

DEPARTMENT OF THE MILITARY

- Fiscal Year 2026
- Budget Hearing
- January 16, 2025





Mission

Deliver worldwide combat power and support with excellence.

Deter, Defend, Compete, Win.

Safeguard life and property, preserve peace, order and public safety when directed by the Governor.

Vision

We are an elite organization of community-based, citizen-warriors who together enhance the Warfighter **Culture**, own the **Mission** and connect our **Community**.

Values

Our core values are loyalty, duty, respect, selfless service, honor, integrity, personal courage, and excellence in all we do.

SDNG

LINES OF EFFORT

CULTURE

WHO WE ARE

MISSION

WHAT WE DO

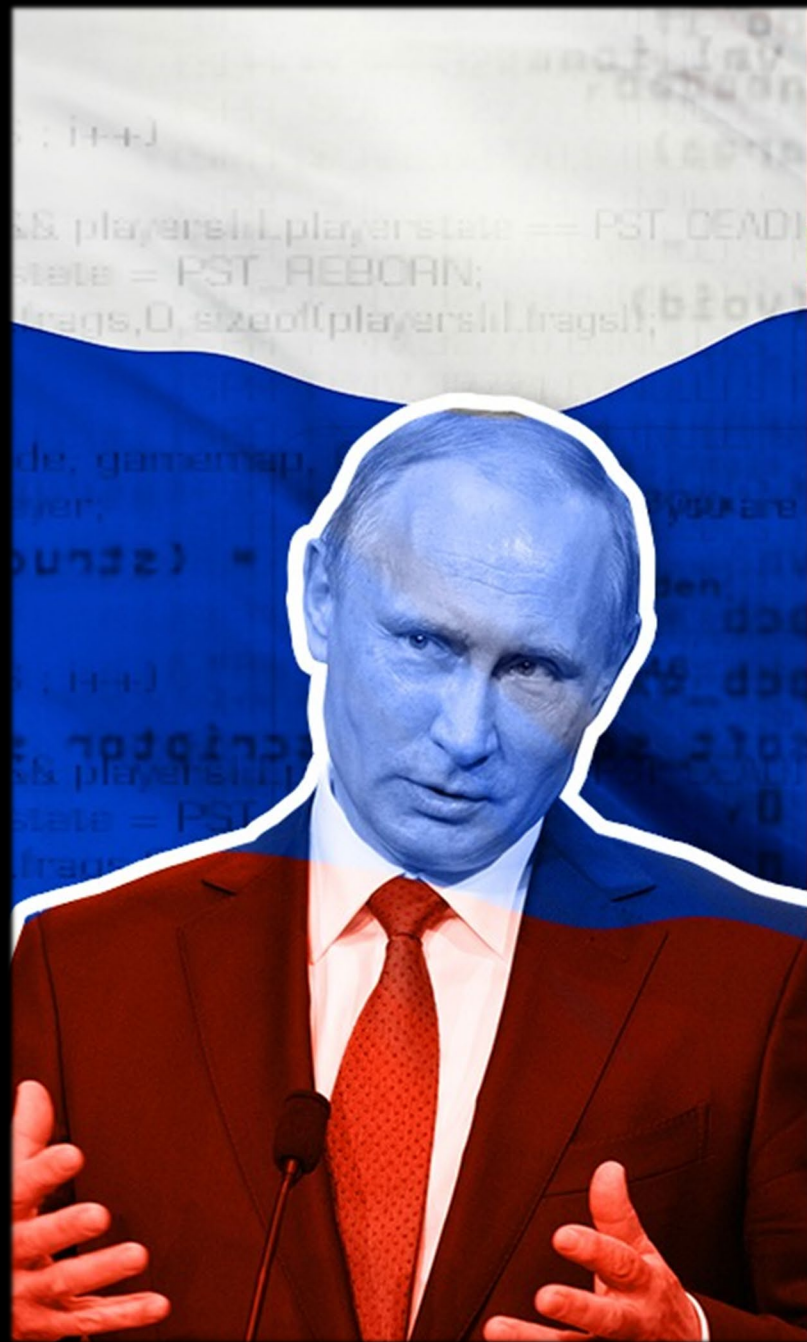
COMMUNITY

WHY WE SERVE

A HERITAGE OF EXCELLENCE UNITED BY OUR VALUES

DEFEND THE HOMELAND FIGHT AND WIN

CONNECTED BY RELATIONSHIPS
LIVES OF SERVICE



VOLATILITY

UNCERTAINTY

COMPLEXITY

AMBIGUITY

TODAY'S ENVIRONMENT

- Homeland Defense
- Foreign Intel Threats
- Defense Industrial Base
- Critical Infrastructure
- Polarization
- Recruiting & Retention
- Civ/Mil Relations



- Irregular Migration
- Human Trafficking
- Fentanyl

(U) Strategic Competition

CHANGING WORLD ORDER

- China: The Pacing Threat
- Russia: The Acute Threat
- North Korea
- Iran, IAMGs

