



# **OFFICE OF THE ADJUTANT GENERAL**

**FY17 ANNUAL BUDGET PRESENTATION**

**JULY 7, 2016**

# **OFFICE OF THE ADJUTANT GENERAL**

## **FISCAL YEAR 2017 BUDGET PRESENTATION**

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**TESTIFIERS FOR FISCAL YEAR 2017**

1. **BRIGADIER GENERAL (VI) DEBORAH Y. HOWELL**
2. **MS. SYLMA C. SABLON**
3. **COLONEL DEBORAH V. LOBBENMEIER**

**OFFICE OF THE ADJUTANT GENERAL – OTAG**  
**FISCAL YEAR 2017**  
**BUDGET PRESENTATION – EXECUTIVE OVERVIEW**  
**BY**  
**BRIGADIER GENERAL (VI) DEBORAH Y. HOWELL**  
**THE ADJUTANT GENERAL**  
**VIRGIN ISLANDS NATIONAL GUARD**

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GOOD MORNING, THE HONORABLE SENATOR CLIFFORD GRAHAM, CHAIRMAN OF THE COMMITTEE ON FINANCE, FINANCE COMMITTEE MEMBERS, OTHER MEMBERS OF THE LEGISLATURE, LEGISLATIVE STAFF AND THE VIEWING AND LISTENING AUDIENCE. I AM BRIGADIER GENERAL DEBORAH HOWELL, THE ADJUTANT GENERAL OF THE VIRGIN ISLANDS AND COMMANDER OF THE VIRGIN ISLANDS NATIONAL GUARD. TODAY I AM HERE TO PROVIDE TESTIMONY RELATIVE TO THE OFFICE OF THE ADJUTANT GENERAL'S FISCAL YEAR 2017 OPERATING BUDGET. ACCOMPANYING ME TO PROVIDE THE DETAILS SUPPORTING OUR BUDGET REQUEST IS MS. SYLMA SABLON, DIRECTOR OF ADMINISTRATION AND BUSINESS MANAGEMENT FOR THE OFFICE OF THE ADJUTANT GENERAL. ALSO WITH ME IS COLONEL DEBORAH LOBBENMEIER, THE UNITED STATES PROPERTY AND FISCAL OFFICER FOR THE VIRGIN ISLANDS, WHO WILL PROVIDE A SUMMARY OF ANTICIPATED FEDERAL FUNDS

FOR SUPPORTING THE READINESS OF THE VIRGIN ISLANDS NATIONAL GUARD. TODAY YOU WILL NOTICE THAT SEVERAL STAFF OFFICERS ARE IN THE AUDIENCE. MY STAFF IS HERE TO PROVIDE SUBJECT MATTER INFORMATION AS NECESSARY.

LAST YEAR I APPEARED BEFORE YOU AT THE BEGINNING OF THE NOMINATION PROCESS FOR ADJUTANT GENERAL AND I HAD NOT YET SUFFICIENTLY ASSESSED THE ORGANIZATION. ONE YEAR LATER, LET ME ASSURE YOU THAT THE VIRGIN ISLANDS NATIONAL GUARD IS PREPARED TO RESPOND IN SUPPORT OF THE PRESIDENT, THE GOVERNOR AND THE VIRGIN ISLANDS COMMUNITY WHEN REQUIRED. CURRENTLY THE VIRGIN ISLANDS NATIONAL GUARD HAS 24 SOLDIERS DEPLOYED IN SUPPORT OF OPERATION FREEDOM'S SENTINEL. THEY ARE DOING WELL AND WE LOOK FORWARD TO THEIR SAFE RETURN. PLEASE CONTINUE TO PRAY FOR THEM AND ALL OTHERS CURRENTLY SERVING. THE VIRGIN ISLANDS NATIONAL GUARD IS 828 STRONG. THERE ARE 764 ARMY SOLDIERS AND 64 AIR FORCE AIRMEN SERVING IN OUR RANKS. I MUST ADMIT THAT WITH THE ARMY'S FORCE STRUCTURE REDUCTION, THE VIRGIN ISLANDS NATIONAL GUARD'S STRENGTH CEILING FOR FISCAL YEAR 2017 WAS REDUCED BY 137 SOLDIERS. IT BEHOOVES US AS AN ORGANIZATION, A GOVERNMENT AND A COMMUNITY TO DEMONSTRATE OUR COMMITMENT TO THE VIRGIN ISLANDS NATIONAL GUARD.

FEDERAL LAW REQUIRES THE LOCAL GOVERNMENT PROVIDE AN INFRASTRUCTURE FOR SUPPORTING AND MAINTAINING THE NATIONAL GUARD. THE OFFICE OF THE ADJUTANT GENERAL PROVIDES EXECUTIVE DIRECTION,

MANAGEMENT OVERSIGHT, PLANNING, AND ADMINISTRATIVE SUPPORT TO THE VIRGIN ISLANDS NATIONAL GUARD. THERE ARE 334 FULL TIME SUPPORT PERSONNEL, 297 WHO ARE FEDERAL AND 37 TERRITORIAL, ENSURING WE ARE ALWAYS READY, ALWAYS THERE.

THE PURPOSE OF TODAY'S HEARING IS TO PROVIDE JUSTIFICATION OF THE TERRITORIAL BUDGET REQUESTED FOR 2017. THE OFFICE OF THE ADJUTANT GENERAL IS REQUESTING AN ANNUAL APPROPRIATION OF \$1,227,725 IN TERRITORIAL FUNDS, CONSISTENT WITH LAST YEAR'S REQUEST. THESE FUNDS PRIMARILY COVER PAYROLL, FACILITY MAINTENANCE, UTILITIES, COMMUNICATIONS, SUPPLIES AND SERVICES. MS. SABLON WILL PROVIDE THE DETAILED JUSTIFICATION AND ANSWER QUESTIONS ON THE ACCOUNTING DATA SUPPORTING OUR REQUEST.

