance, which reflects the ongoing cost to operate and maintain a geographically dispersed system of properties (readiness centers, training sites, miscellaneous facilities, and weapons ranges).

Chart 2: Biennial Executive Budget Recommendations by Expense Category, FY 2010-FY 2011



National Guard Scholarship Program (Regents GRF line item 235599)

The Ohio National Guard Scholarship Program provides tuition assistance to individuals who enlist, extend, or re-enlist in the Ohio National Guard for a six-year period. The scholarship program pays 100% of a student's tuition at state-supported post-secondary institutions, and an amount equivalent to the average state-assisted

award for students enrolled in private post-secondary institutions. From the Adjutant General's Department perspective, the scholarship program is a major recruitment and retention tool. For the 2008-2009 academic year, approximately 5,100 Guard members have been awarded scholarships. For the scholarship program in FYs 2010 and 2011, the executive recommendation for the Board of Regents includes an appropriation of $14,912,271 in each of FYs 2010 and 2011 for GRF line item 235599, identical to the line item's adjusted FY 2009 appropriation.

The Adjutant General has three full-time staff charged with processing and monitoring Guard member participation in the scholarship program. Since FY 2000, fiscal services have been provided by the Board of Regents, which uses moneys in its budget appropriated to GRF line item 235599, National Guard Tuition Grant Program, to provide for payment of scholarships.

National Guard Scholarship Reserve Fund. Current law permits, at the end of each fiscal year, the transfer of the certified unencumbered balance of line item 235599 appropriation to the National Guard Scholarship Reserve Fund (Fund 5BM0). The purpose of the reserve fund is to pay scholarship obligations in excess of the GRF appropriations made for that purpose (section 5919.341 of the Revised Code). As of January 27, 2009, the cash balance in the National Guard Reserve Fund was approximately $3.3 million.

Property Management

The Adjutant General's Department is responsible for the management, maintenance, and repair of numerous state-owned and state-operated properties. In this regard, the Adjutant General's Department is less like a traditional state agency, board, or commission, and more like one of the state's institutional agencies, e.g., the Department of Rehabilitation and Correction, in that it has to allocate a considerably larger amount of its annual operating budget to operate and maintain a geographically widespread mix of land and buildings. Based on information provided in the Adjutant General's annual report for FY 2008, the mix of properties managed by the Department is summarized in Table 5 immediately below.

Table 5. Properties Managed by the Adjutant General

Type of Facility/Site	Number of Facilities/Sites
Readiness Centers	52
Training Sites	6
Miscellaneous Facilities*	28
Weapons Ranges**	17

*Includes 20 field maintenance shops

**Located at Camp Perry, Camp Sherman, and Camp Ravenna

ANALYSIS OF EXECUTIVE PROPOSAL

Funding Categories

This section provides an analysis of the Governor's recommended funding for each appropriated line item in the Adjutant General's FY 2010-FY 2011 biennial budget. In this analysis, the Department's line items are grouped into four funding categories reflecting the focus of its services and activities. The four categories used in this analysis are as follows:

1. Ohio Army National Guard;
2. Ohio Air National Guard;
3. Billeting and Event Facilities; and
4. Central Administration.

To aid the reader in finding each line item in the analysis, Table 6 immediately below shows the category in which it has been placed, listing the line items generally in order within their respective fund groups and funds. This is generally the same order the line items appear in the budget bill.

Table 6. Categorization of Appropriation Items for Analysis of Executive Proposal

Fund	ALI and Name		Funding Category	
General Revenue Fund Group				
GRF	745401	Ohio Military Reserve	3:	Billeting and Event Facilities
GRF	745404	Air National Guard	2:	Ohio Air National Guard
GRF	745407	National Guard Benefits	4:	Central Administration
GRF	745409	Central Administration	4:	Central Administration
GRF	745499	Army National Guard	1:	Ohio Army National Guard
General Services Fund Group				
5340	745612	Property Operations/Management	1:	Ohio Army National Guard
5360	745605	Marksmanship Activities	3:	Billeting and Event Facilities
5360	745620	Camp Perry/Buckeye Inn Operations	3:	Billeting and Event Facilities
5370	745604	Ohio National Guard Facility Maintenance	4:	Central Administration
Federal Special Revenue Fund Group				
3410	745615	Air National Guard Base Security	2:	Ohio Air National Guard
3420	745616	Army National Guard Agreement	1:	Ohio Army National Guard
3E80	745628	Air National Guard Agreement	2:	Ohio Air National Guard
3R80	745603	Counter Drug Operations	4:	Central Administration
State Special Revenue Fund Group				
5U80	745613	Community Match Armories	1:	Ohio Army National Guard

Funding Category 1: Ohio Army National Guard

This funding category includes state and federal moneys appropriated primarily for the purpose of operating and maintaining Army National Guard properties. Table 7 immediately below shows the line items that are used to fund this category of services and activities, as well as the Governor's recommended funding levels. It is followed by a discussion of the purpose of each appropriated line item.

