

EXECUTIVE SUMMARY

Texas Military Department

Project Manager: Robert Romig

Full Report Here
www.sunset.texas.gov

As the state agency that oversees the training and readiness of the state's military forces, the Texas Military Department (TMD) plays a vital role in responding to international military deployments and to both state and national emergencies. For example, in the final days of this review, Texas National Guard forces were the first deployed to the United States-Mexico border in response to a presidential order. This report, however, does not concern TMD's capabilities as a military, emergency response, or civil support force. Instead, in keeping with the purpose of the Sunset process, Sunset staff focused efforts on the internal management and operations of the department that support its outward-facing public service mission. As Sunset staff tells each agency at the beginning of a review, Sunset reports are designed to highlight the areas of an agency that do not excel and that need attention. Therefore, this report does not dwell on the numerous ways in which the department and the men and women who serve in the state's military forces have contributed a critical role to the safety and well-being of Texas, the nation, and even the world at large. Texans have recently witnessed the effectiveness of the Texas Army and Air National Guards, and many were introduced to the professionalism of the Texas State Guard, during the September 2017 response to Hurricane Harvey. Though this report does not discuss the acts of valor performed by members of the National and State Guards, they are many and each deserving of public praise.

The Sunset process is at its best when it shines light on rarely-examined and oft-forgotten areas of an agency's internal operations. During the review of TMD, Sunset staff found the department struggles somewhat to safeguard state administrative interests and policy concerns, given its perpetual need to shift attention to military and emergency matters. TMD's complex relationship between myriad state and federal players means it must have solid institutional structures in place to ensure consistent attention to state requirements. While TMD has a state officer set up in statute as the "executive director" over state administration, that position appears set apart from the rest of the department, obscuring the adjutant general's ultimate responsibility over state administrative matters and preventing the executive director from effectively overseeing all state-funded programs. Sunset staff recommends clarifying statute regarding responsibility for state affairs to allow TMD to continue

The Texas Military Department struggles to safeguard state administration, given its perpetual attention shift to military and emergency matters.

integrating state administration into a more unified agency structure and to ensure broader oversight across all of the department's state programs and functions. Relatedly, the review identified significant discord among staff involved in state purchasing across the department's many decentralized programs, and recommends better tools for collecting data and sharing information so that purchases will happen more effectively and efficiently. Other recommendations aim to provide a course correction for several department programs using significant state funding that need new strategic direction to better succeed and mitigate potential risks to the state, including the Texas State Guard, the Texas Challenge Academy for at-risk youth, and the state-funded tuition assistance program for guard members. Sunset staff also recommends continuing the department for 12 years. The following material summarizes the Sunset staff recommendations on the Texas Military Department.

Issues and Recommendations

Issue 1

Texas Continues to Need the Military Department, but With a Better Focus on State Affairs Among its Many Federal Priorities.

Texas continues to benefit from TMD's objective to train, maintain, and deploy Texas' 23,200 National and State Guard members. Federal law requires each state to maintain National Guard forces led by an adjutant general. The department effectively leverages its state appropriations to bring in substantial federal funds to support its operations, and National and State Guard members perform valuable military and domestic response missions across Texas and the globe. However, the department does not provide sufficient attention and oversight to its state administration functions and state employees. The department would benefit from stronger institutional structures to ensure state requirements are not lost beneath more pressing and variable federal and military concerns.

Key Recommendations

- Continue the Texas Military Department for 12 years.
- Clarify the adjutant general's responsibility over all aspects of the department and strengthen internal oversight of state administration.
- Direct the adjutant general to improve supervision and support of the department's state employees.

Issue 2

The Department Lacks Key Management Tools Needed to Resolve Persistent Purchasing Problems.

To support its numerous state and federal military missions, TMD purchases a variety of goods and services through a decentralized organizational approach that requires a high degree of coordination between its central administration and program staff. In fiscal year 2017, the department spent about 46 percent of its \$101.1 million operating budget on purchasing. In response to recent state legislation and audit findings, TMD has tried to reform the purchasing process and clarify staff responsibilities. However, these reforms have been hampered by discord and distrust between central administration and programs. To move forward productively, TMD needs to develop standard tools to monitor the

overall purchasing pipeline, better train and establish lines of communication between dispersed staff, and improve performance analysis to objectively pinpoint the causes of delays. Incorporating best practices will help the department fulfill its charge to support its state and military missions while following state purchasing rules and mitigating risks.

