

Good day Chairperson Donna Frett-Gregory, members of the Committee on Budget, Appropriations & Finance, other Senators of the 35th Legislature of the U.S. Virgin Islands, and members of the listening and viewing audience. I am Jenifer O’Neal, Director of the Office of Management and Budget (OMB) and I appear before pursuant to your invitation to provide testimony on Bill No. 35-0012 - *An Act amending Title 23 Virgin Islands Code, chapter 19, subchapter III, section 1556, relating to the retirement from the National Guard to increase the retirement pension.*

As currently enacted, the referenced law provides that every member and officer of the National Guard of the Virgin Islands, commencing at age fifty-five, shall receive a pension of one hundred dollars per month for twenty years' military service. The requirements for the pension are that each member or officer shall:

- (1) Have served and qualified for at least twenty years' military service in a federally recognized unit of the National Guard or in a regular component of the Armed Services of the United States.
- (2) Have at least fifteen years of service as a member or officer of the National Guard of the Virgin Islands and the final or last ten years of service immediately prior to retirement shall have been in the Virgin Islands National Guard.
- (3) Have received an honorable discharge from the Virgin Islands National Guard.

Bill No. 35-0012 proposes amending the law to increase the retirement pension for the National Guard from \$100 to \$200 per month. Increasing the retirement pension would require a correlating increase to the Miscellaneous Project (National Guard Pension Fund) under the Office of the Adjutant General’s budget appropriation.

In FY 22, \$95,747 was allotted to the Pension Fund, of which \$80,000 was expended, and in FY 23 \$60,000 was budgeted. At the 6-month mark of this fiscal year, \$26,900 of the \$60,000 has been expended. At this rate, we project that \$53,800 of the \$60,000 will be expended at fiscal yearend and assume that any increased payments will be able to be paid from the remaining funds. As you may be aware, OMB is finalizing the FY 24/25 proposed budget and that line item for the Pension Fund has been budgeted again at \$60,000. To account for the proposed increase from \$100 to \$200, the budget for the Pension Fund would need to be increase to at least \$108,000.

When analyzing these proposed measures, there are always a number of factors that would need to be taken into consideration, including the availability of funds. In this particular case, the increase would be minimal in the sum of \$48,000. In consideration of that along with the significant sacrifice that members of our Virgin Islands National Guard and their family members make over a 20-year career, I support the proposal in Bill No. 35-0012 to increase the retirement pension and recommend increasing the budget for the National Guard Pension Fund to accommodate this increase beginning in FY 2024.

Madam Chair, this concludes my testimony on Bill No. 35-0012. I remain available to answer any questions that the members of this Body may have.