Table 7. Executive Recommendations for Ohio Army National Guard

Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund (GRF)				
GRF	745499	Army National Guard	$6,008,551	$6,008,551
General Services Fund (GSF) Group				
5340	745612	Property Operations/Management	$1,000,000	$1,000,000
Federal Special Revenue (FED) Fund Group				
3420	745616	Army National Guard Agreement	$10,970,050	$10,970,050
State Special Revenue(SSR) Fund Group				
5U80	745613	Community Match Armories	$320,000	$345,600
Total Funding: Ohio Army National Guard			**$18,298,601**	**$18,324,201**

Army National Guard (GRF line item 745499)

This GRF line item is used in combination with federal line item 745616 generally to fund operations and maintenance services and activities rendered at various Army National Guard properties around Ohio. Under an ongoing cooperative agreement with the federal government, the Adjutant General shares certain personnel, supply and maintenance, purchased personal services, and equipment costs associated with the daily operation of Army National Guard properties. For eligible costs generally, the federal match is 75%, and the required state contribution is 25%.

The executive recommendation for this line item is $6,008,551 in each of FYs 2010 and 2011, to be allocated annually approximately as follows: personal services expenses ($2.4 million), purchased personal services ($70,000), supplies and maintenance ($3.5 million), and equipment purchases ($35,000). Personal services expenses include the costs (wages, salaries, fringe benefits, and payroll charges) associated with the equivalent of approximately 42.0 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. It appears that those staff positions will be distributed across the Department as follows: Army National Guard (33 FTEs), Camp Perry operations (8 FTEs), and Central Administration (less than 1 FTE).

The executive recommendation for this line item in each fiscal year is $945,899, or 18.7%, more than the amount the Department requested, and $1,637,904, or 37.5%, more

than the line item's adjusted FY 2009 appropriation of $4,370,647. This likely reflects the ongoing growth in the share of the Army National Guard's annual operating budget allocated for essential supplies and maintenance, in particular utility expenses.

Property Operations/Management (GSF line item 745612)

This GSF line item, which is supported by the proceeds from the sale of vacated armories or other facilities and land owned by the Adjutant General, is used to fund Army National Guard facility and maintenance expenses. The executive recommendation for this line item is $1,000,000 in each of FYs 2010 and 2011, nearly all of which will be allocated in each year for supplies and maintenance ($992,550), with the remaining moneys allocated for purchased personal services ($7,500).

The executive recommendation for this line item in each fiscal year is $465,696, or 87.2%, more than both the amount the Department requested and the line item's adjusted FY 2009 appropriation of $534,304. This likely reflects: (1) the ongoing growth in the share of the Army National Guard's annual operating budget allocated for essential supplies and maintenance, in particular utility expenses, and (2) the Governor's decision that the Adjutant General use less GRF and more non-GRF funding for this purpose.

Army National Guard Agreement (FED line item 745616)

This line item is supported entirely by federal funds awarded to the Department by the National Guard Bureau of the Department of Defense to support the provision of numerous military operations and maintenance services and activities, including, but not limited to, real property maintenance, electronic security system operation and maintenance, security guard costs, telecommunications, environmental management, ranges and training land, and information services.

The executive recommendation provides the Department's requested level of funding for this line item – $10,970,050 in each of FYs 2010 and 2011 – an amount that is $380,000, or 3.6%, more than the adjusted FY 2009 appropriation of $10,590,050. Each year's appropriation will be allocated approximately as follows: personal services expenses ($3.6 million), purchased personal services ($2.0 million), supplies and maintenance ($4.9 million), and equipment purchases ($400,000). Personal services expenses include the costs (wages, salaries, fringe benefits, and payroll charges) associated with the equivalent of approximately 64.0 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. It appears that those staff positions will be distributed across the Department as follows: Army National Guard (55 FTEs), Camp Perry operations (8 FTEs), and Central Administration (1 FTE).

This funding stream is part of an ongoing cooperative agreement with the federal government to share the costs of personnel, utilities, supplies, and equipment associated with the daily operation of Army National Guard facilities. Some of these

costs are fully paid for out of this line item, while other costs require 25% state matching funds. That required state match is generally drawn from GRF line item 745499, Army National Guard.

Community Match Armories (SSR line item 745613)

This GSF line item is supported by revenue in the form of contributions from state and local entities for their share of construction and utility costs of readiness and community centers and facilities. Subsequent to their appropriation, these moneys are used to fund the sharing entity's portion of acquisition and maintenance costs of centers and facilities. The executive recommendation provides the Department's requested level of funding for this line item – $320,000 in each of FYs 2010 and 2011 – an amount that is $100,000, or 45.5%, more than the adjusted FY 2009 appropriation of $220,000. The entire appropriation for both FYs 2010 and 2011 is allocated for supplies and maintenance.

Funding Category 2: Ohio Air National Guard

This funding category includes state and federal moneys appropriated exclusively for the purpose of funding services and activities rendered at base wings located in Springfield, Toledo, Mansfield, and Rickenbacker and the specialized nonflying units based in Blue Ash, Zanesville, and Camp Perry (Port Clinton). These services and activities include the provision of maintenance and facility support to all base wings and specialized nonflying units. In addition, fire protection and security guard services and activities are rendered to all base wings.

Table 8 immediately below shows the line items that are used to fund this category of services and activities, as well as the Governor's recommended funding levels. It is followed by a discussion of the purpose of each appropriated line item and how its recommended FY 2010 and FY 2011 appropriations will be allocated.

