

Fleming Defends Budget, Highlights Efficiency as VIEO Manages Over \$120 Million in Energy Grants

Director Kyle Fleming assured lawmakers of strong federal partnerships and efficient grant drawdowns as the V.I. Energy Office oversees projects totaling over \$124M, but some senators still pushed for a 10-20% budget reduction.

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V.I. Energy Office Director Kyle Fleming. By. V.I. LEGISLATURE.

The V.I. Energy Office is requesting \$1,556,951 from the general fund to effectively manage some \$124,295,846 in federal grants.

Kyle Fleming, the Office's director, appeared before the Committee on Budget, Appropriations, and Finance to defend that request on Tuesday. The general fund appropriation includes \$875,609

for personnel costs and another \$402,695 is earmarked for fringe benefits. The Energy Office anticipates spending \$241,347 on other services, \$23,300 for supplies and \$14,000 on utilities.

Committee chair Senator Novelle Francis queried the status of the federal funds VIEO will administer. According to Mr. Fleming, “we were certainly on our toes in January or in early February when there was widespread pausing of funding.” Fortunately, “all of our critical funds, everything that we've had awarded, has been reopened.” The Energy Office was most concerned about a \$62 million grant for its Solar For All program.

Mr. Fleming assured lawmakers that engagement with federal partners has been “arguably, even stronger than it was before.” He is confident that “everything that's been put back in place should remain as is.”

Though the VIEO manages a large sum of federal dollars, Mr. Fleming maintained that “the Energy Office’s diverse realm of responsibility means the agency cannot afford to rely on federal funds alone. That would make it impossible for us to deliver critical services we provide to the Virgin Islands community.” The federally funded activities, however, are “where the rubber meets the road.”

Despite Mr. Fleming's declaration that local monies are crucial for VIEO to execute its mandate, Senator Hubert Frederick argued that the “current fiscal situation that the government is in” necessitates cuts to the budget. He wanted Mr. Fleming to advise the Legislature on opportunities to “reduce your budget by 15% to 20%.” According to Director Fleming, however, the Office is already doing the best that it can.

“The number one actual practice has been limiting the additional personnel as that's the majority of where our obligation goes,” he told Frederick. Three new positions at the Energy Office will all be federally funded. “We have tried to shift as much of the cost as possible, outside of personnel, to our federal funding as well.” However, the Energy Office must do so carefully, as “indirect costs have been a bit scrutinized from the federal side.”

“We don't want to compromise our entire funding because we've tried to lean into a heavily scrutinized area of our federal funding resource,” Fleming stated. He considered the Office’s general fund request as a fair trade off. “I can speak pretty confidently that the \$1.5 million requested for the Energy Office to manage and administer close to \$140 million worth of federal projects...is very, very easily realized.”

Frederick was adamant that there was still room to trim costs. “In your testimony, 10% was the baseline that you talked about savings for the consumer...So it would be nice if we could realize a 10% savings on your appropriation as well,” the lawmaker said. “We're going to have agencies coming in here and every single one is going to be asking for more money, but there's no money. That's why I'm pushing on,” he explained.

Senator Ray Fonseca, on the other hand, was interested in how quickly the Energy Office is able to draw down on federal funds for its various initiatives. “I continue to admire all of the programs you have,” the senator said.

“We have a very, very successful track record of timely drawdowns to reimburse the general fund,” Mr. Fleming shared. “Some of our grants were able to draw down within 24 hours...We have a very streamlined process.

“I'm glad to hear that you're very efficient in making sure that those monies are drawn down and placed back into the general fund,” said Senator Kurt Vialet, congratulating Mr. Fleming. “I would suggest that all entities that receive federal funds follow your model.”

Asked by the committee's chair what keeps him up at night, Mr. Fleming said he is concerned over “how do we officially spend our federal budget?” The Energy Office is therefore “trying to find creative ways that we can get the money in the hands of those implementers across the territory.”

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