



Department of Military Affairs The New Mexico National Guard *Serving the Nation and New Mexico*

June 17, 2024



**New Mexico Adjutant General
Major General Miguel Aguilar
Military & Veterans' Affairs Committee**



Protecting the Life and Property of New Mexico Citizens

State Active-Duty Preparedness Program

Missions:

- Election Support -\$4.3K
- 5 Search and Rescue (SAR) missions
- 9.8 Helicopter flight hours
- Search and Rescue Expenditures - \$75.9k
- State Active-Duty YTD Expenditures/Encumbrances - \$446.4K

Laws of 2023, HB 116 authorized The Adjutant General to employ Active-Duty members of the New Mexico National Guard as State Employees

- Hired 11 State Employees in FY-24. 2 Full time and 9 Seasonal
- Purchased new equipment to increase the National Guard's emergency response capabilities for severe flooding, fire, and heavy snowfall.
- Four (4) Service Members received their commercial driver's license through Central New Mexico Community College's (CNM) CDL program. All will be trained and qualified prior to the end of the FY.
- Completed FEMA's Notice of Loss and Proof of Loss in the amount of \$6,155,970.55 for heavy equipment rentals, personnel, incidentals, and training to support Mora and San Miguel Counties with ongoing recovery efforts resulting from Calf Canyon/Hermits Peak Wildfire.



Youth ChalleNGe



Through training, discipline, and mentoring, the NM National Guard Youth ChalleNGe Academy provides education, leadership, character development, and life coping skills to New Mexico's high school dropouts so they may become productive citizens

- Department of Military Affairs operates two residential classes each fiscal year
- Graduation target of 200 cadets per year
- The program is a 17 ½ month military-based training program
- 22-week Residential Phase and a two-year Post-Resident Phase
- Funding 75% federal and 25% General fund
- Completed 46 classes to date
- 3251 graduates to date
- NMMI Initiative





Job Challenge



Job Challenge is the next phase of, and builds upon, the Challenge model by providing additional vocational education training to Youth Challenge graduates.

- Is a flexible 10 weeks to 5 months Residential Phase and a one-year Post-Residential Phase
- Continuation of the quasi-military environment
- Provides valuable assistance to at-risk youth by giving recent graduates of the NMNG Youth Challenge Program the opportunity to enroll in a residential, vocational educational specialty program.
- This program covers the cost for meals, transportation, housing, tuition, drivers' education, and other fees associated with enrollment for the Youth Challenge graduates selected.
- Job Challenge program partners with community colleges, local businesses, unions, and state agencies to provide training in areas such as welding, plumbing, hvac, and pipe fitting to start.
- Funding 75% federal and 25% General fund
- Located at Expo New Mexico.
- Remodeling the Expo NM billets is in process.
- The Job Challenge leadership hired in FY-2023.
- The first class to be conducted in January 2025.





DMA Appropriation Request FY25-26 Budget Comparisons

- FY26 Total budget request: \$37,959.2
 - FY26 Total Increase: \$ 3,487.4
 - Base Increase of \$ 630.1
 - Expansion Increase of \$ 2,857.3
 - Total General fund increase: \$2,624.0
 - Total Federal fund increase: \$848.9
 - Total Other Funds increase \$14.5 (YC PED CALCULATION)

Funding Source	FY25 OpBud	FY26 Request	Difference
General Fund	9,679.3	12,303.3	2,624.0
Federal Support	24,439.3	25,288.2	848.9
Other Revenue*	353.2	367.7	14.5
Total	34,471.8	37,959.2	3,487.4
FTEs	195	195	0



Funding Increase 1

Tricare Reimbursements Expansion (2024 Proposed Legislation)