Table 8. Executive Recommendations for Ohio Air National Guard

Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund (GRF)				
GRF	745404	Air National Guard	$2,010,606	$2,010,606
Federal Special Revenue (FED) Fund Group				
3410	745615	Air National Guard Base Security	$2,777,692	$2,777,692
3E80	745628	Air National Guard Agreement	$16,048,595	$16,048,595
		Federal Special Revenue Fund Group Subtotal	***$18,826,287***	***$18,826,287***
Total Funding: Ohio Air National Guard			**$20,836,893**	**$20,836,893**

Air National Guard (GRF line item 745404)

This GRF line item provides the required match of 25% that the Department uses for the purposes of securing a federal grant for on-site maintenance and facility support personnel and related services and activities at the base wings located in Springfield, Toledo, Mansfield, and Rickenbacker, and the specialized nonflying units based in Blue Ash, Zanesville, and Camp Perry (Port Clinton). The federal funds are appropriated to FED line item 745628, Air National Guard Agreement.

The executive recommendation for this line item is $2,010,606 in each of FYs 2010 and 2011, to be allocated annually approximately as follows: personal services expenses ($695,000), purchased personal services ($26,000), and supplies and maintenance ($1.3 million). Personal services expenses include the costs (wages, salaries, fringe benefits, and payroll charges) associated with the equivalent of approximately 11.0 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. These staff positions, plus an additional 66.0 FTEs funded through FED line item 745628, include maintenance repair workers, plumbers, electricians, environmental specialists, carpenters, purchasing/storekeeper, and administrative support (secretary, clerk, and administrative assistant).

The executive recommendation for this line item in each fiscal year is $229,526, or 10.25%, less than the amount the Department requested, and $225,592, or 10.1%, less than the line item's adjusted FY 2009 appropriation of $2,236,198.

Air National Guard Base Security (FED line item 745615)

This line item is supported entirely by a project grant awarded to the Department by the National Guard Bureau of the Department of Defense specifically for the purpose of funding security guard services to the base wings located in Springfield, Toledo, Mansfield, and Rickenbacker. Each wing generally has 11 security guards and one clerk. These federal funds cover 100% of the cost of rendering security guard services.

The executive recommendation provides the Department's requested level of funding for this line item – $2,777,692 in each of FYs 2010 and 2011 – an amount that is $47,753, or 1.7%, more than the adjusted FY 2009 appropriation of $2,729,939. Each year's appropriation will be allocated approximately as follows: personal services expenses ($2.7 million), purchased personal services ($7,000), and transfers ($3,000). Personal services expenses include the costs (wages, salaries, fringe benefits, and payroll charges) associated with the equivalent of approximately 43.0 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011.

Air National Guard Agreement (FED line item 745628)

This line item is supported entirely by a project grant awarded to the Department by the National Guard Bureau of the Department of Defense specifically for the purpose of funding: (1) fire protection personnel and related services and activities at the base wings located in Springfield, Toledo, Mansfield, and Rickenbacker, and (2) on-site maintenance and facility support personnel and related services and activities at the four base wings and the specialized nonflying units based in Blue Ash, Zanesville, and Camp Perry (Port Clinton).

The federal funds cover 100% of the cost of rendering fire protection services, and generally 75% of the cost of rendering on-site maintenance and facility support services. The remainder of the latter's cost, generally 25%, is covered by a required state match that the Department draws from GRF line item 745404, Air National Guard.

The executive recommendation provides the Department's requested level of funding for this line item – $16,048,595 in each of FYs 2010 and 2011 – an amount that is $1,141,775, or 7.7%, more than the adjusted FY 2009 appropriation of $14,906,820. Each year's appropriation will be allocated approximately as follows: personal services expenses ($10.9 million), purchased personal services ($120,000), and supplies and maintenance ($5.0 million). Personal services expenses include the costs (wages, salaries, fringe benefits, and payroll charges) associated with the equivalent of approximately 169.0 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011, including 103.0 FTE firefighting personnel and 66.0 FTE on-site maintenance and facility support personnel. The latter, plus an additional 11.0 FTEs funded through GRF line item 745404, include maintenance repair workers, plumbers, electricians, environmental specialists, carpenters, purchasing/storekeeper, and administrative support (secretary, clerk, and administrative assistant).

Funding Category 3: Billeting and Event Facilities

This funding category principally includes line items that draw on the revenues that the Adjutant General generates from two facilities: the Camp Perry Training Site/ Clubhouse near Port Clinton and the Buckeye Inn located at the Rickenbacker complex in Franklin County. These revenues are in turn appropriated for the purpose of maintaining and operating those facilities.

Table 9 below shows the line items that are used to fund this category of services and activities, as well as the Governor's recommended funding levels. It is followed by a discussion of the purpose of each appropriated line item and how its recommended FY 2010 and FY 2011 appropriations will be allocated.

Table 9. Executive Recommendations for Billeting and Event Facilities				
Fund	**ALI and Name**		**FY 2010**	**FY 2011**
General Services Fund (GRF)				
GRF	745401	Ohio Military Reserve	$13,675	$13,675
General Services Fund (GSF) Group				
5360	745605	Marksmanship Activities	$128,600	$128,600
5360	745620	Camp Perry/Buckeye Inn Operations	$1,502,970	$1,502,970
		General Services Fund Group Subtotal	***$1,631,570***	***$1,631,570***
Total Funding: Billeting and Event Facilities			**$1,645,245**	**$1,645,245**

Ohio Military Reserve (GRF line item 745401)

This GRF line item is used to help support training and administrative operations of the Ohio Military Reserve (OHMR), a voluntary state defense force capable of being expanded and trained to defend Ohio under circumstances when it might otherwise be left without adequate defense. The executive recommendation provides the Department's requested level of funding for this line item – $13,675 in each of FYs 2010 and 2011 – an amount that is $1,797, or 15.1%, more than the adjusted FY 2009 appropriation of $11,878. The entire appropriation for both FYs 2010 and 2011 is allocated for supplies and maintenance, principally the cost of meals provided during training.

