

The Virgin Islands Consortium

Mapp To Issue Executive Order Authorizing Job Cuts, Furloughs And Other Deep Cuts Throughout Government

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ST. CROIX -- In a wide-ranging exclusive interview with The Consortium on Wednesday night, Department of Finance Commissioner and Public Finance Authority Director Valdamier Collens, made known that Governor Kenneth Mapp will soon issue an executive order authorizing deep cuts throughout government -- including job cuts, furloughs, cutback in government services and possibly shorter work weeks -- to help offset a \$110 million budget shortfall following the bond market's refusal of the territory's bonds.

The announcement follows remarks by Governor Kenneth Mapp [during his State of the Territory Address](#), where the governor said the territory could take one of two routes: One that leads to economic resurgence based on the passage of his sin tax measure and restructuring in government, or a rout of inaction by leaders that would lead to an economic meltdown.

The governor did not say that he would be cutting government jobs and services, or even that he was considering 4-day work weeks. His SOTA left residents questioning the true state of the territory, and whether the continuous reports of an impending economic doomsday for the territory was merely an overreaction by the media.

Turns out, however, that the territory is in bad financial state, with only 6 days cash on hand remaining, according to Mr. Collens, and no access to the bond market, which Mr. Collens added could last up to year. "It's not even an assumption anymore, we have to act in a way in which we don't have access until we demonstrate to ourselves — not to the bond market — that we want to fix our structural deficit. So for starters we know \$110 million is out of the budget, and so we have to act accordingly to adjust and revise our budget," Mr. Collens said.

Asked when the announcement of the executive order would come, Mr. Collens said, "I don't know the amount of days, but what I will say to you is the governor informed the entire public that he is putting together an executive order that will encompass all of the things that are necessary to get us through. It is going to be a combination of all the things that you and I discussed, to get us through because of the liquidity." This publication has no recollection of such an announcement by Mr. Mapp.

The things that this reporter and Mr. Collens discussed in the long-ranging interview included the laying off of 500-1,000 government employees, shortened work weeks, cutback in government services, deep cuts (Mr. Collens mentioned 20 percent) in the budgets of government department and agencies, and combing through government to find and eliminate excess such as duplicate and unnecessary positions.

"We have to adjust our budget, we have to adjust our expenditure levels, we have to employ certain measures like furloughs and other reductions across the budget to get us passed... Right now our toughest months are February and March; we get to April, because there's usually an influx there, things may taper off. But it's no longer an assumption," Mr. Collens said.

"What the governor said is, 'You need to pass some semblance of these measures that we proposed in order for us to access the capital markets, in my opinion, eventually. But if it passed even today, it's not like the markets are going to say, 'Okay, come back.' Nor would I feel comfortable in saying, 'Okay, fine. I'll go with the rates as they are today.' No. It's better to wait, it's better for us to bite the bullet now. That's what it's about. It's about biting the bullet. People don't believe and they haven't believed for a long time," he added.