ADDITIONALLY, COLONEL LOBBENMEIER WILL PRESENT INFORMATION REGARDING THE FEDERAL BUDGET. WE ARE BEING TRANSPARENT IN SHARING WHAT WE ANTICIPATE RECEIVING, AS THE FUNDING ON THE FEDERAL SIDE IN MANY CASES REQUIRES A LOCAL SHARE MATCH TO EXECUTE SPENDING. WE HAVE FIVE MAJOR APPENDICES TO OUR MASTER COOPERATIVE AGREEMENT THAT REQUIRE A LOCAL MATCH FOR OPERATIONAL MAINTENANCE. THESE PROGRAMS ARE PHYSICAL SECURITY, FACILITIES MAINTENANCE WHICH INCLUDES UTILITIES, ELECTRONIC SECURITY SYSTEM, ENVIRONMENTAL AND COMMUNICATIONS. IT IS IMPORTANT TO NOTE EACH FUNDING IS CONTINGENT ON THE OTHER, WE MUST HAVE THE LOCAL SHARE TO COMMIT THE FEDERAL SHARE.

AS WE DEFEND OUR BUDGET, THE FISCAL YEAR 2017 BUDGET REQUEST YOU HAVE BEFORE YOU WILL ENABLE US TO CONTINUE TO MEET OUR TERRITORIAL AND FEDERAL MISSION. MS. SABLON WILL NOW PROVIDE THE DETAILS OF OUR TERRITORIAL BUDGET FOR THE OFFICE OF THE ADJUTANT GENERAL AND COLONEL LOBBENMEIER WILL FOLLOW WITH A SUMMARY OF THE VIRGIN ISLANDS NATIONAL GUARD'S FEDERAL BUDGET. I WILL PROVIDE A SUMMATION AT THE END OF BOTH PRESENTATIONS.

# OFFICE OF THE ADJUTANT GENERAL



## **FISCAL YEAR 2017 BUDGET HIGHLIGHTS**

GOOD MORNING COMMITTEE CHAIRMAN, CLIFFORD F. GRAHAM, MEMBERS OF THE COMMITTEE ON FINANCE, SENATORS, LADIES AND GENTLEMEN. I AM SYLMA C. SABLON, DIRECTOR OF ADMINISTRATION AND BUSINESS MANAGEMENT IN THE OFFICE OF THE ADJUTANT GENERAL. TODAY, I WILL GIVE YOU THE HIGHLIGHTS OF THE AGENCY'S FISCAL YEAR 2017 BUDGET.

THE GENERAL FUND RECOMMENDED BUDGET OF \$1,227,725, THE MISCELLANEOUS BUDGET APPROPRIATION OF \$51,500 EARMARKED FOR THE VIRGIN ISLANDS NATIONAL GUARD'S PENSION FUND AND THE PROJECTED FEDERAL BUDGET ALLOCATION OF \$5,690,379 ARE ALL PROPOSED TO PROVIDE SUPPORT TO THE VIRGIN ISLANDS NATIONAL GUARD THROUGH THE DIVISIONS LISTED BELOW:

**THE ADMINISTRATIVE SERVICES DIVISION** ADMINISTERS AND OVERSEES ALL THE ADMINISTRATIVE ACTIVITIES AND OPERATIONS OF THE AGENCY. THIS INCLUDES, BUT NOT LIMITED TO, THE PROCESS OF BUDGETING, FISCAL CONTROL AND PERSONNEL MANAGEMENT.

**THE MAINTENANCE DIVISION PROVIDES OPERATIONAL SUPPLIES FOR BUILDING REPAIRS AND MAINTENANCE, CUSTODIAL SERVICES, GROUNDS-KEEPING AND ENVIRONMENTAL PROTECTION FOR THE VIRGIN ISLANDS NATIONAL GUARD.**

**ONE OF THE KEY PERFORMANCE INDICATORS IS COMPLIANCE WITH THE UNITED STATES VIRGIN ISLANDS BUILDING CODES. TO DATE, THIS DIVISION HAS MET ALL OF THE STANDARDS OUTLINED AND HAS ACHIEVED MOST OF ITS GOALS.**

**THE SECURITY GUARDS PROVIDE PROTECTION FOR ALL THE VIRGIN ISLANDS NATIONAL GUARD PERSONNEL, FACILITIES AND PROPERTY.**

**THE MAIN KEY PERFORMANCE INDICATOR IS THE NUMBER OF SECURITY BREACHES REPORTED AT ANY GIVEN TIME. TO DATE, THAT NUMBER REMAINS AT ZERO. THE SECURITY GUARDS, AS ALWAYS, HAVE CONTINUED TO GIVE EXCELLENT SUPPORT IN SECURING THE FACILITIES AND LIVELIHOOD OF THE VIRGIN ISLANDS NATIONAL GUARD.**

**EACH DIVISION OF OTAG SUPPORTS THE POLICIES AND PROCEDURES OF THE KEY STRATEGIC OBJECTIVES OF THE VIRGIN ISLANDS NATIONAL GUARD TO ENABLE THEM TO FULFILL THEIR MISSIONS AT BOTH FEDERAL AND TERRITORIAL LEVELS.**

**THE AGENCY HAS THREE (3) KEY PERFORMANCE GOALS:**

- 1) PROMOTE OPERATIONAL EFFECTIVENESS**
- 2) ESTABLISH A SAFE AND SECURE VING AND OTAG THROUGH EFFECTIVE AND EFFICIENT PREPAREDNESS**
- 3) BUILD A COMPREHENSIVE TERRITORIAL SUPPORT CAPABILITY IN RESPONSE TO ANY AND ALL THREATS.**

I WILL NOW JUSTIFY THE RECOMMENDED OPERATING BUDGET FOR FISCAL YEAR 2017.