Marksmanship Activities (GSF line item 745605)

This GSF line item draws on revenue generated from the leasing of booth space to vendors at the annual National Rifle & Pistol Championships hosted at the Camp Perry Training Site, located near Port Clinton. These moneys are then appropriated for the purpose of maintaining and improving Camp Perry's weapons ranges and vendor booth areas. The executive recommendation provides the Department's requested level of funding for this line item – $128,600 in each of FYs 2010 and 2011 – an amount that is identical to the adjusted FY 2009 appropriation. The entire appropriation for both FYs 2010 and 2011 is allocated for supplies and maintenance.

Camp Perry/Buckeye Inn Operations (GSF line item 745620)

This GSF line item draws on revenue generated from: (1) the rental of facilities located at the Clubhouse on the Camp Perry Training Site in Ottawa County and the Buckeye Inn at Rickenbacker Air National Guard base in Franklin County, and (2) the use generally of the Camp Perry Training Site and its facilities. These moneys are then appropriated for the purpose of supporting the facility operations of the Camp Perry Clubhouse and the Buckeye Inn.

The executive recommendation provides the Department's requested level of funding for this line item – $1,502,970 in each of FYs 2010 and 2011 – an amount that is

identical to the adjusted FY 2009 appropriation. Each year's appropriation will be allocated approximately as follows: personal services expenses ($690,000), purchased personal services ($114,000), supplies and maintenance ($697,000), and transfers ($1,300). Personal services expenses include the costs (wages, salaries, fringe benefits, and payroll charges) associated with the equivalent of approximately 12.0 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. It appears that those staff positions will be distributed across the Department as follows: Camp Perry (9 FTEs) and Buckeye Inn (3 FTEs).

Funding Category 4: Central Administration

This funding category includes moneys that primarily support the provision of executive oversight, management, and administration of the Department's functions, including the Ohio Army and Air National Guard programs.

Table 10 immediately below shows the line items that are used to fund this category of services and activities, as well as the Governor's recommended funding levels. It is followed by a discussion of the purpose of each appropriated line item and how its recommended FY 2010 and FY 2011 appropriations will be allocated.

Table 10. Executive Recommendations for Central Administration

Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund (GRF)				
GRF	745407	National Guard Benefits	$500,000	$500,000
GRF	745409	Central Administration	$3,105,784	$3,105,784
		General Revenue Fund Subtotal	***$3,605,784***	***$3,605,784***
General Services Fund (GSF) Group				
5370	745604	Ohio National Guard Facility Maintenance	$269,826	$269,826
Federal Special Revenue (FED) Fund Group				
3R80	745603	Counter Drug Operations	$25,000	$25,000
Total Funding: Central Administration			**$3,900,610**	**$3,900,610**

National Guard Benefits (GRF line item 745407)

An ongoing temporary law provision requires this GRF line item be used for the purposes of reimbursement of federal life insurance premiums for eligible active duty National Guard members and death benefits paid to a National Guard member's beneficiary if the member dies while performing state active duty.

The executive recommendation provides the Department's requested level of funding for this line item – $500,000 in each of FYs 2010 and 2011 – an amount that is $157,250, or 23.9%, less than the adjusted FY 2009 appropriation of $657,250. Each

year's appropriation will be allocated primarily for federal life insurance premium reimbursements and death benefit payments, and secondarily for the payroll-related expenses of the equivalent of less than one full-time staff position.

Central Administration (GRF line item 745409)

The primary purpose of this GRF line item is to pay for personnel that provide executive oversight, management, and administration of the Ohio Army and Air National Guard programs. Personnel includes the Adjutant General's executive staff, public relations, human resources, fiscal, purchasing, finance, administrative services, information management, facility management, and tuition scholarship program coordination.

The executive recommendation for this line item is $3,105,784 in each of FYs 2010 and 2011, to be allocated annually approximately as follows: personal services expenses ($2.9 million), purchased personal services ($100,000), and supplies and maintenance ($100,000). Personal services expenses include the costs (wages, salaries, fringe benefits, and payroll charges) associated with the equivalent of approximately 42.0 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. A related temporary law provision requires $50,000 of the line item's appropriation in each fiscal year be used for the purpose of paying expenses related to state active duty of members of the Ohio organized militia.

The executive recommendation for this line item in each fiscal year is $1,270,262, or 29.03%, less than the amount the Department requested, and $1,168,427, or 27.3%, less than the line item's adjusted FY 2009 appropriation of $4,274,211. This reduction in GRF funding would suggest pressure will be put on other components of the Department's budget to cover necessary maintenance expenses, and that certain maintenance may be delayed wherever and whenever possible.

Ohio National Guard Facility Maintenance (GSF line item 745604)

This GSF line item, which is supported by the proceeds from land and building rentals and leases, is to pay for utility and maintenance costs at various properties managed by the Department, primarily its headquarters located in the Beightler Armory.