Over 64 Countries (50% of World Population) Holding National Elections in 2024



VEOs & Transnational Crime

Economy

Allies & Partners

Demographics

CAMPAGNING BELOW THE LEVEL OF ARMED CONFLICT

Elections

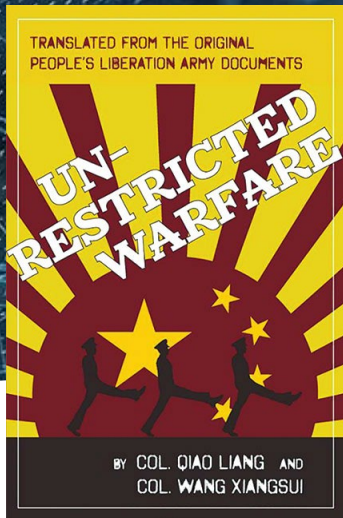
Climate Change/Disaster Relief

Global Health/Pandemics



GREY ZONE DOMINANCE & INFORMATION WARFARE

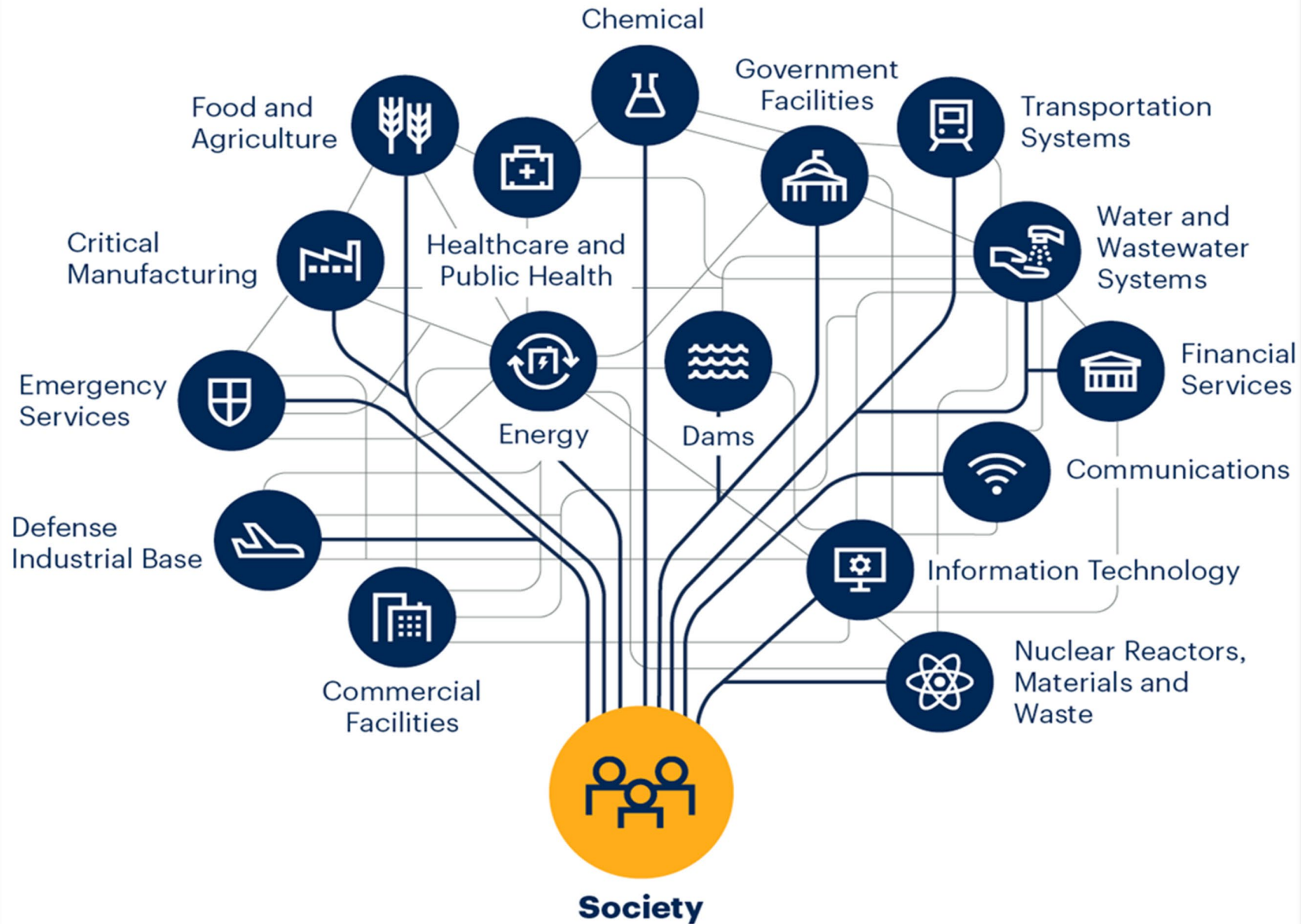




THE PACING THREAT

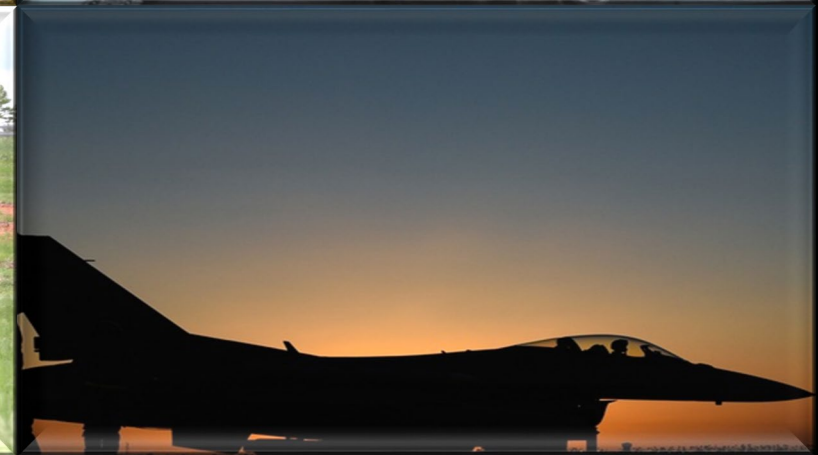
- **Dominate the Indo-Pacific**
- **Get enemy addicted to narcotics**
- **Attack their computer networks**
- **Steal & dominate information & technology**
- **Use or buy up resources**
- **Make enemies debt slave**
- **Fight them in the courts**
- **Out strategize their leaders**
- **Infiltrate their society**

- **Out compete them commercially**
- **Steal their wealth**
- **Destroy their environment**
- **Confuse the minds of their kids & lower classes**
- **Smuggle products to weaken industries**
- **Use propaganda in their media**
- **Win over their allies**



