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Labor Management Committee Faces Scrutiny Over Compliance Issues and Federal Funding Lapse in Budget Hearing

Senate Committee Questions LMC's \$200,000 Budget Amid Concerns Over Employee Benefits and Compliance

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LMC Executive Director Yirah Tutein. By. V.I. LEGISLATURE

This fiscal year, the Labor Management Committee has one of the smallest budget requests of all entities to come before the Senate Committee on Budget, Finance and Appropriations. On Tuesday, they appeared before lawmakers to defend their FY 2025 request of \$200,000.?

Most of the budget, \$122,000, will cover salaries while \$10,000 will cover fringe benefits including social security and Medicaid. Senators were surprised to learn that the LMC's two employees are not members of the Government Employees' Retirement System. They also do not have employer-provided health insurance. LMC Executive Director Yirah Tutein says this is because the agency enjoys non-profit status.

“So what paperwork do you have that causes you to be a non-profit?” Committee chair Senator Donna Frett-Gregory asked. Ms. Tutein admitted that she did not know, and also disclosed that LMC does not file each year with the Lieutenant Governor's Office as 501(c) non-profit organizations are required to do.

?Ms. Frett-Gregory asked legal counsel to investigate Act 4440, which created LMC, to verify its status. “We really need to understand whether or not we're doing right by this particular entity,” she noted. “I would be the last person that would want to be in a situation where we're not providing you with what's duly yours, as far as the Government Employees' Retirement System and insurance.”

LMC's unclear status may be impacting its ability to access funding from the Federal Mediation and Conciliation services. Ms. Tutein disclosed that the organization has not received federal funds since 2008, and officials admitted that they have not kept up with local regulatory requirements for over five years.

“We try to get federal funding, but this fiscal year they are not issuing grants,” said Ms. Tutein. The finance chair suggested that this may be because LMC is not properly registered with the local and federal governments. She urged LMC to make the necessary adjustments to be in good standing before seeking federal funds once more. “I'm not sure how y'all fell off the wagon...They probably revoked your 501(c)(3) [status] if you have not filed since 2018,” Ms. Frett-Gregory stated. “I would urge you to really look into that and get that back up and running. You may have to pay some money to get that done,” she advised.

According to Senator Frett-Gregory, the current status quo must not be allowed to continue. “We can't have employees and they don't have health insurance, and we're using government money to pay them. That's unacceptable,” the senator declared.