**OFFICE OF THE ADJUTANT GENERAL**  
**FY 2017 GOVERNOR'S RECOMMENDED**  
**APPROPRIATION**

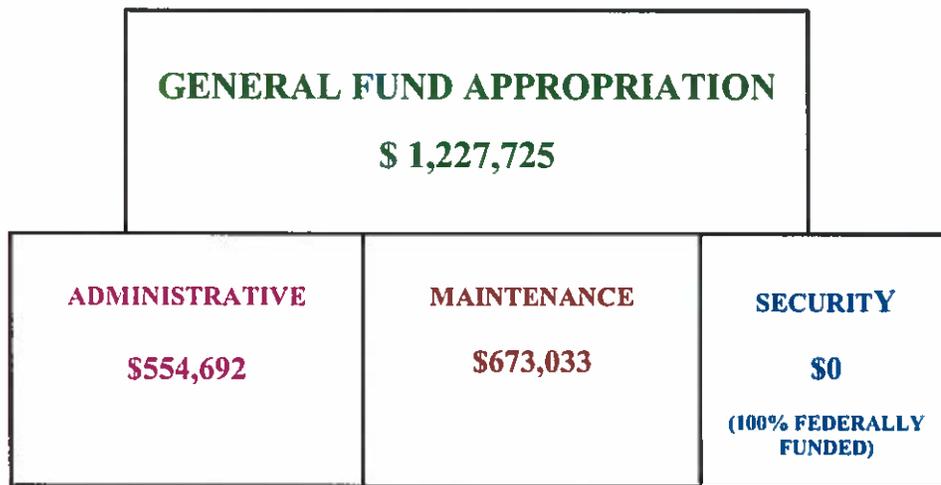


<u>ACCOUNT TITLE</u>	<u>AMOUNT</u>
PERSONAL SERVICES	\$ 392,494
FRINGE BENEFITS	157,604
CAPITAL OUTLAYS	75,000
SUPPLIES	42,497
OTHER SVCS & CHGS	186,126
UTILITIES	<u>374,004</u>
<b>TOTAL.....</b>	<b>\$1,227,725</b>

AS LISTED IN THE CHART ON THE PREVIOUS PAGE, THE GENERAL FUND RECOMMENDED BUDGET FOR FISCAL YEAR 2017 IS \$1,227,725.

**OFFICE OF THE ADJUTANT GENERAL  
FISCAL YEAR 2017  
GENERAL FUND**

**BUDGET BREAKDOWN**



THE DIAGRAM ABOVE SHOWS THE BREAKDOWN, BY DIVISION, OF THE GENERAL FUND RECOMMENDED BUDGET OF \$1,227,725. THE ADMINISTRATIVE SERVICES DIVISION WILL RECEIVE \$554,692 OR 45 PERCENT AND THE MAINTENANCE DIVISION WILL RECEIVE \$673,033 OR 55 PERCENT.

THE GENERAL FUND ACTIVITY CENTERS FOR THE OFFICE OF THE ADJUTANT GENERAL ARE FURTHER BROKEN DOWN BY OBJECTS (ON PAGES 5 & 6) AND CAN BE VIEWED AT YOUR CONVENIENCE.

**OFFICE OF THE ADJUTANT GENERAL**  
***DETAILS OF FISCAL YEAR 2017***  
***PROPOSED BUDGET***

<u>OBJECTS</u>	<u>DESCRIPTION</u>	<u>2811</u> <u>AMOUNT</u> <u>BUDGETED</u> <small>(ADMIN. SVCS)</small>	<u>2821</u> <u>AMOUNT</u> <u>BUDGETED</u> <small>(MAINTENANCE)</small>	<u>2851</u> <u>AMOUNT</u> <u>BUDGETED</u> <small>(SECURITY)</small>	<u>TOTAL</u> <u>AMOUNT</u> <u>BUDGETED</u>
<b><u>PERSONAL SERVICES</u></b>					
511010	SALARIES - UNCLASSIFIED	\$168,748	0	0	\$ 168,748
511000	SALARIES - CLASSIFIED	167,500	56,246	0	223,746
512000	SALARIES - PART-TIME	0	0	0	0
514030	LUMP-SUM	0	0	0	0
	<b>SUB-TOTAL</b>	<b>\$336,248</b>	<b>\$56,246</b>	<b>0</b>	<b>\$392,494</b>
<b><u>CAPITAL OUTLAYS</u></b>					
575000	MACH. & EQUIPMENT	\$0	\$75,000	0	\$75,000
	<b>SUB-TOTAL</b>	<b>\$0</b>	<b>\$75,000</b>	<b>0</b>	<b>\$75,000</b>
<b><u>FRINGE BENEFITS</u></b>					
522200	WORKERS COMP.	\$2,241	\$660	0	\$2,901
521000	SOCIAL SECURITY	20,847	3,487	0	24,334
521100	MEDICARE	4,876	815	0	5,691
522000	HEALTH INSURANCE	38,517	16,960	0	55,477
520010	EMPL. CONTRI.-RETIR.	57,671	11,530	0	69,201
	<b>SUB-TOTAL</b>	<b>\$124,152</b>	<b>\$33,452</b>	<b>0</b>	<b>\$157,604</b>

**OFFICE OF THE ADJUTANT GENERAL**  
**DETAILS OF FISCAL YEAR 2017**

***PROPOSED BUDGET***

<b><u>OBJECTS</u></b>	<b><u>DESCRIPTION</u></b>	<b>2811 AMOUNT BUDGETED</b>	<b>2821 AMOUNT BUDGETED</b>	<b>2851 AMOUNT BUDGETED</b>	<b>TOTAL AMOUNT BUDGETED</b>
		<small>(ADMIN. SVCS)</small>	<small>(MAINTENANCE)</small>	<small>(SECURITY)</small>	
<b><u>SUPPLIES</u></b>					
541000	OFFICE SUPPLIES	\$8,547	\$2,000	0	\$10,547
541100	OPERATING SUPP.	8,300	10,000	0	18,300
542000	REPAIR & MAINT	2,750	9,000	0	11,750
542100	SMALL TOOLS	0	0	0	0
541200	VEHICLE SUPPLIES	1,900	0	0	1,900
	<b>SUB-TOTAL</b>	<b>\$21,497</b>	<b>\$21,000</b>	<b>0</b>	<b>\$42,497</b>
<b><u>OTHER SERVICES</u></b>					
535000	COMMUNICATION	\$18,048	\$0	0	\$18,048
560000	TRAVEL	2,435	0	0	2,435
560100	BULK TICKETS	5,600	0	0	5,600
535010	ADV. & PROMO.	0	0	0	0
535020	PRIN. & BIND.	0	0	0	0
532100	AUTOMOTIVE MAIN	2,855	0	0	2,855
532000	REPAIR & MAINT. PROFESSIONAL	14,336	60,055	0	74,391
534000	SERVICES	0	71,797	0	71,797
533020	RENTAL/MACH.	0	1,000	0	1,000
564100	OTHER SERVICES	10,000	0	0	10,000
561000	INSURANCE.	0	0	0	0
534100	SECURITY SERVICES	0	0	0	0
534110	TRAINING	0	0	0	0
	<b>SUB-TOTAL</b>	<b>\$53,274</b>	<b>\$132,852</b>	<b>0</b>	<b>\$186,126</b>
<b><u>UTILITY SERVICES</u></b>					
530000	ELECTRICITY	\$18,971	349,483	0	\$68,454
531010	WATER	550	5,000	0	5,550
	<b>SUB-TOTAL</b>	<b>\$19,521</b>	<b>\$354,483</b>	<b>0</b>	<b>\$374,004</b>
<b>TOTAL GENERAL FUNDS (100)</b>		<b>\$554,692</b>	<b>\$673,033</b>	<b>0</b>	<b>\$1,227,725</b>

