



Office of the Adjutant General



OTAG 2027 Budget

Kodjo S. Knox-Limbacker
Major General, U.S. Army
OTAG 2027 Budget

Introduction

Good Morning 36th Legislature Finance Committee Chair, the Honorable Senator Novelle E. Francis Jr; Vice Chair Senator Marvin A. Blyden; Senator Dwayne M. DeGraff; Senator Ray Fonseca; Senator Hubert L. Frederick; Senator Marise C. James; Senator Kurt A. Violet, other distinguished non-committee members present in the Senate chambers; family, friends, and the general public viewing and listening locally and abroad. I am Major General Kodjo S. Knox-Limbacker, the 15th Adjutant General and Commander of the Virgin Islands Army and Air National Guard serving at the discretion of the Commander and Chief of the Virgin Islands National Guard Governor Albert Bryan Jr. It is an honor to be sitting before this esteemed body to discuss our proposed Fiscal Year 2027 operating budget for the Office of The Adjutant General. Today, I am proud to present the operational trajectory and fiscal requirements of the Virgin Islands National Guard for Fiscal Year 2027. Over the past eight years, our focus has been unyielding: transforming this organization from a struggling, administratively burdened unit into a highly lethal, globally integrated Joint Force. This presentation details how we achieved that readiness, where our troops are making an impact globally, and how we must work together to protect the fiscal foundation that keeps this force operational.

My teammates joining me today to provide testimony are:

- Ms. Nikita Ward, Executive Director of the Office of the Adjutant General, and
- Colonel Deborah Lobbenmeier, the United States Property and Fiscal Officer for the Virgin Islands National Guard.

We thank you for the opportunity to provide our testimony today. As I testify today it is in the backdrop of the United States/Iran, Russia/Ukraine, and other global conflicts, we know we must stay postured to defend the homeland while deterring China. To do so our Army and Air National Guard men and women continue to increase their readiness and lethality. As we speak 82 of our Soldiers and Airmen supporting Washington D.C “Safe and Beautiful mission’ in our nation’s capital support the District of Columbia Metropolitan Police Department in maintaining public safety for residents, commuters and visitors and supporting our nation’s 250th Celebration. This past year our Soldiers and Airmen served abroad in Kuwait, Qatar, Japan, Portugal, Alaska, and are postured to deploy in the near future in support of United States interest abroad. They stand

ready to deploy globally to fight and win on the complex modern battlefield. Our National Guard is fully aligned with the United States National Defense Strategy as an enabling force to deter and defend against our nations adversaries and protect our nations interest abroad, while defending the Homeland in all domains.

Our Army and Air National Guard forces will continue to build and sustain warfighter readiness, increasing our lethality. We are prepared to project combat power, defend the homeland, and respond to natural and manmade all hazards within the territory. We look forward to answering your varied questions after articulating our mission, strategic vision, and priorities for continued support to the territory with our proposed budget.

As I present my final budget hearing testimony to this illustrious body today, I will provide the Bottom-line up Front, Agency Overview, Executive Summary of where we were when I started and where we are as my tenure comes to an end with the changing of the Bryan and Roach Administration. I will provide context of our operating environment, our responsibilities, and my team will address our prioritized financial strategy to fund our plan to sustain and improve operational readiness of the Virgin Islands National Guard. This plan will enable the Office of the Adjutant General and Virgin Islands National Guard to meet our local and federal mission requirements during the transition period and beyond. It is essential that the transition from Bryan/Roach Administration to our duly elected Governor and Lieutenant Governor on 1 January 2027 is seamless.

The Bottom-Line Up Front

Our proposed budget for Fiscal Year 2027 is **\$3,503,999.00** to sustain a ***Ready, Relevant, Responsive and Lethal*** Army and Air National Guard Joint Force with worldwide force projection capabilities. The proposed budget requested from the Virgin Islands government is 16 times less than the federal projected contribution of **\$56,377,323.92**.

These funds have enabled us to meet our dual mission to prepare us for Large-Scale Combat Operations in support of combatant commander's requirements supporting the National

Military Strategy and Defense Support to Civilian Authorities here in the territory. The Fiscal Year 2027 projected **\$56,377,323.92** of federal funds will be received and ***controlled through the United States Property and Fiscal Officer*** on behalf of the National Guard Bureau. This is an increase of 10 percent over last fiscal year which provides Active Guard Reserve, Technician pay, basic housing allowance and sustainment and readiness of our facilities. The OTAG's proposed budget, **\$3,503,999.00**, is to execute the cost share of **\$595,000.00** of federal funds for FY27 Master Cooperative Agreement Program. As outlined in our Master Cooperative Agreement, the territory is required to provide matching funds for expenditures that are not 100 percent federally funded for example 25% (GVI) / 75% (Fed) maintenance cost share for St Croix Armory of 50% (GVI) / 50% (Fed). Ms. Ward and Colonel Lobbenmeier will provide the details of such expenditure later in our testimony.

[Executive Summary](#)

The Office of The Adjutant General plans, coordinates, and implements support of territorial Emergency Support Functions responders to natural and man-made disasters, civil disturbances, foreign and domestic threats, and weapons of mass destruction. The Office of The Adjutant General (OTAG) was established in Executive Order 30-1987 to support the Virgin Islands National Guard (VING) which was established in October 1973. Pursuant of Federal Law all states, territories, and the District of Columbia appoints an Adjutant General and an associate Agency to provide the necessary infrastructure for the National Guard in their perspective jurisdiction. Pursuant to Virgin Islands Code Annotated Title 23 Internal Security and Public Order Chapter 19 National Guard, Subchapter I. General Provisions Section 1508 Adjutant General of the Virgin Islands establishes the responsibility of the Adjutant. General. Per this statute, the Adjutant General shall:



- Keep and administer all the funds appropriately and shall be in charge of all the property entrusted to the National Guard of the Virgin Islands and shall render an annual report of such funds and property to the Commander-in-Chief and the Legislature of the Virgin Islands.
- Additionally, make annual estimates of funds and prepare the budget required for the operation of the National Guard of the Virgin Islands exclusive of Federal funds.

Office of the Adjutant General Mission Statement

Execute the day-to-day administrative, maintenance, and security requirements ensuring the Virgin Islands National Guard is a Ready, Relevant, Responsive, and Lethal Joint Force.

Strategic Vision for the Office of the Adjutant General

Provide first-rate support to the Virgin Islands National Guard's federal war fighting and territorial Defense Support to Civil Authorities requirements. The Office of The Adjutant General will provide the administrative, maintenance, and security requirements for the training, manning, equipping, and leader development required to execute the United States

Army and Air National Guard warfighting and territorial domestic civil support missions. The Office of the Adjutant General priority is ensuring the Virgin Islands National Guard achieves the Readiness required to be ***“Ready, Relevant, and Responsive Joint Force.”***