CRITICAL INFRASTRUCTURE

SOUTH DAKOTA NATIONAL GUARD



This is YOUR South Dakota National Guard

Workforce

- 116.4 full-time equivalent (FTE) employees
 - Nearly all employees are permanent positions
- 3 Divisions
 - Adjutant General's Office (5.3 FTE)
 - Army Guard (63.1 FTE)
 - Air Guard (48.0 FTE)
- In FY23 - 84% state employee salaries were covered by federal funds
- Unutilized FTE past two Fiscal Years: None
- Overtime Usage: Fire Fighters
- Retention: 93%
- Long-Term Vacancies: Sioux Falls Firefighter & Engineer II
- Approaching Retirement Age:
 - 12 Eligible Today
 - 32 Eligible Within 5-Years
 - 49 Eligible within 10- Years





SOUTH DAKOTA NATIONAL GUARD ECONOMIC IMPACT

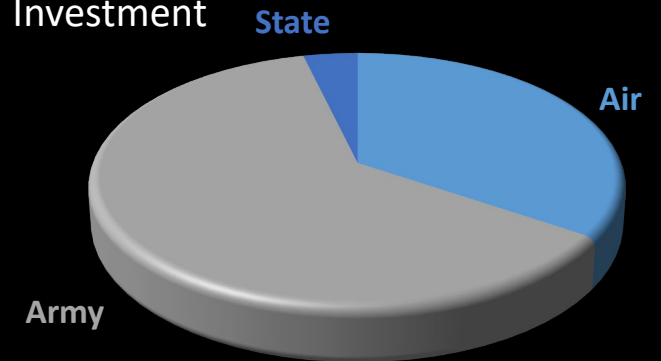
Our Financial Impact (*FY24 budget*)

- **\$132,151,898** Army National Guard Federal Investment
- **\$14,345,218** Army MILCON Federal Expenditures
- **\$81,431,558** Air National Guard Federal Investment
- **\$227,928,674** Total Federal Investment

- **\$4,840,117** State Base Budget
- **\$4,048,060** MILCON Expenditure
- **\$8,888,177** Total State Investment

- **\$236,816,851** Annual Economic Impact – Air and Army National Guard

- Federal Funding 96%
- State Funding 4%



Governor's FY2026 Budget Recommendation



BUDGET OVERVIEW



The 2026 budget recommendation seeks a decrease of \$1,086,283 in general funds, a decrease of \$2,444,063 in federal fund authority.

The over \$1M general funds reduction equates to 13% of our budget.

This includes:

- A decrease of \$593,302 of general funds and \$2,462,921 of federal funds in Maintenance & Repair for a total of \$3,056,223
- An increase in utilities of \$17,042 in general funds and \$18,858 in federal funds for a total of \$35,900
- A decrease in general funds of \$450,000 in State tuition assistance
- A decrease in general funds of \$60,023 in Civil Air Patrol supplement


FY 26 BUDGET RECOMMENDATION

Budget	FTE	General	Federal	Other	Total
FY 25 Base Budget	116.4	\$8,261,672	\$28,987,873	\$29,254	\$37,278,799
FY 26 Recommended	<u>116.4</u>	<u>\$7,175,389</u>	<u>\$26,543,810</u>	<u>\$29,254</u>	<u>\$33,748,453</u>
Change	0.0	-\$1,086,283	- \$2,444,063	\$0	-\$3,530,346

Summary	FTE	General	Federal	Other	Total
Maintenance & Repair	0.0	-\$593,302	-\$2,462,921	\$0	-\$3,056,223
Utility Cost Adjustments	0.0	\$17,042	\$18,858	\$0	\$35,900
State Tuition Assistance		-\$450,000			-\$450,000
Civil Air Patrol		<u>-\$60,023</u>			<u>-\$60,023</u>
Change	0.0	-\$1,086,283	-\$2,444,063	\$0	-\$3,530,346