The executive recommendation provides the Department's requested level of funding for this line item – $269,826 in each of FYs 2010 and 2011 – an amount that is identical to the adjusted FY 2009 appropriation. The appropriated amount in each fiscal year will be allocated primarily for supplies and maintenance ($210,000), and secondarily for purchased personal services ($60,000).

Ohio Naval Militia. Approximately $20,000 of the line item's annual appropriation will be allocated for maintenance expenses incurred by the Ohio Naval Militia in maintaining a vessel that can deploy and operate on any of Ohio's waterways.

The Ohio Naval Militia is an all volunteer force with an operations center located at the Camp Perry Training Site located near Port Clinton. Its active mission is to patrol the waters off Camp Perry for the purpose of keeping pleasure boaters and fishermen from entering the live-fire area.

Counter Drug Operations (FED line item 745603)

This line item consists of the Department's share of federally seized assets from drug operations in which the Ohio National Guard participated. There are no restrictions on the use of these funds.

The executive recommendation provides the Department's requested level of funding for this line item – $25,000 in each of FYs 2010 and 2011 – an amount that is identical to the adjusted FY 2009 appropriation. It appears that the appropriated amount in each fiscal year will be allocated primarily for supplies and maintenance ($22,500), and secondarily for purchased personal services ($2,500). These expenditures will generally be for work to be performed at the Department's headquarters located in the Beightler Armory.

Permanent and Temporary Law

Summarized below are notable permanent and temporary law provisions in the executive recommended budget that affect the Adjutant General's fiscal operations.

Armory Improvements Fund (Fund 5340)

Under current law, proceeds from the sale or lease of any armory must be credited to the Armory Improvements Fund (Fund 5340). In practice, it also appears to be the case that proceeds from the sale or lease of other facilities and land owned by the Adjutant General are also credited to Fund 5340. The executive budget amends section 5911.10 of the Revised Code to, in effect, codify the practice.

Community Match Armories Fund (Fund 5U80)

The executive budget enacts section 5911.11 of the Revised Code for the purpose of codifying the Community Match Armories Fund (Fund 5U80). This section requires: (1) the fund consist of all amounts received as revenue from contributions from local entities for construction and maintenance of Ohio Army National Guard readiness and community centers and facilities, (2) the moneys in the fund be used to support the acquisition and maintenance costs of centers and facilities representing the local entity's share of costs, including the local entity's share of utility costs, and (3) investment earnings of the fund be credited to the fund. This latter provision may result in, at most, a minimal annual loss in investment earnings that would otherwise have been credited to the GRF.

Camp Perry/Buckeye Inn Operations Fund (Fund 5360)

The executive budget enacts section 5913.09 of the Revised Code for the purpose of codifying the Camp Perry/Buckeye Inn Operations Fund (Fund 5360). This section requires: (1) the fund consist of all amounts received as revenue from the rental of facilities located at the Camp Perry Training Site in Ottawa County and the Buckeye Inn at Rickenbacker Air National Guard Base in Franklin County, and all amounts received from the use of the Camp Perry Training Site and its facilities, including shooting ranges, (2) the moneys in the fund to be used to support the facility operations of the Camp Perry Clubhouse and the Buckeye Inn, and (3) investment earnings of the fund be credited to the GRF. As this provision codifies current practice, it has no fiscal effect.

Marksmanship Activities Fund (Fund 5280)

The executive budget contains a temporary law provision (Section 205.20) that requires the Director of Budget and Management, upon request by the Adjutant General, to transfer the cash balance in the Marksmanship Activities Fund (Fund 5280) to the Camp Perry/Buckeye Inn Operations Fund (Fund 5360), cancel any existing encumbrances against line item 745645, Marksmanship Activities, and re-establish them against line item 745620, Camp Perry/Buckeye Inn Operations; the provision further appropriates the re-established encumbrance amount, and, upon completion of the transfer, abolishes Fund 5280.

National Guard Service Medal Fund (Fund 5DN0)

The executive budget enacts section 5919.20 of the Revised Code for the purpose of codifying the National Guard Service Medal Fund (Fund 5DN0). This section requires the fund consist of all amounts received from the purchase of Ohio National Guard service medals for eligible National Guard service members as authorized by the General Assembly, requires the moneys in the fund to be used to purchase additional medals, and requires investment earnings of the fund be credited to the fund. This latter provision may result in, at most, a negligible annual loss in investment earnings that would otherwise have been credited to the GRF.

Ohio National Guard Facility Maintenance Fund (Fund 5370)

The executive budget enacts section 5919.36 of the Revised Code for the purpose of codifying the Ohio National Guard Facility Maintenance Fund (Fund 5370). This section requires: (1) the fund consist of all amounts received from revenue from leases of sites, including towers and wells, and from other revenue received from reimbursements for services related to Ohio National Guard programs, (2) fund moneys be used for service, maintenance, and repair expenses, and for equipment purchases for programs and facilities of the Adjutant General, and (3) investment earnings of the fund be credited to the GRF. As this provision codifies current practice, it has no fiscal effect.

Workers' Compensation Costs

The executive budget repeals section 5923.141 of the Revised Code, which states that, upon receipt of a certification from the Administrator of the Bureau of Workers' Compensation, the Adjutant General is required to request from the Controlling Board the amount certified and to request the Director of Budget and Management to provide for payment to the State Insurance Fund of a sum equal to the amount transferred by the Controlling Board.