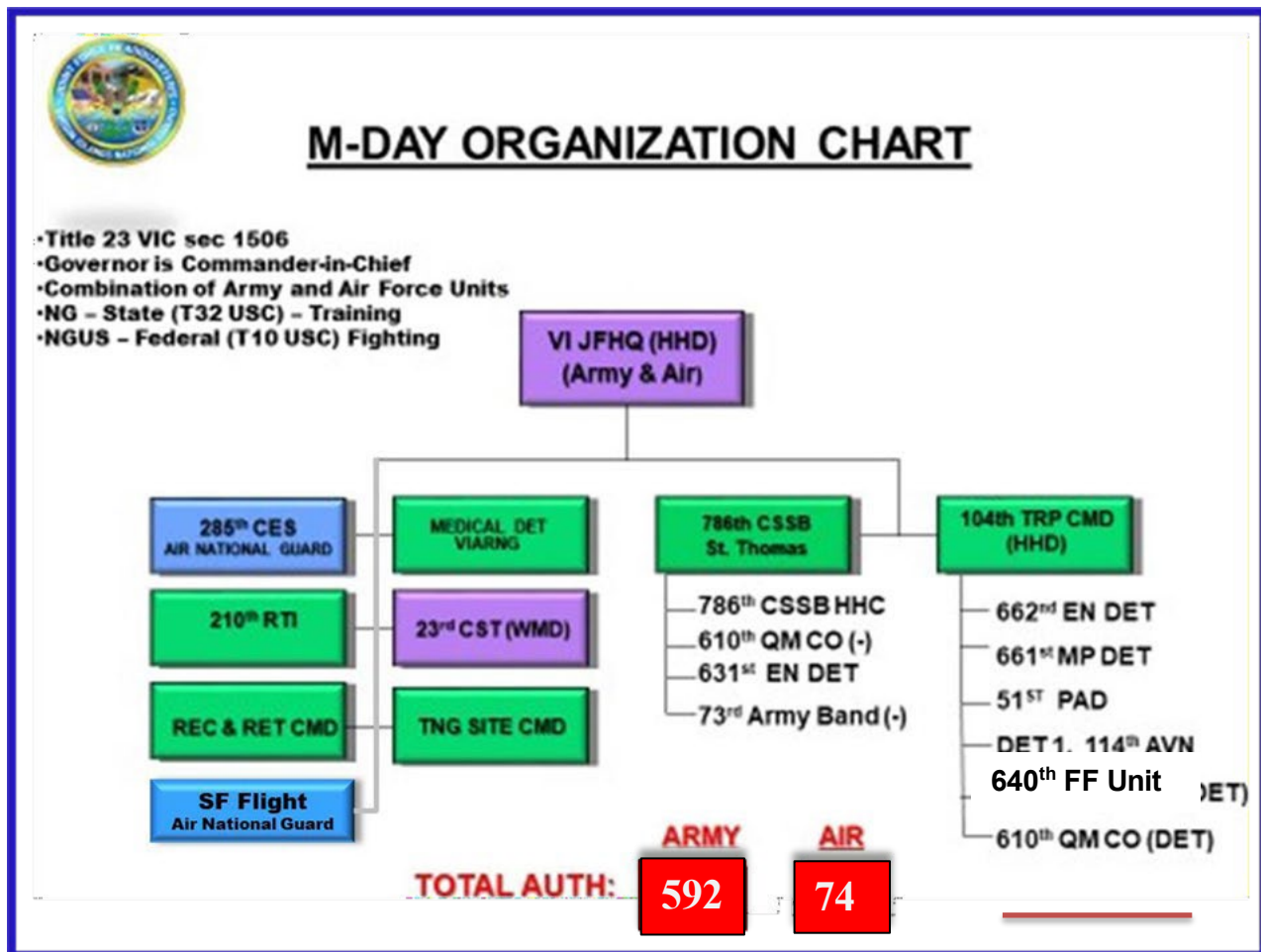
As you know the United States Army and Air Force exist for one primary reason, which is to be the guardians of America’s freedom and our way of life. The “Guardians of the Eastern Front” are part of the operational combat reserve of the total warfighting force. With this reality, we have worked hard to sustain our new posture of an organization that Exceeds the Standards.” We know the call to deploy, fight, and win as part of an agile, modernized, and lethal joint warfighting force can come at any time, and we must be ready to integrate quickly as part of the world’s premier warfighting force.



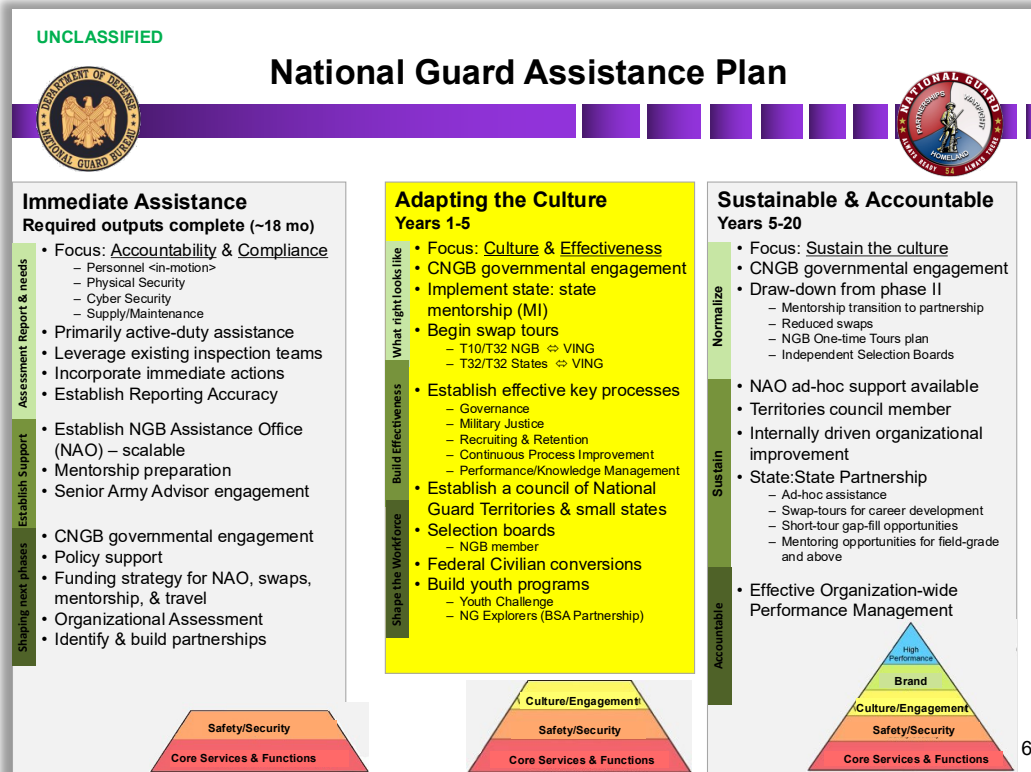
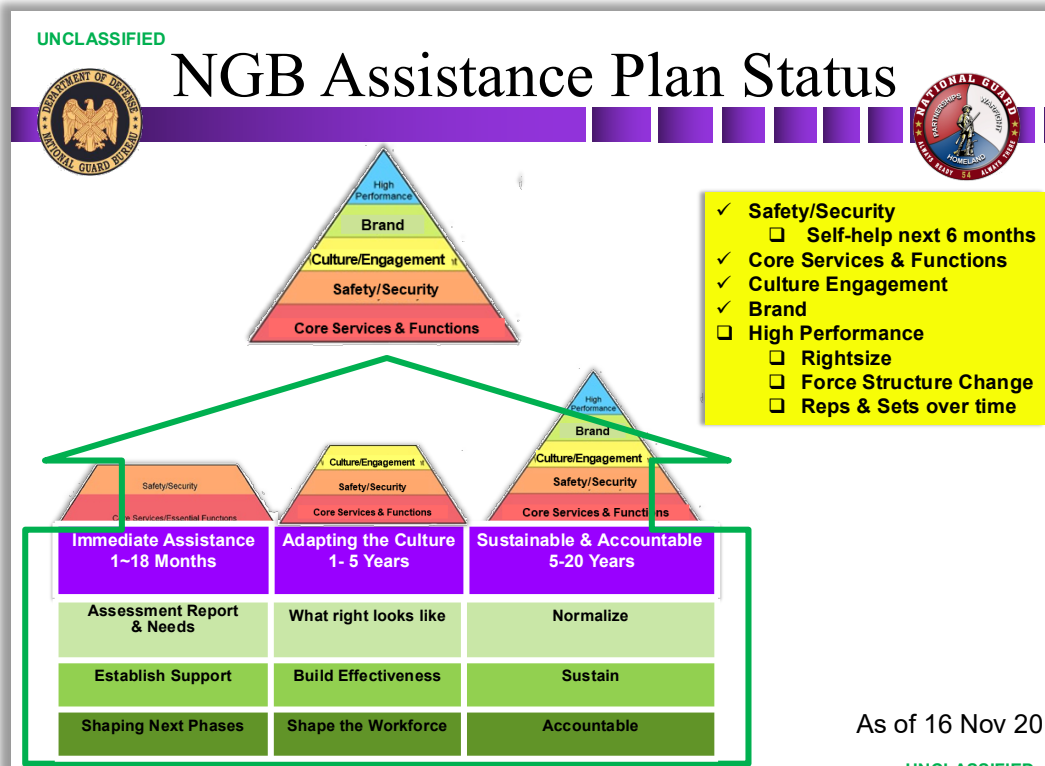
My responsibility as the Adjutant General encompasses the administrative, security, maintenance, operations, and training required to achieve goals that support ***War fighting and Defense Support to Civil Authorities operational readiness goals of a joint Army and Air National Guard force.*** These goals are nested within the National Military Strategy’s wartime goals and the Governor Virgin Islands Territorial civil support requirements. The full capacity and capabilities of the National Guard’s are only realized once activated for Territorial Active Duty by the Governor. Per statute, this activation happens in response to natural/manmade disasters, state of emergencies, and other requirements at the discretion of the Governor or President. The Virgin Islands National Guard not only continues to be “always ready and always there,” but that we will be at a higher state of readiness when called. Most of the Virgin Islands National Guard workforce is part-time. The levels of the National Guard’s capabilities are only realized once activated for Territorial Active Duty by the Governor. Per statute, this activation happens in response to natural/manmade disasters, state of emergencies, and other requirements at the discretion of the Governor or President. This workforce is comprised of an Active Guard and Reserve force of 96 Army and 19 Air National Guard full-time employees. Additionally, we have a 100% federally funded Civilian