THE BUDGET BREAKDOWN BY DESCRIPTIONS ARE AS FOLLOWS:

**PERSONAL SERVICES - \$392,494 OR 31.97%**

THIS AMOUNT REPRESENTS THE SALARIES OF EIGHT (8) FILLED POSITIONS AND ONE (1) VACANT POSITION. THERE ARE EIGHT (8) POSITIONS ON ST. CROIX AND ONE (1) ON ST. THOMAS.

**CAPITAL OUTLAY - \$75,000 OR 6.11%**

THIS AMOUNT REPRESENTS THE LOCAL MATCH FOR CAPITAL PROJECTS LISTED IN THE BUDGET FOR FISCAL YEAR 2017.

**FRINGE BENEFITS - \$157,604 OR 12.84%**

THIS FIGURE REPRESENTS THE FOLLOWING BREAKDOWN:

WORKERS COMPENSATION	\$ 2,901
SOCIAL SECURITY	24,334
MEDICARE	5,691
HEALTH INSURANCE PREMIUMS	55,477
EMPLOYER'S CONTRIBUTION / RETIREMENT	<u>69,201</u>
	<b><u>\$157,604</u></b>

**SUPPLIES - \$42,497 OR 3.46%**

THIS AMOUNT WILL BE FOR THE PURCHASE OF OFFICE AND OPERATING SUPPLIES IN SUPPORT OF THE LOCAL MATCH OF THE MASTER COOPERATIVE AGREEMENT. THE BREAKDOWN IS AS FOLLOWS:

OFFICE SUPPLIES	\$10,547
OPERATING SUPPLIES	18,300
REPAIR & MAINTENANCE SUPPLIES	11,750
VEHICLE SUPPLIES	<u>1,900</u>
	<b><u>\$42,497</u></b>

**OTHER SERVICES & CHARGES - \$186,126 OR 15.16%**

THE BREAKDOWN IS AS FOLLOWS:

PROFESSIONAL SERVICES	\$ 71,797
COMMUNICATION	18,048
REPAIR & MAINTENANCE	74,391
AUTOMOTIVE REPAIR & MAINT.	2,855
TRAVEL	2,435
PURCHASE BULK TICKETS (INTER-ISLAND)	5,600
OTHER SERVICES, N.O.C. (VING SUPPORT & RETIREMENT CEREMONIES)	10,000
RENTAL OF MACHINES/EQUIPMENT	<u>1,000</u>
	<b><u>\$ 186,126</u></b>

**UTILITIES - \$374,004 OR 30.46%**

THE BREAKDOWN IS AS FOLLOWS:

ELECTRICITY	\$ 368,454
WATER	<u>5,550</u>
	<b><u>\$ 374,004</u></b>

**MISCELLANEOUS BUDGET**

THE APPROPRIATION OF \$51,500 FOR THE MISCELLANEOUS BUDGET OF THE OFFICE OF THE ADJUTANT GENERAL FOR FY 2017 IS EARMARKED FOR THE NATIONAL GUARD PENSION FUND.

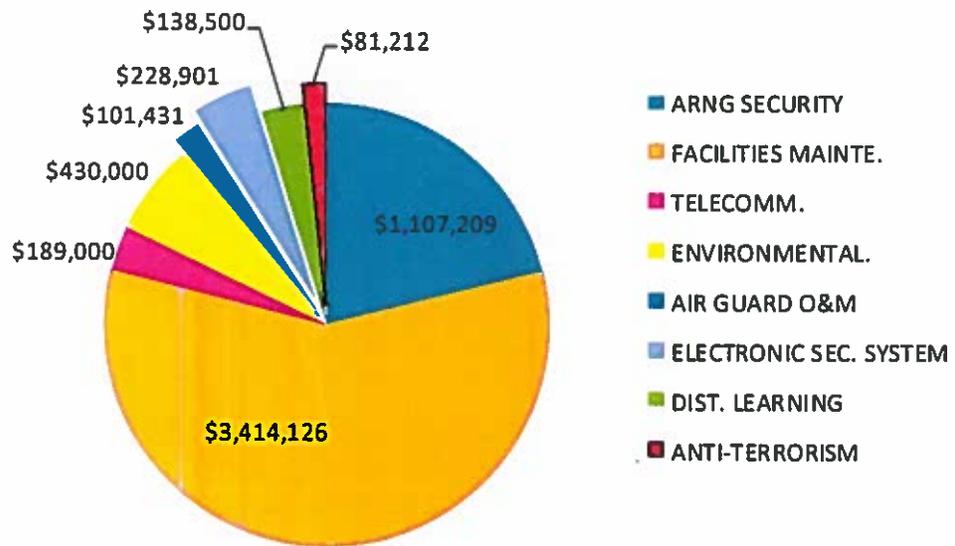
A STIPEND OF \$100 MONTHLY IS PAID TO EVERY QUALIFIED RETIRED NATIONAL GUARD MEMBER WHO HAS REACHED THE AGE OF 55 AND WHO IS ELIGIBLE ACCORDING TO THE REQUIREMENT STIPULATED UNDER TITLE 23, SECTION 1556 OF THE VI CODE.