The Adjutant General's Department historically requests the Controlling Board to release funds to pay worker's compensation costs. These requests generally utilize the moneys appropriated to the Board for emergency purposes/contingencies. By repealing the law, the Department will no longer make requests of the Board for the purposes of paying workers' compensation costs; however, the Department is still required to make these payments. Presumably, these payments will now be paid out of the Adjutant General's budget.

COMPARISON OF RECOMMENDATION TO REQUEST

Table 11 immediately below compares Adjutant General line items for which there is a difference between the executive recommendation and the funding level requested by the Department. These differences appear to be largely attributable to the source of funds that are to be used to pay for the Adjutant General's projected facility maintenance needs, in particular utility costs. The executive budget essentially recommends: (1) less than the Department requested amount of GRF funding for this purpose, and (2) more of the Department's revenues generated from its leasing, lodging, and event rental operations, including GSF line item 745612, Property Operations/ Management, be used for this purpose.

Table 11. Line Item Comparison of Funding Requested and Recommended

Fund/ Line Item	FY 2010			FY 2011		
	Recommended	Requested	Difference	Recommended	Requested	Difference
GRF/745404	$2,010,606	$2,240,132	($229,526)	$2,010,606	$2,240,132	($229,526)
GRF/745409	$3,105,784	$4,376,046	($1,270,262)	$3,105,784	$4,376,047	($1,270,263)
GRF/745499	$6,008,551	$5,062,652	$945,899	$6,008,551	$5,062,652	$945,899
GRF/745502	$0	$92,700	($92,700)	$0	$92,700	($92,700)
Subtotals	**$11,124,941**	**$11,771,530**	**($646,589)**	**$11,124,941**	**$11,771,531**	**($646,590)**
GSF/745612	$1,000,000	$534,304	$465,696	$1,000,000	$534,304	$465,696
TOTALS	**$12,124,941**	**$12,305,834**	**($180,893)**	**$12,124,941**	**$12,305,835**	**($180,894)**

ADJ.docx / lb

General Revenue Fund

GRF 745401 Ohio Military Reserve

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$15,155	$15,194	$12,200	$11,878	**$13,675**	**$13,675**
	0.3%	-19.7%	-2.6%	**15.1%**	**0.0%**

Source: GRF

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item's appropriation is used to help support training and administrative operations of the Ohio Military Reserve (OHMR), a voluntary state defense force capable of being expanded and trained to defend Ohio under circumstances when it might otherwise be left without adequate defense. The appropriation is generally allocated for supplies and maintenance, principally the cost of meals provided during training.

GRF 745404 Air National Guard

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$1,865,480	$2,069,410	$2,283,912	$2,236,198	**$2,010,606**	**$2,010,606**
	10.9%	10.4%	-2.1%	**-10.1%**	**0.0%**

Source: GRF

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item's appropriation provides the required match of 25% that the Department uses for the purposes of securing a federal grant for on-site maintenance and facility support, personnel and related services and activities at the base wings located in Springfield, Toledo, Mansfield, and Rickenbacker, and the specialized non-flying units based in Blue Ash, Zanesville, and Camp Perry (Port Clinton). The federal funds are appropriated to line item 745624, Air National Guard Agreement.

GRF 745407 National Guard Benefits

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$709,229	$771,122	$304,330	$657,250	**$500,000**	**$500,000**
	8.7%	-60.5%	116.0%	**-23.9%**	**0.0%**

Source: GRF

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: An ongoing temporary law provision requires this line item's appropriation be used for the purposes of: (1) reimbursement of federal life insurance premiums for eligible active duty National Guard members and related administrative costs, and (2) death benefits paid to a National Guard member's beneficiary if the member dies while performing state active duty.

GRF 745409 Central Administration

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$4,127,158	$4,375,254	$4,202,282	$4,274,211	**$3,105,784**	**$3,105,784**
	6.0%	-4.0%	1.7%	**-27.3%**	**0.0%**

Source: GRF

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: The primary purpose of this line item's appropriation is to pay for personnel that provide executive oversight, management, and administration of the Ohio Army and Air National Guard programs. Personnel includes the Adjutant General's executive staff, public relations, human resources, fiscal, purchasing, finance, administrative services, information management, facility management, and tuition scholarship program coordination. A related temporary law provision requires $50,000 of the line item's appropriation in each fiscal year be used for the purpose of paying expenses related to state active duty of members of the Ohio organized militia.

GRF 745499 Army National Guard

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$4,273,187	$3,964,905	$5,466,312	$4,370,647	**$6,008,551**	**$6,008,551**
	-7.2%	37.9%	-20.0%	**37.5%**	**0.0%**

Source: GRF

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item's appropriation is used in combination with federal line item 745616 generally to fund operations and maintenance services and activities rendered at various Army National Guard properties around Ohio. Under an ongoing cooperative agreement with the federal government, the Adjutant General shares certain personnel, supply and maintenance, purchased personal services, and equipment costs associated with the daily operation of Army National Guard properties. For eligible costs generally, the federal match is 75%, and the required state contribution is 25%.

GRF 745502 Ohio National Guard Unit Fund

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$102,973	$104,473	$102,973	$89,698	**$0**	**$0**
	1.5%	-1.4%	-12.9%		

Source: GRF

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item's appropration is used to cover incidental National Guard unit expenses and some minor maintenance costs. The executive budget covering FYs 2010 and 2011 does not appropriate any moneys for this line item.