- Increase requested: \$ 1,557.3 General Fund
- Legislative assistance is being requested to reimburse soldiers for their DOD healthcare insurance premiums. The current DOD healthcare provider is TRICARE Reserve Select (TRS). TRS provides qualified National Guard and Reserve members a premium-based healthcare plan, like TRICARE Select through payment of a monthly premium. The New Mexico National Guard believes every soldier should have reliable healthcare while on State Active Duty(SAD). This priority is in line with the Governor's policy on improved access to healthcare.
- Based on the calculations, a total of about **\$1,557,263.27** will be necessary to pay for about 2,498 servicemember's individual Tricare Reserve Select premiums at the current rate of **\$51.95**. This amount is based 2,498 eligible individuals multiplied by the annual cost of **\$623.40**. The eligible members are lower ranking members O-1 to O-3, W01 to CW03 and E-1 to E-6.



Funding Increase 2

Job Challenge Increase Expansion \$1M

- **Increase requested: \$1M**
 - **\$250.0K General Fund**
 - **\$750K Federal Fund**
- The Department of Military Affairs is requesting funding for the Job Challenge program 75% - 25%
- The total Program cost is \$3M of which 25% is State General Fund against \$750K Federal match.
- DMA was appropriated \$2M in Operating budget and \$1M in non-recurring funding in both FY2023 and FY2024.

This request will ensure that the \$1M is part of the recurring Operating budget.

One of The Department of Military Affairs priorities is to continue to grow and support both the Youth Challenge and Job Challenge to coincide with the Governor's priority on public education by ensuring that they have another chance at receiving the opportunities, they need to succeed in an alternative setting to the K-12 public education system.



Funding Increase 3

Base Increase Personnel costs 200 category

- Increase requested: \$281.8M
 - \$182.9 General Fund
 - \$98.9 Federal Fund
- The requested increase in the 200 category is to cover current positions that are 100% general funded or matched in a Master Cooperative Agreement.
- In 2024, this is the amount of additional 200 category funds that were needed to cover costs for employees working in support of the Museum, Civil Air Patrol, State Programs, as well as to cover the 25% match for NM Youth ChalleNGe and Air Guard employees.



Funding Increase 4

Base Increase 300 & 400 Category

- **Increase requested: \$348.3M**
 - **300 category \$14.5K ISF Revenue (PED)**
 - **400 category \$333.8K Other GF Revenue**
- The requested amount in the 300 Contractual Category represents an overall increase of \$14.5K. The funding source that makes up this increase is in In State Funds (ISF) transfers. An Increase in PED meal reimbursement pass through transfers has been identified for FY2025 by the Youth Challenge Academy. This revenue helps to fund contracted Meals Services for the Youth Challenge Academy.
- The amount being requested in the 400 Other Category represents an overall increase of \$333.8K. This includes an increase in General funds of \$83.8K for an increased cost share to continue operating at current levels for the Youth Challenge program. Previously NGB sent 100% funding for vocational services, National Guard Bureau (NGB) has informed Youth Challenge that they will now need to have a 25% state match for these funds totaling \$63.8K .
- The additional \$20K is to ensure the cadets from each cycle receive athletic footwear this purchase is also not supported by the Cooperative Agreement, however, is a necessary purchase to ensure they have adequate footwear for the PT portion of their training.
- In addition, \$250K is being requested for Search and Rescue efforts to include helicopter flight hour costs, the purchase of needed equipment, supplies and training expenditures to support the newly created State Active-Duty Program.