THIS CONCLUDES THE JUSTIFICATION OF THE GENERAL FUND BUDGET OF \$1,227,725 AND THE MISCELLANEOUS APPROPRIATION OF \$51,500 AS RECOMMENDED BY THE GOVERNOR FOR FISCAL YEAR 2017. I WILL CONTINUE WITH THE JUSTIFICATION OF THE MASTER COOPERATIVE AGREEMENT (MCA) ON PAGE TEN (10).

# VING

## MASTER COOPERATIVE AGREEMENT

### FISCAL YEAR 2017 FEDERAL BUDGET PROPOSED ALLOCATION



THE MASTER COOPERATIVE AGREEMENT (MCA) IS COMPRISED OF EIGHT (8) PROGRAMS OR APPENDICES. ON AN ANNUAL BASIS, THE TERRITORY RECEIVES FEDERAL FUNDS AS REIMBURSEMENTS FOR FEDERALLY-REQUIRED PROGRAMS AND AS FEDERAL MATCHING FUNDS FOR SHARED EXPENSES INCURRED. THE EXPENDITURES OF TWO (2) OF THE PROGRAMS HAVE A 50/50 AND/OR 75/25 SPLIT. THE TELECOMMUNICATIONS PROGRAM HAS A 97/3 SPLIT WHILE THE REMAINING FIVE (5) PROGRAMS ARE REIMBURSED AT 100 PERCENT.

THE PIE CHART ON PAGE 9 SHOWS THE BREAKDOWN OF THE PROJECTED FEDERAL FUNDS OF \$5,690,379 THAT WILL SUPPORT THE MASTER COOPERATIVE AGREEMENT FOR FISCAL YEAR 2017. THE DISTRIBUTIONS ARE AS FOLLOWS:

- \$1,107,209 REPRESENTS PAYROLL FOR THE ARMY NATIONAL GUARD SECURITY PROGRAM, WHICH EMPLOYS TWENTY-THREE (23) FULL-TIME ARMY SECURITY GUARDS. THERE ARE CURRENTLY SIXTEEN (16) FILLED AND SEVEN (7) VACANT POSITIONS. ALL THE POSITIONS ARE 100 PERCENT FEDERALLY REIMBURSED.
- \$3,414,126 SUPPORTS THE FACILITIES AND MAINTENANCE PROGRAM. THERE ARE SIX (6) FILLED FULL-TIME POSITIONS AND ONE (1) VACANT POSITION FEDERALLY REIMBURSED AT 100 PERCENT AND ONE (1) FULL-TIME POSITION REIMBURSED AT 75 PERCENT.
- \$189,000 IS PROJECTED TO COVER THE TELECOMMUNICATIONS PROGRAM. THIS AMOUNT REPRESENTS 97 PERCENT OF THE TOTAL OBLIGATIONS.

- \$430,000 REPRESENTS THE APPROXIMATE AMOUNT TO SUPPORT THE ENVIRONMENTAL PROGRAM, WHICH CURRENTLY HAS TWO (2) FILLED FULL-TIME POSITIONS AND ONE (1) VACANT POSITION CERTIFIED TO BE FILLED. THESE POSITIONS ARE FEDERALLY REIMBURSED AT 100 PERCENT.
- \$101,431 IS PROJECTED FOR SUPPORT OF THE AIR NATIONAL GUARD OPERATING AND MAINTENANCE PROGRAM. THIS AMOUNT WILL REIMBURSE 75 PERCENT OF THE TOTAL EXPENDITURES FOR SUPPLIES, REPAIRS AND MAINTENANCE, ELECTRICITY AND WATER CHARGES.
- \$138,500 SUPPORTS OF THE DISTANCE LEARNING PROGRAM. CURRENTLY, THERE IS ONE (1) FULL-TIME EMPLOYEE. ALL CHARGES INCURRED UNDER THIS PROGRAM ARE FEDERALLY REIMBURSED AT 100 PERCENT.
- \$228,901 IS THE PROJECTED COST TO SUPPORT THE ELECTRONIC SECURITY SYSTEM. THERE IS ONE (1) FULL-TIME POSITION AND ALL EXPENDITURES ARE REIMBURSED BY THE FEDERAL GOVERNMENT AT 100 PERCENT.
- FINALLY, \$81,212 IS THE PROPOSED ALLOCATION FOR THE ANTI-TERRORISM PROGRAM. THERE IS ONE (1) FILLED FULL-TIME POSITION. ALL EXPENDITURES FOR THIS PROGRAM ARE REIMBURSED AT 100 PERCENT.

MR. CHAIRMAN, WITH THE GENERAL FUND RECOMMENDED BUDGET OF \$1,227,725, THE MISCELLANEOUS BUDGET OF \$51,500 AND THE FEDERAL

PROJECTED ALLOCATION OF \$5,690,379, THE TOTAL FUNDING PROJECTED FOR THE OFFICE OF THE ADJUTANT GENERAL FOR FISCAL YEAR 2017 IS \$6,969,604.

PLEASE NOTE THAT OF THE BUDGET PROJECTIONS PRESENTED TO YOU TODAY FOR THE OFFICE OF THE ADJUTANT GENERAL, **EIGHTY-TWO (82) PERCENT REPRESENTS THE FEDERAL PROPOSED BUDGET ALLOCATION EARMARKED FOR SPECIFIC PROJECTS.**

THIS CONCLUDES MY PRESENTATION OF THE FY 2017 PROPOSED BUDGET. I THANK YOU FOR YOUR ATTENTIVENESS AND STAND READY TO ANSWER YOUR QUESTIONS ON FISCAL AND ADMINISTRATIVE MATTERS. I WILL BE FOLLOWED BY COLONEL DEBORAH LOBBENMEIER, THE UNITED STATES PROPERTY AND FISCAL OFFICER FOR THE VIRGIN ISLANDS.