Technician workforce consisting of 116 full-time employees. The VING lost six Civilian positions in a nationwide reduction in Department of Defense Civil workforce.

Virgin Islands National Guard Force					
Army Active Guard Reserve	Air Active Guard Reserve	Federal Title 32 Dual Status Military/Technicians	Federal Title 5 Civilians	M-Day (Part-Time) Army	M-Day (Part-Time) Air
ASGN: 94	ASGN: 19	ASGN: 116	ASGN: 32	ASGN: 568	ASGN: 74
AUTH: 96	AUTH: 20	AUTH: 116	AUTH: 31	AUTH: 592	AUTH: 72
97%	95%	100%	103%	96%	103%
Authorized: AUTH				Assigned: ASGN	



"2018 NGB Oversight"



2018 NGB Oversight" transitioning to "September 2024 Total Release



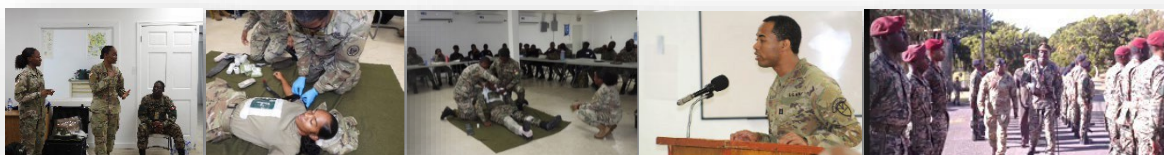
To understand where we are going, we must remember where we began. In 2018, The Virgin Islands National Guard was placed under federal National Guard Bureau Oversight Program due to systemic compliance gaps. On September 12, 2024, through a relentless culture of accountability, VING was officially and fully released from NGB oversight after closing out 140 complex action plans. We proved to Washington that we can govern ourselves. Concurrently, we cleared the legacy back-pay debts from the 2017 hurricanes and worked with this body to pass Act 8261, securing vital legal protections for our troops during domestic missions. We fixed the culture, and we fixed the foundation."

Where we Are Today



State Partnership Program

The Virgin Islands National Guard is part of National Guard Bureau's State Partnership Program of 96 enduring partnerships that encompasses 106 nations. America never fights alone, from the Revolutionary War in 1775, World War I and II, Vietnam, Iraq, and Afghanistan to name a few we have always partnered with our allies. These relationships with our allies and partners continue to be mutually beneficial to global security and safeguarding democracy worldwide. The war in Ukraine has highlighted the importance of National Guard State Partnership Program (SPP) in this manner the Virgin Islands National Guard continues to increase its support to our SPP Regional Security System (RSS) partners. The RSS is comprised of Antigua and Barbuda, Barbados, Dominica, Grenada, St Kitts and Nevis, St Lucia, St Vincent, and the Grenadines and recently Guyana recognizes "Strength through Unity." Our partnership with the RSS is like no other. The VING is made up of men and women from all seven Caribbean Island nations and Guyana that make up the RSS. Our familial tie with the RSS enables us to better understand their unique needs. VING has been able to strengthen our partnership and build partner capacity in the Western Hemisphere by sending Subject Matter Experts on ten Subject Matter Expert Exchanges (SMEE) this year throughout the RSS. These SMEEs includes Women, Peace, and Security Initiatives, Engineering, Public Affairs Exchange, Combat LifeSaver, and Logistics Operations.



Office of the Adjutant General

To provide greater context, The Office of the Adjutant General grew its administrative, maintenance, and security divisions force to better support the Virgin Islands Army and Air National Guard's operational readiness by increasing its workforce with talented personnel to support VING's high operational tempo. Since its inception fifty years ago 19 October 1973, VING continues to be "always ready and always there." The Office of the Adjutant General provides administrative, maintenance, and security support sustainment of facilities for our federal workforce training and mission requirements. Our efforts enable the National Guard to support the 15 Emergency Support Functions assigned to our sister agencies. Our efforts enable operations during time of crises in the past like Operation Clean Water Action to address Water and Power Authority water issues, the transition to new facilities like Juan F. Luis (JFL) Hospital North St Croix's, COVID-19 Pandemic, public safety support to Virgin Islands Police Department and the Executive Security Unit for government sponsored festivals, carnivals, and celebrations to generate tourism revenues as well as support monitoring of toxic gas releases and disposal from the oil refinery on St Croix over the years.



Youth About Face and Forward March

The Office of the Adjutant General continues to right size its office to provide adequate support to our youth within the scope of our programs. The increased size of our full-time staff creates greater capacity to support local and federal government initiatives like the Youth About Face. Our efforts to connect with our at-risk youth continue to fill gaps and provide hope, guidance, life lessons, and opportunities for those willing to listen,

learn and change. Some of our youth experience difficulties in conflict resolution, financial hardships, anger management, and violence within our communities. Our youth are falling victim to their own inability to control their emotions. They often have misguided values over appropriate response to perceived disrespect from social media, peer groups, and parent modeling. These experiences create dysfunctional learned behaviors leading to the infliction of bodily harm on others, murder, or their own death. This reality needs to change, and the change must start at home. The appropriate behaviors must be being positively reinforced as early as pre-school and continuing in Elementary and Junior High School. This is necessary for it to be ingrained as a strong value system before reaching High School and adulthood. Although we have remarkable success ensuring our students graduate High School, we still see mixed results out of the program. We have some success for those who seek real change have left the territory to places that provide them with an environment for continued success like universities, vocational schools, military, and even an Equine Racing Academy. A significant number of our youth who have remained local, have fallen victim to the non-supportive environment that the program temporarily gave them refuge from. The Youth About Face Program to date has enrolled a total of 198 at risk youth territory wide. Breakdown is as follows: St. Croix district 131 enrolled, 91 graduated the program 25 currently enrolled and 15 failed. St. Thomas/John District 67 enrolled seven (7) graduated, 24 currently enrolled and 30 did not complete the program.