BUDGET REDUCTION IMPACTS



Military	FTE	General	Federal	Other
Utilities		\$17,042	\$18,858	
Civil Air Patrol		(\$60,023)		
National Guard Tuition Assistance Program		(\$450,000)		
Maintenance and Repair		(\$593,302)	(\$2,462,921)	
Total	0.0	(\$1,086,283)	(\$2,444,063)	\$0

- **Civil Air Patrol**
 - (\$60,023)
 - Total removal of the grant; significant operational and programmatic consequences
- **National Guard Tuition Assistance Program**
 - (\$450,000)
 - Transfer from BOR; right-sizing the allocation to match utilization
- **Maintenance and Repair**
 - (\$593,302 GF & \$2,462,921 Fed)
 - Delaying projects, little short term impact provided future years are more robust

Thank You!

- State Tuition Assistance
 - 802 Students Enrolled
 - 618 BOR Universities
 - 184 Technical Colleges
 - Expansion to Private Universities
- Recruiting Results
 - 104% Air
 - 93% Army
- MILCON Support



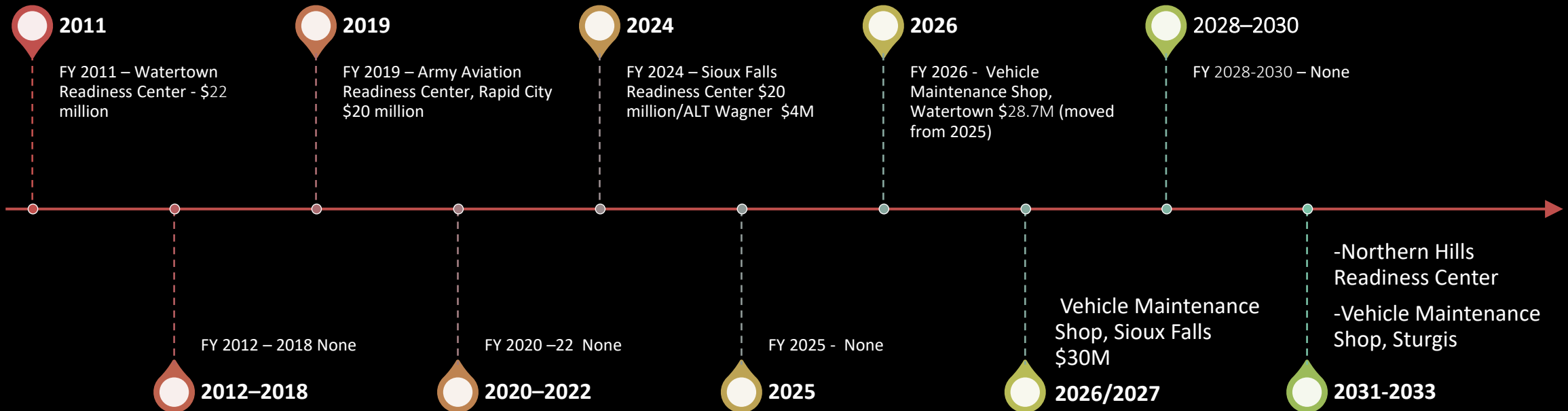


Future Considerations – Military Construction

- Wagner Readiness Center (late 2025)
- Sioux Falls Unit Training Equipment Site FY26/27*
- Sturgis Vehicle Maintenance Shop 2030 *
- Northern Hills Readiness Center (2031-33)



FY2011 – 2033 DEFENSE PLAN MILITARY CONSTRUCTIONS PROJECTS ARMY NATIONAL GUARD





Legislative Breakfast Tomorrow Morning

- New Location
- Welcome Center next to the Capitol
- **Jan 17, 6:30 AM**

National Guard Dining Out Feb 6

South Dakota National Guard Memorial 171 Fallen Heroes Camp Rapid



QUESTIONS?