General Services Fund Group

5340 745612 Property Operations/Management

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$413,317	$246,447	$223,085	$534,304	**$1,000,000**	**$1,000,000**
	-40.4%	-9.5%	139.5%	**87.2%**	**0.0%**

Source: GSF: Proceeds from the sale or lease of readiness centers and other facilities and land owned by the Adjutant General

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board in January 1988; executive proposes to codify in ORC 5911.10)

Purpose: This line item's appropriation is used to support Ohio Army National Guard facility and maintenance expenses as the Adjutant General directs.

5360 745605 Marksmanship Activities

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$0	$0	$0	$0	**$128,600**	**$128,600**
				N/A	**0.0%**

Source: GSF: (1) All amounts received as revenue from the rental of facilities located at the Camp Perry training site in Ottawa County and the Buckeye Inn at Rickenbacker Air National Guard base in Franklin County, and (2) all amounts received from the use of the Camp Perry training site and its facilities, including shooting ranges

Legal Basis: ORC 5913.09 (as proposed in executive budget)

Purpose: This line item's appropriation is for the purpose of maintaining and improving Camp Perry's weapons ranges and vendor booth areas.

5360 745620 Camp Perry/Buckeye Inn Operations

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$1,022,339	$1,079,121	$1,224,388	$1,502,970	**$1,502,970**	**$1,502,970**
	5.6%	13.5%	22.8%	**0.0%**	**0.0%**

Source: GSF: (1) All amounts received as revenue from the rental of facilities located at the Camp Perry training site in Ottawa County and the Buckeye Inn at Rickenbacker Air National Guard base in Franklin County, and (2) all amounts received from the use of the Camp Perry training site and its facilities, including shooting ranges

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A. (executive proposes to codify in ORC 5913.09)

Purpose: This line item's appropriation is used to support the facility operations of the Camp Perry Clubhouse and the Buckeye Inn.

5370 745604 Ohio National Guard Facility Maintenance

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$206,080	$177,804	$152,155	$269,826	**$269,826**	**$269,826**
	-13.7%	-14.4%	77.3%	**0.0%**	**0.0%**

Source: GSF: All amounts received from revenue from leases of sites, including towers and wells, and other revenue received from reimbursements for services related to Ohio National Guard programs

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A. (executive proposes to codify in ORC 5919.36)

Purpose: This line item's appropriation is used to pay for service, maintenance, and repair expenses, and for equipment purchases for programs and facilities of the Adjutant General.

Federal Special Revenue Fund Group

3410 745615 Air National Guard Base Security

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$2,036,734	$2,064,445	$2,353,146	$2,729,939	**$2,777,692**	**$2,777,692**
	1.4%	14.0%	16.0%	**1.7%**	**0.0%**

Source: FED: CFDA 12.401, National Guard Military Operations and Maintenance (O&M) Projects

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item's appropriation is specifically for the purpose of funding security guard services to the base wings located in Springfield, Toledo, Mansfield, and Rickenbacker. Each wing generally has 11 security guards and one clerk. These federal funds cover 100% of the cost of rendering security guard services.

3420 745616 Army National Guard Agreement

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$9,681,063	$10,526,740	$10,970,946	$10,590,050	**$10,970,050**	**$10,970,050**
	8.7%	4.2%	-3.5%	**3.6%**	**0.0%**

Source: FED: CFDA 12.401, National Guard Military Operations and Maintenance (O&M) Projects

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item's appropriation is used to support the provision of numerous military operations and maintenance services and activities, including, but not limited to, real property maintenance, electronic security system operation and maintenance, security guard costs, telecommunications, environmental management, ranges and training land, and information services. This funding stream is part of an ongoing cooperative agreement with the federal government to share the costs of personnel, utilities, supplies, and equipment associated with the daily operation of Army Guard facilities. Some of these costs are fully paid for out of this line item, while other costs require 25% state matching funds. That required state match is generally drawn from GRF line item 745499, Army National Guard.

3E80 745628 Air National Guard Agreement

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$12,353,046	$13,315,785	$14,661,448	$14,906,820	**$16,048,595**	**$16,048,595**
	7.8%	10.1%	1.7%	**7.7%**	**0.0%**

Source: FED: CFDA 12.401, National Guard Military Operations and Maintenance (O&M) Projects

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board in January 1988)

Purpose: This line item's appropriation is specifically for the purpose of funding: (1) fire protection personnel and related services and activities at the base wings located in Springfield, Toledo, Mansfield, and Rickenbacker, and (2) on-site maintenance and facility support personnel and related services and activities at the four base wings and the specialized non-flying units based in Blue Ash, Zanesville, and Camp Perry (Port Clinton). The federal funds cover 100% of the cost of rendering fire protection services, and generally 75% of the cost of rendering on-site maintenance and facility support services. The remainder of the latter's cost, generally 25%, is covered by a required state match that the Department draws from GRF line item 745404, Air National Guard.

3R80 745603 Counter Drug Operations

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$16,078	$8,381	$7,873	$25,000	**$25,000**	**$25,000**
	-47.9%	-6.1%	217.6%	**0.0%**	**0.0%**

Source: FED: U.S. Department of Treasury's Asset Forfeiture Fund

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board in January 1998)

Purpose: There are no restrictions on the use of these funds. The Adjutant General uses the line item's appropriation to administer, operate, and maintain Ohio's organized militia and related infrastructure.