Domestic Support to Civilian Authorities

- Defense Support to Civil Authorities included State of the Territory Address, VIPD Crucian Christmas Festival. VING will be participating in multiple local and national level operations to support the America's 250th birthday celebrations of the United States.
- VING is postured to support the upcoming U.S. Virgin Islands Gubernatorial Inauguration.
- Eighty-two (82) service members are currently deployed to D.C. providing support to civil authorities in maintaining public safety, protecting critical public areas, and improving the quality of life for residents and visitors throughout the Nation's Capital

2026 Hurricane Season Preparedness

The VING continues to maintain a heightened state of readiness in the event it is mobilized in a Territorial Active Duty (TAD) status in support of local emergency response operations. This becomes particularly heightened during every hurricane season. As a part of these efforts, we are actively engaged in exercising our response and recovery posture. We conducted our annual All Hazards Coordination Workshop 20-24 April 2026 with local, federal and Department of Defense attendees. It served to strengthen readiness and relationships through collaboration between local and federal partners. This ensures a shared understanding of both the states and territory's capabilities and shortfalls.

- We also participated in the U.S. Army North Rehearsal of Concept (ROC) Drill with the newly form Western Hemisphere Command, NGB Leadership and over 100 military and civilians.
- The VING is facilitating the response plans and efforts as we participated in the New Orleans' Emergency Response Workshop, VING All Hazards Synchronization Workshop, ARNORTH ROC Drill and VITEMA's Hurricane Capstone 1-5 June 2026. These are all building block activities vital to an effective response to any incident occurring in the Virgin Islands.
- Emergency Response Workshop (ERW) – The VING synchronized with FEMA Region II states and external states on capability shortfalls internal to the Virgin Islands. Agreements were made by external states to provide military support when requested for the Virgin Islands which include but not limited to security and safety, communication packages, and medical support.
- VING All Hazards Workshop – Federal and local government representatives discussed capabilities and shortfalls that are priority during hurricane season. The Federal government identified resources which can support shortfalls while providing additional capabilities such as Air National Guard' Airport Response and Operational Teams. During the workshop, GVI was informed of the VING's need to be able to support homeland defense, combat operations, and DSCA simultaneously in which plans and discussion are ongoing.
- VITEMA's Capstone – VING synchronized the support by participating in the tabletop

exercise with representatives in the Emergency Operating Center. Updated VING capability and response plan with trained and qualified engineers, fuel storage, and immediate response teams. The exercise identified a greater need to support St. John with a more synchronized effort, led by the Government of the Virgin Islands. The projected cost estimates and response time were identified along with discussion on validating Mission Ready Packages.

National Guard Response Force (NGRF)

- VING trained 50 Service Members in civil support tactical operations who will serve as the rapid response force for the Virgin Islands and United States if called upon. This team provides public safety and security efforts and are trained in civil disturbance response when crowd control and deterrence is needed. All Service Members received non-lethal weapons training with baton strikes and employment of Oleoresin Capsicum (OC) spray and taser. The Chief of the National Guard Bureau (CNGB) and Senior Enlisted Leader were able to observe VING at the pinnacle of training and Soldiers received accolades and presented with CNGB's Commanders Coins of Excellence.



Homeland Defense

The VING's Blair Hangar located at the Henry E. Rohlsen Airport and our Air Guard HQ shared occupancy with the United States Air Force for approximately three months as they conducted training and operations within the Southern Command AOR.

Federal Operations

- One Soldier successfully redeployed from the Central Command Area of Operation during the times of the Iran strikes. This Major provided operational contract support to the theater while being assigned to the Logistical section of the 42nd Infantry Division, New York National Guard.
- One Service Member deployment to SOUTHCOM AOR to provide law enforcement and detainee support.
- Projected to deploy one Service Member to the Horn of Africa who will provide administrative and base life support functions.
- Virgin Islands Army National Guard completed annual training and weapons qualification at Fort Dix, NJ ensuring Soldiers strengthen individual proficiency, sustain combat readiness, and overall unit mission effectiveness.



- VING continues to enhance the State Partnership Program with the Regional Support System and eight partner nations, where members have integrated and provided logistics, combat lifesaver and other training events in St. Vincent, Antigua and Barbuda, St. Kitts and Nevis, Barbados, Dominica and Trinidad and Tobago.

Air National Guard



- Sustained Operating and Maintenance budget of \$210K.
- Air Force 100MB circuit network installed.
- One Airmen deployed to Portugal .
- Continue to build out our 22-person Security Forces (SF) Flight.
- Collaborated with National Guard Bureau (NGB) for current and future force structure and facility support.
- Filled key positions throughout the organization bring end-strength up from 90% over 103%.
- 100% design completed on new 285th Civil Engineering Squadron Installation Development Plan on St Croix
- NGB/A4 facilities leadership approved our program facility replacement projects.
- Design contract will be awarded by 30 September 2026 for the Civil Engineer Complex.
- Supported Operations Southern Spear with over 200 Joint Force servicemembers.





Counter-Drug Operations

The Virgin Islands National Guard (VING) Counterdrug (CD) Program provided Investigative Analysts to support local and federal law enforcement agencies in their ongoing efforts to disrupt and dismantle illegal drug trafficking organizations. This support contributed significantly to marijuana eradication operations, cocaine seizures, and the recovery of oxycodone, fentanyl, and other unidentified controlled substances, with a total estimated value of \$175,250,260. Additionally, handguns and rifles valued at \$59,500 were confiscated through law enforcement operations supported by the program.

- The Drug Demand Reduction Outreach (DDRO) section delivered substance abuse prevention and awareness presentations to approximately 831 youth, ages 5–17, addressing the dangers of drug abuse, addiction, and alcohol misuse within the Virgin Islands community. DDRO collaborated with one community coalition and three schools to engage and educate youth throughout the territory.
- The VING Counterdrug Program continues to maintain strong partnerships with the Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), Virgin Islands Police Department (VIPD), and local coalitions and schools to support prevention initiatives and strengthen community resilience against substance abuse.

Weapons of Mass Destruction-Civil Support Team Operations

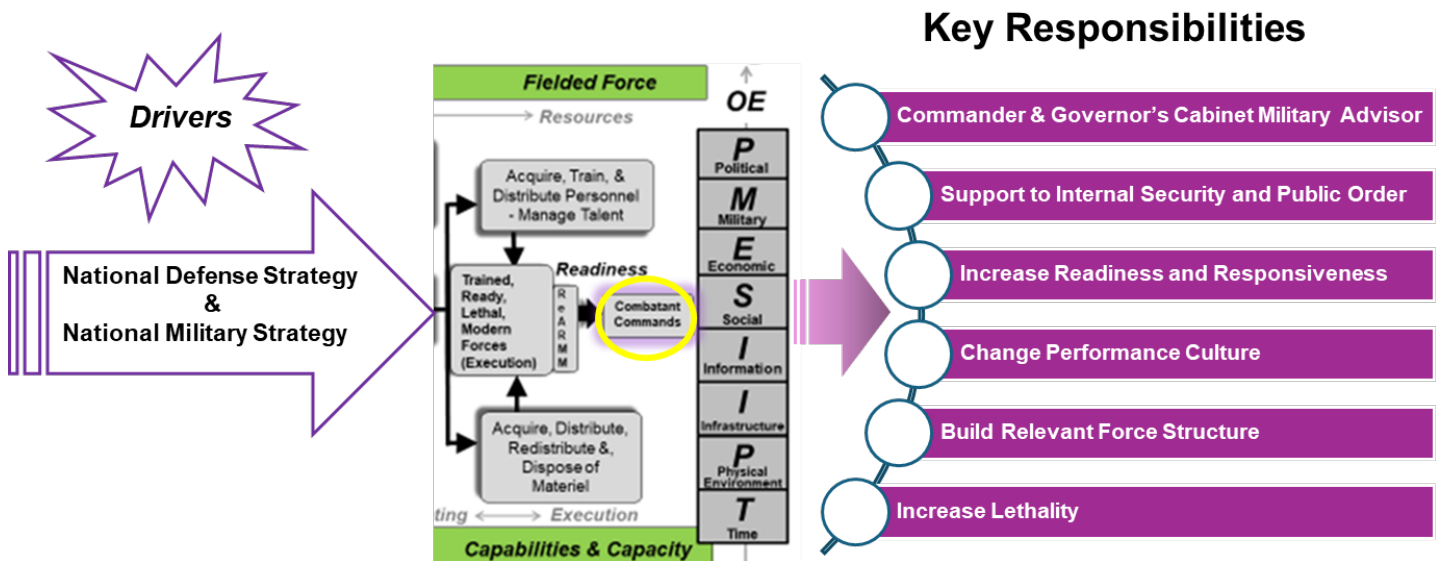
The 23rd Weapons of Mass Destruction–Civil Support Team (WMD-CST) provides critical support to civil authorities during domestic incidents. By statute, WMD-CSTs respond to actual or threatened use of weapons of mass destruction; intentional or accidental release of nuclear, biological, radiological, or toxic chemical materials; and natural or manmade disasters across the United States and its territories that could result in significant loss of life or property. Recent key contributions of the 23rd WMD-CST include:



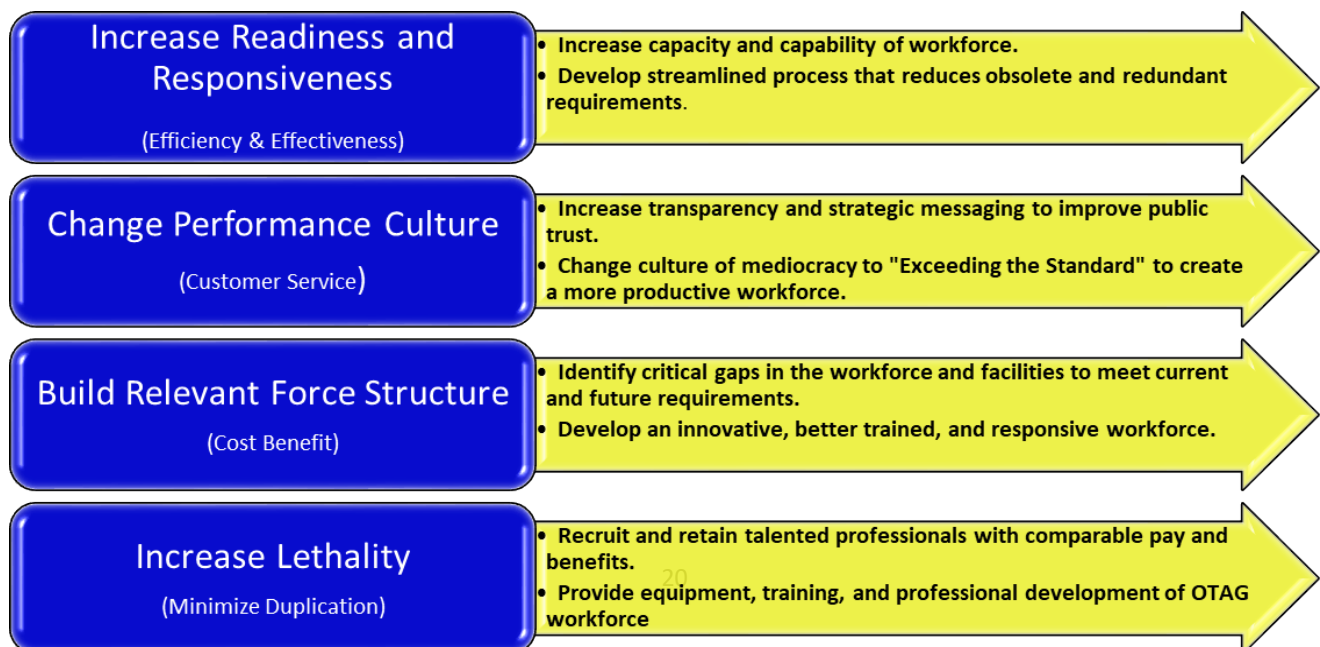
- Supporting the FBI and U.S. Secret Service during the former President’s visit to St. Croix (December 2025–January 2026).
- Partnering with VITEMA and FEMA on an industrial chemical release scenario, enhancing the territory’s ability to request federal support and improve preparedness.
- Assisting VITEMA as a tertiary agency in transporting hazardous materials from the refinery to Port Hamilton.
- Completing an air monitoring mission at Rattan Montessori School.
- Supporting multiple major events, including the State of the Territory Address, St. Croix Carnival, Agricultural Food Fair, and St. Thomas and St. John Carnivals.
- Participating in the Pediatric Disaster Response training.
- Hosting a unit capability expo for local and federal partners and supporting Recruiting and Retention events at Good Hope Country Day and Pearl B. Larsen Elementary. Participated in Anti-bullying event at John H. Woodson Middle School.
- Facilitated a capability briefing with the Local Office of Cannabis Registry to demonstrate the unit's ability to identify pharmaceutical based agent drugs.
- Completed training and resource coordination with Federal and Local agencies on St.

Thomas to increase the team's ability to conduct interagency training and real-world response.

The Office of The Adjutant General continues to develop and implement policies and procedures that supported by key performance indicators. This enables our success meeting our strategic readiness objectives the Virgin Islands National Guard.



These objectives were to promote operational effectiveness; have a safe and secure territory through effective and efficient preparedness; and to build a comprehensive territorial support capabilities to respond to all threats. This transformation led to a better quality of life and safer work environment for VING's Soldiers, Airmen, and Civilians.



I want to personally thank all the members of our community for your support to the men and women of the Virgin Islands Army and Air National Guard. From the Employer support to the Guard and Reserve, Senators of the 32nd thru 36th Legislature, and the Judicial Branches, Delegate to Congress Office Honorable Stacey Plaskett, and of course the Commander and Chief of Virgin Islands National Guard Governor Albert Bryan Jr and Lieutenant Governor Tregenza Roach Esq., I thank you for your continued unwavering support to our Soldiers, Airmen, and Civilians. The support provided to our guardsmen and women while away and here on duty in the territory, shows just how much our community cares about their welfare and appreciates their selfless service. We all should be thankful for the sacrifices our service members and their families endure every day to safeguard our great nation.



To the men and women of the Virgin Islands Army and Air National Guard we are so proud of you. You are the select few of our communities' sons, daughters, fathers, and mothers who answer the call to selfless service every day. You are the less than 1 percent of our nation's population who serves. Thank you for you and your families' countless

sacrifices and service in the military. Whether it is supporting our National Defense Strategy deployed overseas or supporting the homeland during times of crises, you continue to exceed the standards. You embody the warrior ethos, and I am truly honored to serve as your Adjutant General,

I will be followed by Ms. Nikita Ward, Executive Director for the Office of the Adjutant General.

Executive Director Office of the Adjutant General
Ms. Nikita Ward

Good morning 36th Legislature Finance Committee Chair, the Honorable Senator Novelle E. Francis Jr., Vice Chair Senator Marvin Blyden, Senator Kurt A. Violet; Senator Dwayne M. DeGraff, Senator Ray Fonseca; Senator Hubert L. Frederick, Senator Marise C. James, other non-committee members present in the Senate chambers; family, friends, and general public viewing and listening locally and abroad. I am Nikita D. Ward, Executive Director for the Office of the Adjutant General. Today I will outline The Office of The Adjutant General's budget for Fiscal Year 2027.