# **United States Property and Fiscal Office**

## **Fiscal Year 2017 Budget**



GOOD MORNING COMMITTEE CHAIRMAN, CLIFFORD F. GRAHAM, MEMBERS OF THE COMMITTEE ON FINANCE AND OTHER MEMBERS OF THE 31<sup>ST</sup> LEGISLATURE. I AM COLONEL DEBORAH LOBBENMEIER, UNITED STATES PROPERTY & FISCAL OFFICER FOR THE VIRGIN ISLANDS NATIONAL GUARD. MY TESTIMONY WILL DESCRIBE HOW FEDERAL DOLLARS SUPPORT THE VIRGIN ISLANDS ARMY NATIONAL GUARD AND IMPACT THE LOCAL ECONOMY.

THE ARMY NATIONAL GUARD IS PRIMARILY SUPPORTED BY THREE APPROPRIATIONS: OPERATIONS & MAINTENANCE, ARMY NG (OMNG) OR WHAT WE REFER TO AS THE 2065 APPROPRIATION; NATIONAL GUARD PERSONNEL, ARMY (NGPA) OR 2060 APPROPRIATION; AND MILITARY CONSTRUCTION, ARMY NG (MCNG) OR 2085 APPROPRIATION.

THE OMNG (2065) APPROPRIATION FUNDS THE OPERATIONS LOGISTICS, AND ADMINISTRATIVE SUPPORT FOR ARMY NATIONAL GUARD FORCES; THE NGPA (2060) APPROPRIATION FINANCES THE COSTS TO TRAIN, EDUCATE AND PREPARE ARMY NATIONAL GUARD SOLDIERS FOR THEIR MISSIONS.

THE FY 2017 BUDGET COMPLIES WITH THE BIPARTISAN BUDGET ACT OF 2015, WHICH GIVES THE DEPARTMENT BOTH FUNDING STABILITY AND PROTECTION FROM THE DAMAGE OF SEQUESTRATION IN FY 2016 AND FY 2017. WITHIN THE CONFINES OF THIS NEGOTIATED AMOUNT, THE BUDGET REQUESTS REFLECTS THE PRIORITIES NECESSARY FOR OUR FORCE TODAY AND IN THE FUTURE TO BEST SERVE AND PROTECT OUR NATION IN A RAPIDLY CHANGING SECURITY ENVIRONMENT. THIS FISCAL YEAR, WE ONCE AGAIN

EXPERIENCED A CONTINUING RESOLUTION AUTHORITY (CRA) THAT ENDED DECEMBER 18, 2015.

MR CHAIRMAN, THIS COMMITTEE MUST UNDERSTAND THAT MY TESTIMONY IS A PROJECTION FOR FISCAL YEAR 2017 (FY-17) FEDERAL BUDGET FOR THE VIRGIN ISLANDS NATIONAL GUARD. DUE TO THE CONTINUED FISCAL LONG TERM UNCERTAINTY AND THE FACT THAT WE HAVE NOT RECEIVED ANY PRELIMINARY BUDGET GUIDANCE (PBG) FROM NATIONAL GUARD BUREAU, I CAN ONLY PROVIDE THIS COMMITTEE WITH A PROJECTION AT THIS POINT IN TIME. KEY PROJECTED PROGRAM CHANGES FOR FY17 INCLUDE END STRENGTH REDUCTION FROM 342K TO 335K. THE ACTIVE GUARD RESERVE (AGR) IS ALSO EXPECTED TO SEE A DECREASE FROM APPROXIMATELY 30,770 TO 30,155. THOUGH THESE ARE NATIONAL PROJECTIONS, EACH STATE OR JURISDICTION WILL BE EXPECTED TO BEAR ITS PERCENTAGE OF THESE CUTS MAKING OUR PROGRAM A CANDIDATE FOR ITS SHARE OF REDUCTIONS. ADDITIONALLY THE NATIONAL DEFENSE AUTHORIZATION ACT 2016 REQUIRES THE CONVERSION OF NOT FEWER THAN 20 PERCENT OF SELECTED POSITIONS FROM MILITARY TECHNICIANS (DUAL STATUS) POSITIONS TO POSITIONS FILLED BY INDIVIDUALS WHO ARE EMPLOYED UNDER SECTION 3101 OF TITLE 5, UNITED STATES CODE, AND ARE NO LONGER MILITAY TECHNICIANS. THIS IS TO BE ACCOMPLISHED AS OF 1 JANUARY 2017. THE IMPACT LOCALLY IS THAT A PERCENTAGE OF OUR MILITARY TECHNICIANS CONTROLLED BY THE GOVERNOR WILL NOW BECOME FEDERAL EMPLOYEES CONTROLLED BY THE

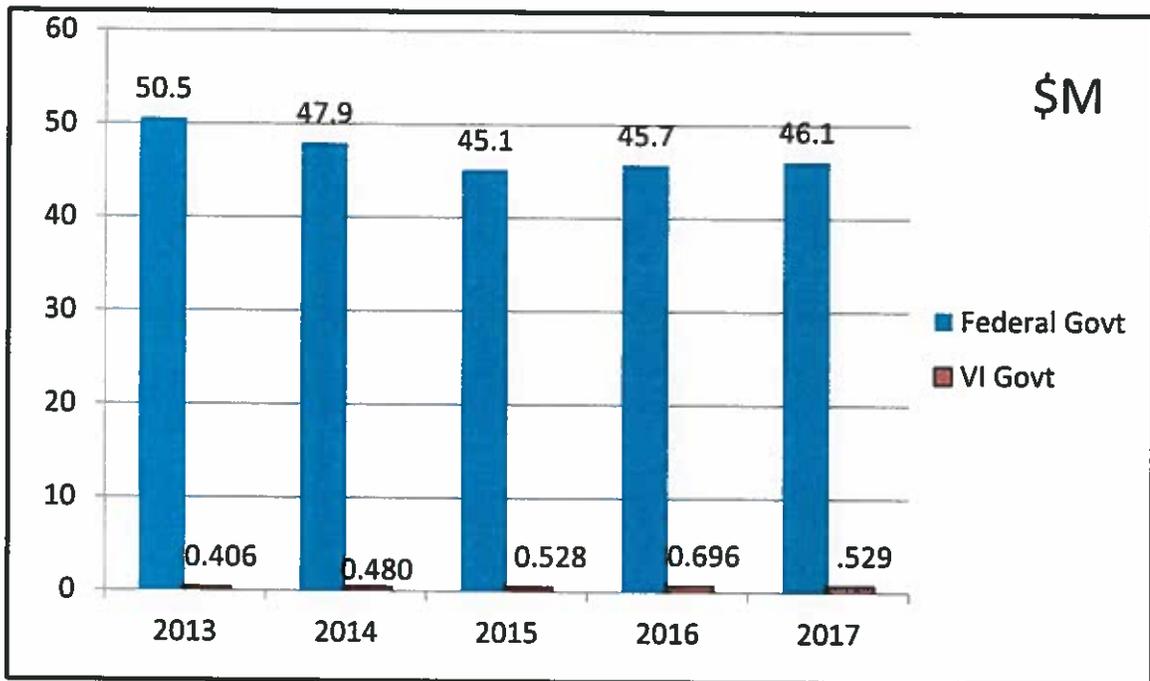
PRESIDENT. THE VIRGIN ISLANDS IS ALSO SCHEDULED TO HAVE ITS TECHNICIAN AUTHORIZATION REDUCED BY 10

