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Dept. of Labor Promises to Use \$20 Million Budget Ask to Continue Workforce Development

The current budget supports fewer youth participants than in FY2023, when additional funds from ARPA allowed VIDOL to accommodate over 1,000 young people

Economy / **Published On July 01, 2024 06:14 AM /**

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Labor Commissioner Gary Malloy. By. V.I. LEGISLATURE

The V.I. Dept. of Labor has pledged to utilize its FY2025 budget request of \$20,145,247 to further workforce development initiatives, including competitive youth programs. This commitment comes as the Office of Management and Budget has recommended a General Fund appropriation of \$13,637,468 for DOL, inclusive of the Government Insurance Miscellaneous Project.

The remainder of the budget includes \$6,316,058 from various federal grants and an estimated \$191,722 from penalties and interest owed to the department. Labor Commissioner Gary Malloy shared a detailed breakdown of the General Fund allocation with the Committee on Budget, Appropriations, and Finance last week, highlighting that \$4,441,246 is earmarked for personnel services, with associated fringe benefits costing \$4,408,343, inclusive of \$2,500,000 towards employer contributions. Supplies will account for \$472,902, while other services will cost \$4,074,146. Utility costs are estimated at \$240,831.

The Government Insurance Miscellaneous Project includes a \$1,277,580 General Fund allocation for personnel and fringe benefits for 19 positions, including two vacancies, and \$610,736 for mandatory operating costs. The federal budget is allocated with \$3,959,064 for salary and fringe benefits for 54.63 positions, including nine vacancies, and \$2,356,994 for operating costs.

The labor department plans to use federal funding to continue servicing the Virgin Islands workforce through various programs, including employment services, unemployment insurance, job placement, and workers' compensation insurance. Specific allocations include \$3,087,610 for workforce development and \$2,387,348 in Unemployment Insurance grants.

Mr. Malloy emphasized that the FY2025 budget aligns with the Office of Management and Budget's six strategic goals, reflecting the Bryan/Roach Administration's vision for progress in the territory. He highlighted significant contributions from VIDOL's divisions towards goals such as economic growth, high-performing government, and sustainable infrastructure.

One of the key workforce development programs that DOL aims to continue involves youth and apprenticeship programs. These initiatives expose young Virgin Islanders to job preparation skills, resume building, and paid and unpaid work experiences. This summer, approximately 1,150 students applied, but due to budget constraints, only 700 spaces were available. Mr. Malloy explained that accommodating all applicants could cost an additional \$300,000.

In FY2023, additional funds allowed the department to accept 1,026 young people across three youth-oriented programs. Senator Donna Frett-Gregory inquired about the reduction in numbers this year, learning that previous expansions were funded by a \$500,000 allocation from Governor Bryan through ARPA funding, which is no longer available.

Despite these challenges, department officials said they remain committed to administering effective programs and services designed to develop, protect, and support a viable workforce in the territory.