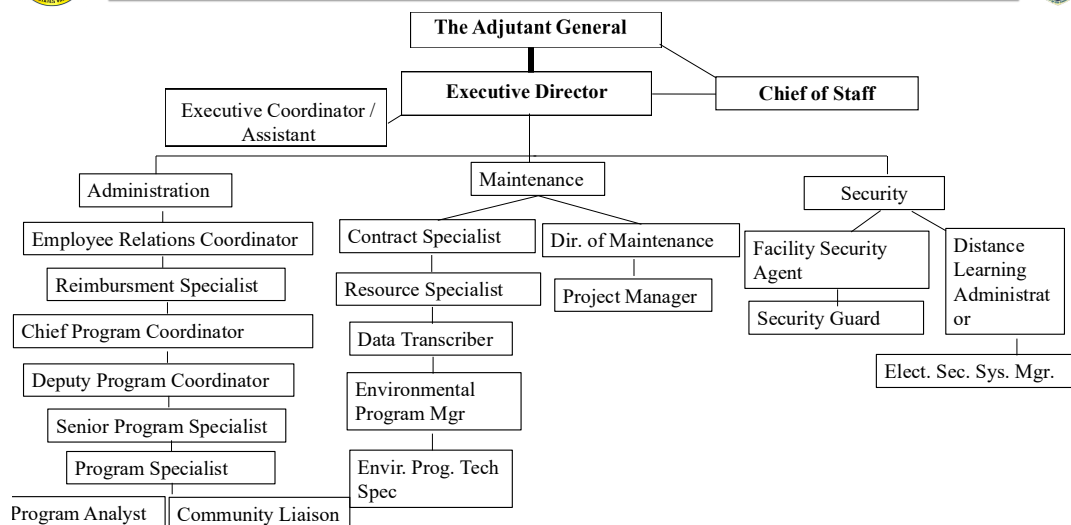
The Office of The Adjutant General is requesting a General Fund Budget of \$3,503,999.00. The figure includes the Miscellaneous Budget Appropriation of \$150,000 for the Virgin Islands National Guard Pension Fund and \$164,118.00 for the Youth About Face and Forward March Program and \$200,000 for the Territorial Active-Duty fund. Additionally, the projected federal Master Cooperative Agreement budget allocation of \$6,147,781.45 is the amount proposed to support the Virgin Islands National Guard.

The Office of The Adjutant General is responsible for three divisions. Each division supports the policies and procedures to accomplish key strategic objectives for the Virgin Islands National Guard. This enables us to fulfill our federal and territorial missions as identified below.

OTAG Divisions



OFFICE OF THE ADJUTANT GENERAL



Performance Goals

The Office of the Adjutant General has three (3) performance goals:

1. Promote operational effectiveness.
2. Establish a safe and secure territory through effective and efficient preparedness.
3. Build a comprehensive territorial support capability in response to all threats.

KPI (Performance Measures)	Unit	KP Target	Trend	Results (5/20/2020)
The Personnel recruiting and retention rates based off of authorized strengths	Percent	100%	Decrease	60%
The average number of days to recruit	Days	90	Decrease	0%
Percentage of trained employees base off of National Guard Support Requirements	Percent	100%	Decrease	5%
Percentage of participants that complete community-based programs	Percent	60%	Increase	40%
Number of community based partnerships	Number	8	Increase	6
Average number of days to complete work orders	Days	30	Decrease	20%
Percentage of preventive maintenance completed on buildings and/or equipment	Percent	50%	Increase	20%
Percentage of equipment that is functional/operational	Percent	60%	Decrease	30%
Percentage of security searches completed	Percent	80%	Increase	20%
Number of all hazards exercise completed	Number	4	Increase	2

I will now justify the recommended operating budget for Fiscal Year 2027.

Office of the Adjutant General	
<u>FY2027 Recommended</u>	
Appropriation	
<u>Account Title</u>	<u>Amount</u>
Personnel Services	\$1,338,855.00
Fringe Benefits	\$674,505.00
Supplies	\$187,197.00
Capital Projects	\$111,104.00
Other Services (<i>Utilities & Misc. incl.</i>)	\$1,192,338.00
TOTAL	\$3,503,999.00

As listed in the chart above, the General Fund recommended budget for Fiscal Year 2027 is \$3,503,999.00.

The following diagram shows the breakdown of the General Fund recommended budget by division and objects.

OBJECTS	DESCRIPTION	AMOUNT BUDGETED (ADMIN SVCS).	AMOUNT BUDGETED (MAINTENANCE)	AMOUNT BUDGETED (SECURITY)	AMOUNT BUDGETED M1917	TOTAL AMOUNT BUDGETED
	PERSONAL SERVICES					
511010	SALARIES – EXEMPT	\$742,103.26	\$ -	\$ -	\$556,501.74	\$1,298,605.00
511000	SALARIES – CLASSIFIED	\$ -	\$40,450.00	\$ -	\$ -	\$40,250.00
	SUB-TOTAL	\$742,103.26	\$45,450.00	\$ -	\$556,501.74	\$1,338,855.00
	FRINGE BENEFITS					
522200	WORKERS COMP.	\$3,517	\$1,906	\$ -	\$5,492	\$10,915.00
521000	F.I.C. A	\$20,320	\$6,449	\$ -	\$50,284	\$77,053.00
521100	MEDICARE	\$6,994	\$1,704	\$ -	\$10,715	\$19,413.00
522000	HEALTH INSURANCE	\$85,562	\$59,754	\$ -	\$155,722	\$301,038.00
520010	EMPL. CONTRI. RETIR.	\$108,998	\$27,989	\$ -	\$129,099	\$266,086.00
	SUB-TOTAL	\$225,391.00	\$97,802.00	\$ -	\$351,312	\$674,505.00
	SUPPLIES					
541000	OFFICE SUPPLIES	\$5,000	\$10,500	\$5,260	\$5,000	\$25,760.00
541100	OPERATING SUPPLIES	\$2,500	\$15,000	\$2,500	\$3,750	\$23,750.00
542000	REPAIR & MAINTENANCE	\$2,000	\$11,530	\$2,000	\$2,000	\$17,530.00
542100	SMALL TOOLS	\$5,000	\$40,000	\$5,000	\$3,000	\$53,000.00
543100	FOOD & CATERING	\$5,500	\$7,500	\$2,000	\$15,000	\$30,000.00
546100	CLOTHING & CLOTH MATERIAL	\$3,000	\$6,000	\$10,000	\$10,000	\$29,000.00
541200	VEHICLE SUPPLIES	\$1,157	\$2,000	\$ -	\$5,000	\$8,157.00
	SUB-TOTAL	\$24,157.00	\$92,530.00	\$26,760.00	\$43,750	\$187,197.00
	OTHER SERVICES					
532000	REPAIRS & MAINTENANCE	\$12,500	\$50,000	\$12,500	-	\$75,000.00
532100	AUTOMOTIVE REPAIR AND MAINTENANCE	\$3,000	\$5,000	-	\$9,312	\$17,312
535000	COMMUNICATION	\$5,000	\$31,714	\$14,000	\$5,500	\$56,214.00
534000	PROFESSIONAL SERVICES	\$25,000	\$75,000	\$25,000	\$75,000	\$200,000.00
560000	TRAVEL	\$12,006	\$12,000	\$12,000	\$12,000	\$48,006.00
536000	TRANSPORTATION –	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000.00