THE PROJECTED FY17 BUDGET INCREASES REPRESENTS A 14.1 PERCENT INCREASE OVER LAST YEAR'S BUDGET FOR MILITARY SCHOOLS, BUT A REDUCTION OF 5.7% FOR SPECIAL TRAINING. OTHER KEY PROJECTED CHANGES INCLUDES AN OVERALL DECREASE OF 34.1 PERCENT IN OPTEMPO FUNDING. FLYING HOUR PROGRAM DECREASES AND FORCE STRUCTURE CHANGES WERE THE DRIVING FACTORS BEHIND THIS DECREASE. OVERALL BASE OPERATIONS INCREASED BY 2.8 PERCENT BUT LOGISTICS OPERATIONS THAT SUPPORTS MAINTENANCE, TRANSPORTATION OF PERSONNEL AND COSTS ASSOCIATED WITH GSA OWNED VEHICLES WERE REDUCED. SUSTAINMENT, RESTORATION AND MODERNIZATIONS (SRM) PROJECTS SAW AN OVERALL DECREASE OF 3.9 PERCENT, WHICH WILL IMPACT SUPPORT MAINTENANCE AND REPAIR ACTIVITIES NECESSARY TO KEEP FACILITIES IN A SERVICABLE CONDITION.

THE FOLLOWING CHARTS HIGHLIGHT THE AMOUNT OF FEDERAL DOLLARS THE VIRGIN ISLANDS NATIONAL GUARD RECEIVES AND THE IMPACT OF THOSE DOLLARS WITHIN THE TERRITORY. THIS DEMONSTRATES THE CRITICALITY OF THE TERRITORY PROVIDING ITS SHARE OF MATCHING FUNDS IN ORDER TO EXECUTE FEDERAL DOLLARS AND PROJECTS. THE DOLLAR FIGURES REFLECT WHAT THE VIRGIN ISLANDS NATIONAL GUARD PROJECTS TO RECEIVE FROM THE FEDERAL GOVERNMENT IN FY-17. THE ASSUMPTION IS

○ THAT THE TERRITORY WILL MATCH THE FEDERAL FUNDING AT THE RECOMMENDED LEVEL.

## 5 Year Budget Comparison



THIS CHART SHOWS A COMPARISON BETWEEN FEDERAL AND TERRITORIAL SUPPORT TO THE VIRGIN ISLANDS NATIONAL GUARD OVER FIVE (5) FISCAL YEARS. CURRENT PROJECTIONS REQUIRE THE LOCAL GOVERNMENT TO PROVIDE \$529,393 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 REQUIRES 43%, THE ST. CROIX ARMORY REQUIRES 25%, SPRAT HALL FACILITY 4%, AIR GUARDS 25% AND TELECOMMUNICATIONS REQUIRES 3%. THIS MATCHING OF FUNDS IS CRUCIAL BECAUSE WE CANNOT COMMIT THE FEDERAL SHARE WITHOUT THE TERRITORY'S PERCENTAGE BEING AVAILABLE.

AS YOU CAN SEE, THE 2017 FEDERAL ALLOCATION PROJECTS AN INCREASE FROM 2016. THE COST OF OPERATING THE VIRGIN ISLANDS NATIONAL GUARD STILL REMAINS VIABLE. WE WILL CONTINUE TO BE PROACTIVE TO ENSURE THAT WE GET MAXIMUM BENEFITS FROM THE RESOURCES PROVIDED.

### FY-17 Projected Federal Revenue

<u>Expenditures</u>	<u>Army Category</u>
Full-Time Payroll	\$27,289,222
Part-Time Payroll	\$4,491,518
Services & Supplies	\$4,844,850
Installation Support	\$5,717,149
Operations & Training	\$3,788,896
<b>Total</b>	<b>\$46,131,635</b>

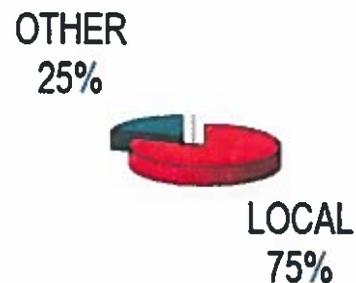
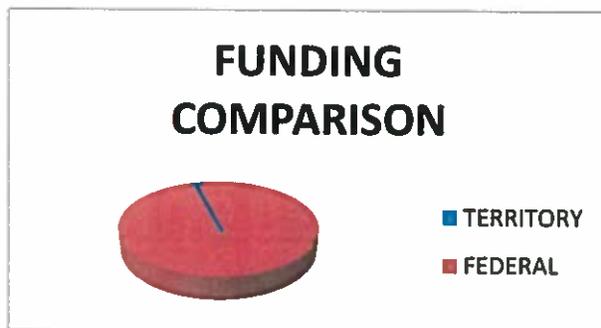
OUR TOTAL FEDERAL REVENUE PROJECTED FOR THE VIRGIN ISLANDS ARMY NATIONAL GUARD FOR FISCAL YEAR 2017, AS SHOWN ON THIS CHART, IS APPROXIMATELY \$46.1 MILLION DOLLARS, REPRESENTING A PROJECTED \$0.4 MILLION OVER FISCAL YEAR 2016 ACTUALS. THIS TOTAL INCLUDES FUNDING OF \$27 MILLION FOR FULL-TIME EMPLOYEES PAYROLL, \$4.4 MILLION FOR OUR M-DAY OR PART-TIME SOLDIERS, \$4.8 MILLION FOR SERVICES AND SUPPLIES, \$5.7 MILLION FOR INSTALLATION SUPPORT AND \$3.7 MILLION FOR OPERATIONS AND TRAINING.