State Special Revenue Fund Group

5280 745605 Marksmanship Activities

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$118,261	$120,509	$122,473	$128,600	**$0**	**$0**
	1.9%	1.6%	5.0%		

Source: SSR: Leasing of booth space to vendors at the annual National Rifle & Pistol Championships hosted at Camp Perry Training Site, located near Port Clinton

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item's appropriation is for the purpose of maintaining and improving Camp Perry's weapons ranges and vendor booth areas. The executive budget proposes to merge this revenue stream and its purpose into the Camp Perry/Buckeye Inn Operations Fund (Fund 5360).

5DN0 745618 Service Medal Production

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$0	$1,405	$0	$0	**$0**	**$0**
	N/A				

Source: SSR: All amounts received from the purchase of Ohio National Guard service medals for eligible National Guard service members as authorized by the G.A. as well as any appropriations made by the G.A. for purposes of the medal program

Legal Basis: ORC 5919.19 and proposed ORC 5919.20 (originally established by Section 203.09 of Am. Sub. H.B. 530 of the 126th G.A.)

Purpose: This line item's appropriation is statutorily required to be used to pay for the production of Ohio National Guard service metals.

5U80 745613 Community Match Armories

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
$63,165	$170,776	$165,689	$220,000	**$320,000**	**$345,600**
	170.4%	-3.0%	32.8%	**45.5%**	**8.0%**

Source: SSR: All amounts received as revenue from contributions from local entities for the construction and maintenance of Ohio Army National Guard readiness and community centers and facilities

Legal Basis: Section 205.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on September 9, 2002; executive budget proposes to codify in ORC 5911.11)

Purpose: The line item's appropriation is used to support the acquisition and maintenance costs of centers and facilities representing the local entity's share of costs, including the local entity's share of utility costs.

LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

Fund	ALI	ALI Title	2008	2009	As Introduced 2010	% Change 2009 to 2010	As Introduced 2011	% Change 2010 to 2011
ADJ Adjutant General								
GRF	745401	Ohio Military Reserve	$ 12,200	$ 11,878	$ 13,675	15.1%	$ 13,675	0.0%
GRF	745404	Air National Guard	$ 2,283,912	$ 2,236,198	$ 2,010,606	-10.1%	$ 2,010,606	0.0%
GRF	745407	National Guard Benefits	$ 304,330	$ 657,250	$ 500,000	-23.9%	$ 500,000	0.0%
GRF	745409	Central Administration	$ 4,202,282	$ 4,274,211	$ 3,105,784	-27.3%	$ 3,105,784	0.0%
GRF	745499	Army National Guard	$ 5,466,312	$ 4,370,647	$ 6,008,551	37.5%	$ 6,008,551	0.0%
GRF	745502	Ohio National Guard Unit Fund	$ 102,973	$ 89,698	$ 0	-100.0%	$ 0	N/A
General Revenue Fund Total			**$ 12,372,010**	**$ 11,639,882**	**$ 11,638,616**	**0.0%**	**$ 11,638,616**	**0.0%**
5340	745612	Property Operations/Management	$ 223,085	$ 534,304	$ 1,000,000	87.2%	$ 1,000,000	0.0%
5360	745605	Marksmanship Activities	$0	$0	$ 128,600	N/A	$ 128,600	0.0%
5360	745620	Camp Perry/Buckeye Inn Operations	$ 1,224,388	$ 1,502,970	$ 1,502,970	0.0%	$ 1,502,970	0.0%
5370	745604	Ohio National Guard Facility Maintenance	$ 152,155	$ 269,826	$ 269,826	0.0%	$ 269,826	0.0%
General Services Fund Group Total			**$ 1,599,628**	**$ 2,307,100**	**$ 2,901,396**	**25.8%**	**$ 2,901,396**	**0.0%**
3410	745615	Air National Guard Base Security	$ 2,353,146	$ 2,729,939	$ 2,777,692	1.7%	$ 2,777,692	0.0%
3420	745616	Army National Guard Agreement	$ 10,970,946	$ 10,590,050	$ 10,970,050	3.6%	$ 10,970,050	0.0%
3E80	745628	Air National Guard Agreement	$ 14,661,448	$ 14,906,820	$ 16,048,595	7.7%	$ 16,048,595	0.0%
3R80	745603	Counter Drug Operations	$ 7,873	$ 25,000	$ 25,000	0.0%	$ 25,000	0.0%
Federal Special Revenue Fund Group Total			**$ 27,993,412**	**$ 28,251,809**	**$ 29,821,337**	**5.6%**	**$ 29,821,337**	**0.0%**
5280	745605	Marksmanship Activities	$ 122,473	$ 128,600	$ 0	-100.0%	$ 0	N/A
5U80	745613	Community Match Armories	$ 165,689	$ 220,000	$ 320,000	45.5%	$ 345,600	8.0%
State Special Revenue Fund Group Total			**$ 288,162**	**$ 348,600**	**$ 320,000**	**-8.2%**	**$ 345,600**	**8.0%**
Total All Budget Fund Groups			***$ 42,253,211***	***$ 42,547,391***	***$ 44,681,349***	***5.0%***	***$ 44,706,949***	***0.1%***