	NOT TRAVEL					
560100	PURCHASE BULK AIRLINE	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000.00
535010	ADVERTISING & PROMOTION	\$4,000	\$5,500	\$2,000	\$6,322	\$17,822.00
533020	RENTAL MACHINE/EQUIPMENT	\$1,000	\$19,500	\$1,000	\$2,484	\$23,984.00
532100	RENTAL LAND/BUILDING	\$24,000.00	-	-	-	\$24,000.00
563100	PENSION FUND AGENCY & INDIV	\$150,000	-	-	-	\$150,000.00
564100	TERRITORIAL ACTIVE DUTY	\$200,000	-	-	-	\$200,000.00
564100	OTHER SERVICE NOC	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000.00
SUB-TOTAL		\$454,006.00	\$216,214.00	\$84,000.00	\$128,118.00	\$882,338.00
UTILITIES						
	ELECTRICITY	\$ -	\$200,000	\$ -		\$200,000
	WATER	\$ -	\$10,000	\$ -		\$10,000
	SUB-TOTAL	\$ -	\$310,000.00	\$ -		\$310,000.00
CAPITAL OUTLAYS						
575000	MACH EQUIP & MISC.	\$20,736	\$50,000	\$20,000	\$20,368	\$111,104.00
SUB-TOTAL		\$20,736.00	\$50,000.00	\$20,000.00	\$20,368.00	\$111,104.00
TOTAL GENERAL FUND			\$3,503,999.00			

The Budget Breakdown descriptions are as follows:

Personnel Services:

The amount of \$1,338,855.00 represents the salaries to include the Youth About Face and Forward March Program and 25% territorial matching funds.

Capital Outlay:

The amount of \$111,104.00 represents collaboration of Agency Operations and Youth About Face and Forward March Program, and the local match of the Master Cooperative Agreement for Capital Projects. This amount supports the repairs, rehabilitation, and new construction projects for the facilities at Estate Bethlehem and Estate Nazareth Military Compounds to maintain compliance with local and federal codes.

Fringe Benefits:

The amount of \$674,505.00 represents the total fringe to include the Youth About Face and Forward March Program and 25% territorial matching funds.

Supplies:

The amount of \$187,197.00 will be for the purchase of supplies in support of the local match of the Master Cooperative Agreement, Agency Operations and Youth About Face and Forward March Program.

Other Services & Charges:

The amount of \$1,192,338.00 represents operational, service, utilities, and miscellaneous charges. \$678,220.00 is earmarked for operational service and utilities, \$150,000.00 is earmarked for National Guard Pension Funds, which provides a monthly stipend to qualified, retired Virgin Islands National Guard members as mandated under Title 23, Section 1556 of the VI Code. Thirty-eight (38) eligible members are projected for Fiscal Year 2027 to receive this stipend. The amount of \$164,118.00 is earmarked for the Youth About Face and Forward March Program. The amount of \$200,000.00 is earmarked for the Territorial Active-Duty Fund. This concludes the justification for the General Fund Budget of \$3,503,999.00, which includes the Miscellaneous Appropriation of \$514,118.00 as recommended for Fiscal Year 2027. I will continue with the Justification of the Master Cooperative Agreement (MCA).

The Department of Defense National Guard Bureau enters into master cooperative agreements (MCA) with States and Territories to provide Federal Support for services provided by the State and Territory Military Departments for authorized facilities for leases, real property maintenance and repair, operations and maintenance, and minor construction costs. The Adjutant General (TAG) and the United States Property & Fiscal Officer (USPFO) are responsible for the execution of the MCA and Appendices. OTAG in conjunction with the United States Property and Fiscal Office (USPFO), through the Master Cooperative Agreement (MCA), provides services to the territory on behalf of the Virgin Islands National Guard. This agreement is a fully executed contract between the Territory and Federal Government and is renewed every Fiscal Year. On an annual basis, the territory receives federal funds as a reimbursement for expenses incurred through the MCA programs. The MCA is comprised of seven (7) programs or appendices. Each appendix has its own funding. The OTAG pays for services in advance and is reimbursed for a certain percentage depending on the program. Two (2) of the programs' expenditures are calculated at a match split whereas the remaining five (5) programs are one hundred 100% percent federally reimbursed. To date we have expended \$1,218,140.82 which is in the process to be reimbursed from the Federal Government to the territory.

The Projected Federal Funds of \$6,147,781.45, which supports the Master Cooperative Agreement for Fiscal Year 2027 is as follows:

- \$1,513,200.00 represents the Army National Guard Security Program all expenditures are federally reimbursed at 100%.
- \$3,922,509.00 supports the Facilities and Maintenance Program. Operational and maintenance expenditures are federally reimbursed at 75% with support of a General Fund local match of 25%.
- \$147,118.25 is projected to cover the Telecommunications Program all expenditures are federally reimbursed at 100%.
- \$239,820.00 represents the projected cost to support the Environmental Resource Program. All expenditures are federally reimbursed at 100%.
- \$37,834.00 is projected for Air National Guard Operating and Maintenance Program. This

program requires a 25% General fund local match and a federal contribution of 75% of the total expenditures.

- \$73,000.00 is for the support of the Distance Learning Program. All charges incurred under this program are federally reimbursed at 100%.
- \$214,300.00 is the projected cost to support the Electronic Security System all expenditures are federally reimbursed at 100%.

Mr. Chairman, it is of utmost importance to note that the requested General Fund matches for the Master Cooperative Agreement Operating and Maintenance Cost must be committed to receive the federal share. The Budget Projection presented to you today includes the recommended General Fund Budget of \$3,503,999.00 to receive the Federal Projected Allocation of \$6,147,781.45. This allocates a combined total of \$9,651,780.45 in federal and local funds, to support the Office of the Adjutant General's operations for Fiscal Year 2027.

This concludes my presentation of the Fiscal Year 2027 proposed budget. Thank you for your attentiveness and stand ready to answer your questions on fiscal and administrative matters. I will be followed by the COL Deborah Lobbenmeier, United States Property & Fiscal Officer for the Virgin Islands National Guard.



United States Property and Fiscal Office

Fiscal Year 2027 Budget



Good morning, Committee Chairman, Senator Novelle E. Francis, Jr Members of the Committee on Finance, and other members of the 36th legislature. I am Colonel Deborah Lobbenmeier, United States Property & Fiscal Officer for the Virgin Islands National Guard. My testimony today will present the Fiscal year 2027 projected federal funding and the required local match.

The Virgin Islands National Guard is primarily supported by three Army and Air Appropriations: National Guard Personnel, Army (NGPA) or 2060 Appropriation; Operations & Maintenance, Army NG (OMNG) or what we refer to as the 2065 Appropriation; and Military Construction, Army NG (MCNG) or 2085 Appropriation; and the Air National Guard Appropriations: Operations & Maintenance, Air National Guard Personnel, and Military Construction.

The FY 2027 National Guard Budget request supports the Secretary of the Army's reform goals, which aim to generate savings that can be reinvested into modernization, lethality, and quality of life programs for Service Members. A key focus of the modernization effort is the increased funding for the ARNG Regional Cyber Center. This investment will improve operational support for Information Technology, Signal and Cyber organizations across the enterprise, addressing needs identified after the Unified Network Convergence.

