



**NATIONAL GUARD BUREAU**  
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MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)

SUBJECT: National Guard Draft Near-Term Action Plan to Handle Budgetary Uncertainty in Fiscal Year 2013

The possibility of a year-long Continuing Resolution (CR) requires the National Guard to take immediate near-term actions to protect the war-fighter, and maintain readiness necessary to protect and defend the Homeland.

After careful review of the Deputy Secretary of Defense memorandum on Handling Budget Uncertainty in FY13, as well as Army and Air Force guidance, I provided the Adjutants General (TAGs) of all States and Territories, and the Commanding General of the District of Columbia, with a consolidated summary of measures to assist them in mitigating budget risk. In addition, the Director of the Army National Guard and the Director of the Air National Guard provided guidance to their respective service components. These short-term actions, as described in the attached Army and Air National Guard guidance, tailored to the unique civil-military and joint nature of the National Guard, are structured to minimize harmful effects on the people of the National Guard and on Guard unit readiness:

- Compliance with Army and Air Force guidance concerning Title 5 employees.
- Execute (only) critical mission-support activities.
- Manage funds authorized for Operations and Maintenance to defer actions not salary related.
- Fully execute funds authorized for Military Personnel with priority to readiness-related activities.

The Vice Chief of the National Guard Bureau is leading an intensive effort to develop a longer-term plan to reflect the "worst-case" scenario if we must operate under a year-long CR and that sequestration takes place. We have identified a number of concerns that, if not offset and with deference to the TAGs, may severely limit the National Guard's ability to fulfill critical homeland defense, security cooperation, and civil support missions, including;

- Management of furloughs.
- Impact of tiered readiness.
- Impacts on Strategic partnerships with U.S. Northern Command (USNORTHCOM) and the Department of Homeland Security (DHS).
- Impacts on readiness "compressed" during tornado, hurricane, and fire seasons.

**Introduction:**

If the sequester cannot be avoided, the OSD-Comptroller has indicated that “most” DoD accounts would be cut as much as 12%. While MILPERS accounts have been exempted from cuts, the exemption created more intensity on the remaining accounts to be cut.

The effects described above equates to the following National Guard (NG) budget levels given a 12% cut (Worst Case):

- The Army National Guard (ARNG) has a recommended target of \$662M reduction in OMNG and a \$122M reduction in Military Construction (MILCON), for a total of \$784M. This was the target given to them by Army.
- The Air National Guard (ANG) has the following recommended target: A \$709M reduction in O&M and a \$31.8M reduction in MILCON for a total of \$739M.

If the Continuing Resolution (CR) currently in effect until 27 March is extended, and the guidance is not changed, the impacts of the Sequestration are exacerbated for the remainder of FY 13. Essentially, the longer the CR continues through FY13, DoD options for managing the impacts of sequestration diminish as the end of year nears.

CNGB has directed the National Guard to plan as follows:

- CNGB supports the Department of Defense strategy for Sequestration
- The NG will contribute its portion of the sequestration bill
- The NG will make every effort to be “consistent” with other Component plans and actions
- CNGB has and must retain the authority to manage and maintain the readiness of the NG force.

The following are projections of the impacts as can be determined thus far for the National Guard. These projections are dependent on the CR expiring or being modified. DoD must receive authorities from Congress to reprogram funds into critical accounts. As described above, if reprogramming authorities are not received, the impacts of sequestration may be more severe.

**Overall Impact on Training and Readiness:**

Sequestration will have immediate and significant negative impacts on the operational readiness and capabilities of NG forces across all federal and state mission sets. In fact, the worst case scenario of full sequestration combined with a continuing resolution that extends through FY 13 into FY 14 will conceivably result in a hollow force. Sequestration actions effecting personnel, equipment, training and facilities, as described below, will all factor in a rapid reduction in combat capability, combat ready forces and by extension reduced capability and capacity for homeland defense, homeland security and domestic response operations.