Funding Increase 5

Recruiting and Retention Expansion

Increase requested: \$300K General Fund

- Funds are being requested to enhance the recruiting and retention efforts for the New Mexico National Guard. These efforts include paying bonuses to soldiers who recruit guardsmen and women. These funds will also be used to contract for an Armed Services Vocational Aptitude Battery (ASVAB) Tutoring program.
 - The New Mexico Army National Guard (NMARNG) is required to sustain a force structure allowance of 2,867 active members, to support both State and Federal missions.
 - Currently manned at 2,424 (85%).
 - On average 360 recruits a year would sustain our force. Since FY22 we have recruited an average of 137 annually and on track to underperform this year as well (FY22: 139, FY23: 135).
 - RRBN has been sufficiently manned to meet mission requirements with 26/30 recruiters. (33 Recruiters in FY19 = 446 recruits, 41 Recruiters in FY20 = 384 recruits). Currently attempting to hire 4 vacant recruiter slots.
 - FY 25 and 26 NMARNG will have five major commitments which will result in over 1,000 guardsmen not available for State level disaster response. Fixing this recruiting crisis is critical to NMARNG ability to respond to disasters in that time frame.
 - The New Mexico Air National Guard (NMANG) is required to sustain a force structure of 989 active members, to support both State and Federal missions.
 - Currently manned at 918 (92.82%).
 - To achieve 100% manning, we currently need 71 enlistees and then on average 110 recruits a year would sustain our force. Since FY22 we have recruited an average of 78 annually and are on track to underperform this year with an estimated 80 enlistments. (FY22: 75, FY23: 81).
 - R&R has been under manned in FY 23 and most of FY24 to meet mission requirements with 2/4 recruiters. (4 Recruiters in FY19 = 108 recruits, 4 Recruiters in FY21 = 127 recruits, 2 Recruiters in FY23 = 81 recruits). Recently hired 2 vacant recruiter slots but will require approximately 1.5yrs to have them at full production.
 - Going into FY24 fire and natural disaster seasons only being 92% manned and upcoming force structure changes will result in sub par disaster response for in state emergencies and capability to fill UTCs in support of national level taskings. Support in fixing the current recruiting issues is essential to NMANG's ability to support at home and abroad; as well as exploring future mission sets.



Proposed Legislation

Removing Personal Income Tax while on SAD

- To amend the New Mexico Tax Code to include an exemption for NM National Guard members on state active-duty orders.
- A salary paid by the State of New Mexico to a taxpayer for state active-duty service in the New Mexico National Guard is exempt from state income tax while on state active-duty.
- Currently, the New Mexico Tax Code provides an exemption for personal income tax for members of the National Guard on federal active duty. However, this exemption does not extend to those on state active duty. This discrepancy creates an inequitable situation where National Guard members performing equally vital duties within the state do not receive the same tax benefits as those on federal missions. Extending the exemption to cover state active duty would ensure fairness and uniformity, acknowledging the importance of both federal and state missions. New Mexico Active Guard and Reserve members are also exempt from paying state income tax.
- NM Stat § 7-2-5.11 (2023) Exemption; armed forces salaries.
A salary paid by the United States to a taxpayer for active-duty service in the armed forces of the United States is exempt from state income taxation.
- NM Stat § 20-4-3 (2021) “A. Members of the national guard, when on state-ordered duty for any period, shall receive the same basic pay and allowances as are prescribed by federal laws and regulations for members of the national guard on active federal service of like grade and length of service....”



Proposed Legislation

Originating Agency Identifier is crucial for conducting comprehensive background checks on individuals working with children in our NM Youth Challenge and Job Challenge programs.

- Comprehensive background checks are essential to ensuring that individuals working with youth or children do not have a history that would disqualify them from such positions of trust.
- The State of New Mexico requires an Originating Agency Identifier (ORI) number to access national and state criminal history databases for conducting these background checks.
- The Department of Military Affairs will develop and implement policies and procedures necessary to comply with New Mexico law including but not limited to, application procedures for the ORI number, guidelines for conducting background checks, and measures to protect the confidentiality of obtained information.
- The Department of Military Affairs will apply for and obtain an Originating Agency Identifier (ORI) number from the Federal Bureau of Investigation (FBI) and the New Mexico Department of Public Safety.
- All employees, volunteers, and contractors of the Department of Military Affairs who have direct contact with children will undergo a comprehensive background check to include national and state criminal history records, sex offender registries, and any other relevant databases.



A Legacy of Honor