Key Recommendations

- Direct the department to improve planning and implementation of purchasing policy changes, including scheduling policy updates based on risk and ensuring all staff involved in purchasing have information needed to carry out their duties.
- Direct the department to track and report performance of all phases of the purchasing process.
- Direct the department to develop a process for programs to share information about timelines and needs to prioritize purchasing workload across the department.

Issue 3

The State Guard Needs Better Support and Strategic Direction From the Department.

The Texas State Guard performs missions within state lines under the direction of the governor as the state defense force, or state militia. Unlike National Guard members, Texas' 1,900 State Guard members volunteer without a service commitment or expectation of much in the way of pay or benefits. Despite clear support for the mission of the State Guard, the department's overall lack of attention to basic State Guard member needs has led to poor morale and declining membership. The absence of strategic direction and active management by TMD has left the State Guard unable to consistently prepare for and provide mission capabilities, placed undue burdens on individual members, and created risks for the state. In light of recent federal policy changes and the governor's call to increase the State Guard membership, the department has a unique opportunity to strategically reassess the State Guard's function and relationship with the National Guard, as well as TMD's support of State Guard missions going forward.

Key Recommendations

- Direct TMD to evaluate State Guard missions and establish strategies to support the program and protect the state's interest.
- Direct the department to provide State Guard members with access to the department's ombudsman for voicing general program concerns.

Issue 4

The Challenge Academy's Sheffield Campus Is an Unsustainable Location That Does Not Best Serve At-Risk Youth or the State.

TMD operates two campuses of the National Guard's Challenge Academy, a residential dropout prevention program for at-risk youth, financed with \$5.1 million federal funds and \$1.7 state funds per year. Students between 16 and 18 years old take academic classes, learn life skills, and participate in community service events and daily physical activity in quasi-military settings. Despite the positive educational and behavioral outcomes for the students who complete the program, the Challenge Academy

campus in Sheffield is extremely isolated and difficult to manage and support in far West Texas. The campus experiences perpetual and critical staffing shortages and has not met its graduation rate target for three consecutive years. Difficulties recruiting and retaining staff and students have undermined the success of the campus and increased potential liabilities to the state by making the campus expensive and inefficient to operate safely. Closing and relocating the Sheffield campus to another location would minimize these risks to the state, foster higher graduation rates, and improve the recruitment and retention of students and staff.

Key Recommendations

- Direct the department to identify specific options for relocating the Sheffield campus no later than January 1, 2019, with a goal to preserve federal funding and other Challenge program benefits for Texas' at-risk youth.
- Direct the department to close the Texas Challenge program's Sheffield campus in March 2020, regardless of whether relocation is feasible.

Issue 5

The Military Department Does Not Effectively Target State Tuition Assistance to Maximize Impact of Limited Funds.

The Legislature appropriates \$1.5 million in state funds per year to TMD to provide tuition assistance to members of the Texas Military Forces pursuing higher education degrees at Texas universities. The department uses the program as a recruitment and retention benefit, filling the gaps in tuition assistance for guard members who are not eligible for state or federal veterans' tuition assistance. However, the department does not strategically target the tuition awards it provides and does not effectively measure the impact of the program or how the program contributes to the overall mission of the department. TMD does not promote the program effectively to all members of the National Guard and State Guard, resulting in very low percentages of members applying or receiving tuition awards each semester. With tuition costs rising at Texas universities over time, award recipients get less and less money per award. Given the program's decreasing impact and the limited awareness of the program within the National and State Guards, the department should proactively make better use of the state funding it receives for providing tuition assistance.

Key Recommendations

- Direct the department to establish updated goals to target the use of limited state tuition benefits and collect information needed to measure performance.
- Direct the department to update informational materials and training to ensure recruiters and potential applicants receive accurate information about state tuition benefits.

Fiscal Implication Summary

Overall, the recommendations in this report would not have a fiscal impact to the state and can be achieved with existing agency resources. Relocation of the Sheffield Challenge Academy campus to a new location as recommended in Issue 4 will likely have substantial costs involved, including the purchase or lease of new property and potential renovations. However, the ultimate fiscal impact cannot

be estimated at this time. Costs to the state will depend on the specific facility identified by department leadership and timely, effective coordination with federal agencies to maximize potential use of federal funds to support campus relocation. Closing the Sheffield campus without relocation would result in an annual savings of about \$950,000 in state funds and an annual loss of about \$2.25 million in federal funds received by the program.