IN ADDITION TO OUR BUDGET, WE ESTIMATE AN ADDITIONAL \$3 TO \$5 MILLION DOLLARS TO ENTER THE TERRITORY FROM INDIRECT SUPPORT TO THE NATIONAL GUARD. SOME EXAMPLES OF THIS ARE: OUT OF POCKET EXPENSES, TO INCLUDE HOTEL ROOMS, TAXI, CAR RENTAL, ETC. FOR AIR CREWS AND MILITARY PASSENGERS COMING TO THE VIRGIN ISLANDS IN SUPPORT OF EXTERNAL TRAINING (CONFERENCES/EXERCISES), AND THE PURCHASE OF AIRCRAFT FUEL AT THE HENRY E. ROHLSON AND CYRIL E. KING AIRPORTS.

### Combined Funding

THE VIRGIN ISLANDS TOTAL BUDGET OF \$46.1 MILLION COMES PRIMARILY FROM THE FEDERAL GOVERNMENT. IN TERMS OF FINANCING, THE TERRITORY GETS A TRAINED FORCE TO ASSIST IN EMERGENCIES FOR A COST OF ONLY \$.529 MILLION OR 0.01% OF THE TOTAL COST.

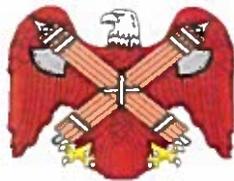
APPROXIMATELY 75% OF THE GUARD'S BUDGET IS SPENT IN THE TERRITORY. MILITARY AND CIVILIAN PAY AND PAYMENT TO VENDORS WILL AMOUNT TO \$34.5 MILLION DURING FY 17.



SIGNIFICANT ALSO, 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 2017, 75%, OR APPROXIMATELY 34.5 MILLION DOLLARS, WILL REMAIN IN THE VIRGIN ISLANDS.

MR CHAIRMAN, AS THESE FINAL CHARTS SHOW, THE NATIONAL GUARD IS A GOOD INVESTMENT FOR THE VIRGIN ISLANDS. TO PUT THIS IN PERSPECTIVE, FOR EVERY DOLLAR THE VIRGIN ISLANDS CONTRIBUTES TO THE OPERATION AND MAINTENANCE OF THE VIRGIN ISLANDS NATIONAL GUARD, THE FEDERAL GOVERNMENT WILL MATCH IT WITH APPROXIMATELY \$77.

MR CHAIRMAN, THIS CONCLUDES MY TESTIMONY. I WILL BE FOLLOWED BY THE ADJUTANT GENERAL.



## EXECUTIVE CONCLUSION

THE VIRGIN ISLANDS NATIONAL GUARD IS A GREAT ASSET AND MAXIMIZES THE USE OF FEDERAL DOLLARS IN SUPPORT OF THE TERRITORY. WITH THE FUNDING WE HAVE BEEN GIVEN WE HAVE BEEN ABLE TO PROVIDE TRAINED AND READY SERVICE MEMBERS FOR BOTH OUR FEDERAL AND LOCAL MISSIONS. THE MEN AND WOMEN OF OUR VIRGIN ISLANDS NATIONAL GUARD, BOTH ARMY AND AIR, ANSWER THE CALL TO DUTY BECAUSE THEY BELIEVE IN SOMETHING GREATER THAN THEMSELVES. I AM COMMITTED TO PROVIDING THEM EVERY OPPORTUNITY TO SERVE AS THE NEED ARISES. I CAME BEFORE THIS BODY IN MAY, AHEAD OF THE ATLANTIC HURRICANE SEASON TO CHAMPION BILL 31-0323, A BILL TO ADDRESS COMPENSATION AND INSURANCE COVERAGE. BILL 31-0323 STILL LOOMS PERTAINING TO OUR GUARDSMEN WHO DO NOT HAVE INSURANCE AND MAY BE INJURED WHILE PERFORMING DUTY IN SUPPORT OF THIS COMMUNITY. WE OWE IT TO OUR GUARDSMEN TO PROVIDE COVERAGE FOR ALL SO THEY TOO MAY SERVE WITHOUT RESERVATION. AS WE WITNESS THE NUMBER OF NATURAL AND MAN-MADE EVENTS REQUIRING GUARDSMEN SUPPORT INCREASE, SO DOES THE RELIANCE ON THE NATIONAL GUARD. LET ME BRING TO YOUR ATTENTION THE STATE OF TEXAS WHICH JUST ACTIVATED THE NATIONAL GUARD IN SUPPORT OF THE RECENT FLOODS; THEIR LAW COMPENSATES MEMBERS ON STATE ACTIVE DUTY TO RECEIVE PAY AND ALLOWANCES AS PROVIDED BY LAW FOR THE UNITED STATES ARMED FORCES, AS WE ARE REQUESTING WHEN OUR MEMBERS ARE ACTIVATED ON TERRITORIAL DUTY. PASSING BILL 31-0323 WILL BENEFIT THE VIRGIN ISLANDS

GUARDSMEN. LET US DO WHAT IS NECESSARY TO PROTECT THOSE THAT PROTECT US.

THIS CONCLUDES OUR PRESENTATION. THANK YOU FOR THIS OPPORTUNITY. MY STAFF AND I ARE AVAILABLE TO ANSWER BUDGET QUESTIONS.