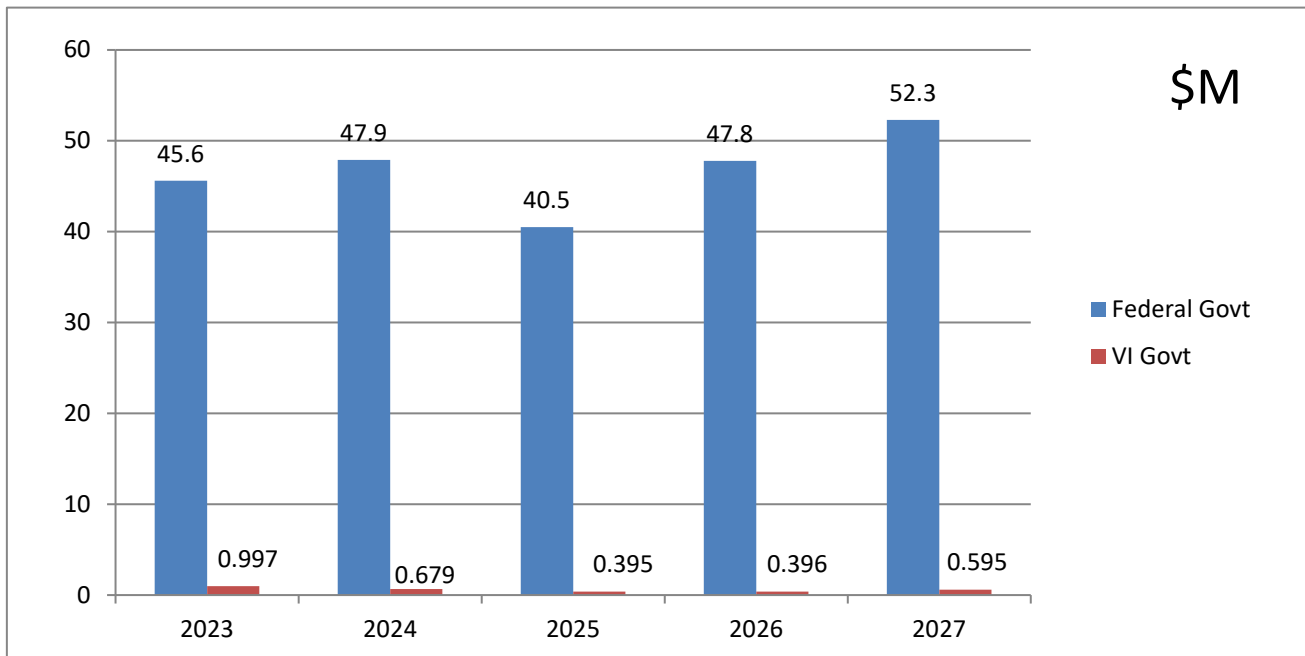
The changes in the FY 2027 budget are split between price and program changes: The price changes are due to increases in the rates for pay and allowances. Military pay and allowances raise effective 1 January 2027 are Basic Pay 7%, Basic Allowance for Housing 3.9%, and Basic Allowance for Subsistence 3.4%. In FY 2027, the Virgin Islands National Guard anticipates an overall funding increase of 10% over FY 2026 actuals, going from total

funding of \$47.8 million dollars in 2026 to \$52.3 million dollars in 2027. Areas that saw increases were Active Guard Reserve (AGR) payroll, from 14.3 million dollars to 16.4 million dollars, Technician payroll from 12.4 million dollars to 12.5 million dollars, part-time (M-day) payroll from 3.4 million dollars to 4.2 million dollars and operation and training, 4.5 million dollars to 5.7 million dollars. Funding levels for installation support are 8.0 million dollars and services and supplies 6.0 million dollars. The graph below depicts the Army and Air National Guard overall funding for FY 2027 which is projected to be 52.3 million dollars for the Army and 3.9 million dollars for the Air National Guard. Full-time and part-time payroll of 36.3 million dollars and operations and maintenance of 20.0 million dollars.

FY-2027 PROJECTED FEDERAL REVENUE

<u>EXPENDITURES</u>	<u>ARMY CATEGORY</u>	<u>AIR CATEGORY</u>
FULL-TIME PAYROLL	\$ 28,973,569.54	\$ 2,291,365.00
PART-TIME PAYROLL	\$ 3,899,285.70	\$ 1,190,260.00
SERVICES & SUPPLIES	\$ 6,191,819.86	\$ 241,000.00
INSTALLATION SUPPORT	\$ 8,076,691.65	\$ 63,900.00
OPERATIONS & TRAINING	\$ 5,248,012.17	\$ 197,500.00
ESGR	\$ 3,920.00	-
TOTAL	\$52,393,298.92	\$ 3,984,025.00

5 YEAR BUDGET COMPARISON



The chart above illustrates the difference between federal and territorial support to the Virgin Islands National Guard over five (5) fiscal years. Current projections for FY 2027 will require the local government to provide \$595 thousand dollars to fully execute the Master Cooperative Agreement. The territory is responsible for matching federal funding at varying totals based on the facility. The St. Thomas Armory, which is our state armory, requires 43%, 37% or 50% based on the project, the St. Croix Armory requires 25%, Sprat Hall facility 4%, Air Guard facility 25% and Joint Force Headquarters 25%. This matching fund is crucial because the federal share cannot be committed without the territory's percentage being available. The FY 2027 federal allocation projects a slight increase from 2026.

Significant is the fact that we do everything we can to keep these monies in the territory to support the local economy. We estimate that during fiscal year 2027 75%, or approximately \$42 million dollars, will remain in the Virgin Islands. The National Guard is a good investment for the territory of the Virgin Islands.

Mr. Chairman, this concludes my testimony. I will be followed by the Adjutant General.



Conclusion

Mr Chairman, before I conclude, I would like to address two hot button items.

1. Issue: Vendor Payment Delays due to Government of the Virgin Islands

Revenue Constraints: "Mr. Chairman, I want to be entirely clear: I recognize and

respect the immense fiscal pressure facing the Government of the Virgin Islands. I understand that the treasury must balance competing, high priority mandates every single day. However, when local revenue shortfalls delay disbursements to our local vendors, it triggers an immediate operational bottleneck.

- Many of these vendors are small, local Virgin Islands businesses which cannot afford delayed payments while sustaining their small employee workforce and daily operating overhead cost. When we delay payments, we damage local economy's resilience and strain the very community we are sworn to protect.
- Furthermore, persistent local payment delays put our federal matching dollars at risk. If we cannot meet our local financial obligations timely, federal authorities can freeze or reallocate parts of that **\$6.1 million** federal injection. Protecting VING's cash flow isn't about prioritizing one agency over another, it is about securing the massive federal revenue stream that keeps our territory safe."

1. Solution: Our solution was to transition as many maintenance, sustainment, and operating costs to the federal in-kind assistance payment process when legally and feasibly allowed.

2. Issue: National Guard Pension Payment Delays Due Government of the Virgin Islands Revenue Constraints: Mr Chairman, our retired Guardsmen are the bedrock of this community. They served through hurricanes, global wars, and civil unrest. I am deeply aware of the anxiety caused by pension delays stemming from our current revenue constraints. But we must look at this through the lens of readiness.

- Today's recruits look closely at how we treat yesterday's veterans. I commend previous legislation that provides a \$350.00 pension for our Grey Area National Guard retirees from age 55 to 60 until they draw their

federal National Guard Pension.

- The commitment for the Government of Virgin Islands to award such a benefit without any servicemember monetary contributions like what is required by the GERS system is highly commendable. However, when pension checks are delayed because of treasury cash-flow priorities, it could severely damage our current recruitment and retention metrics.
- If we cannot retain our personnel, we cannot man our units, and we jeopardize our standing as a reliable joint force for in the Western Hemisphere supporting USSOUTHCOM and USNORTHCOM areas of responsibilities.

Solution: We will continue to work with the Office of Management and Budget and the Department of Finance to establish protected mechanism for the National Guard Grey Area Retiree's pension. Our veterans sacrificed for us unconditionally; their retirement security must be treated as a non-negotiable obligation.



This concludes our written testimony. We seek your committee's favorable vote of approval for our Fiscal Year 2027 proposed budget. This bodies approval will enable our efforts to increase operational readiness with realistic *ends*; **ethical, legal, and moral ways**; and the appropriate means to fund the operations of the Virgin Islands Army and Air National Guards for its continued support to DSCA requirements in the territory and our federal warfighting mission requirements. Our team is ready to answer your questions regarding our Fiscal Year 2027 Budget request. Of note, a supplement to our budget testimony package is an overview of the Youth About Face and Forward March Program. Mr Darnell Williams the Chief Program Coordinator is present to address any questions regarding these programs.