

The Virgin Islands Consortium

USVI Education Crisis: Over 80 Teachers Resign During 2016-17 School Year; 151 Teaching Vacancies Available

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The territory's financial crisis is continuing to affect all areas of government, including one of the most important aspects of any society: education. The Virgin Islands Department of Education suffered a reduction of over \$10 million in its budget between fiscal years 2017-2018, according to testimony given by Sharon McCollum, D.O.E. commissioner, during a budget hearing on Friday. The department's total allocation during the 2017 fiscal year was \$167,050,830. For the upcoming 2018 fiscal year, which begins on October 1, 2017, the allocation is \$156,755,559, a drop of \$10,295,271.

According to Ms. McCollum, the drop is largely due to the government's poor financial state, adding that D.O.E. is willing to do its part in burdening cutbacks.

"Let me say from the start, we are cognizant of the financial challenges facing the United States Virgin Islands and we are committed to managing our fiscal year 2018 budget of \$156,755,559.00, as proposed," the education commissioner said. "I can state with confidence that we are agreeable participants in addressing the financial challenges facing the Government of the Virgin Islands. Difficult choices will be made to manage the fiscal year 2018 budget."

Senators listened helplessly as the commissioner relayed the grim news of the continuing hemorrhaging of teachers, with 81 leaving the department during the 2016-17 school year for better opportunities elsewhere. The department has relied heavily on its substitute teacher pool -- made up of retired educators -- to fill the widening gap. According to Ms. McCollum, D.O.E. has 70 substitute teachers in the St. Thomas-St. John district, and 67 in the St. Croix district, for a total of 142 substitute teachers. Additionally, D.O.E. has 282 professionals who can retire at any given moment -- including 131 teachers and 27 administrators, Ms. McCollum said. D.O.E.'s vacancy count stood at 151 as of Friday.

The problem is not projected to improve because D.O.E. simply cannot compete with mainland jurisdictions offering more appealing packages to educators. At the crux of the matter is the government's worsening financial condition, and teachers who have either resigned or retired also complained about the overbearing costs of G.E.R.S. and other mandatory government deductions on their salaries.

"Applicants' interest quickly dissipates when they attempt to negotiate incentives and salary schedules. Our department is simply at a disadvantage and unable to compete with school districts nationally in regards to monetary compensation," Ms. McCollum acknowledged. She said D.O.E.'s competitiveness "has to be weighed by the lack of typical incentives offered nationally; for example relocation reimbursements, nationally competitive starting salaries and schedules, and signing bonuses; our inability to provide all typical incentives hinders our attractiveness; comparative to other school districts, and contributes to our inability to compete for the limited pool of applicants locally and nationally."

Ms. Collum added, "For this reason, the department relies exclusively on the substitute pool to mitigate the inadequate staffing levels for critical positions including nurses, teachers, and professional staff essential to the department. Teacher shortages not only place tremendous strain on our classrooms, but facilitate a further deterioration of the work environment by contributing to additional challenges for our staff.

"Our teachers are not satisfied with their financial outlook and years of stagnant wages and are simply leaving the territory. As we have explained previously, teachers leaving the territory give no advance notice and routinely submit their resignations at the end of their summer vacation."

As a result, Ms. McCollum said D.O.E. must make every effort in utilizing the J-1 Visa program, which allows teachers from foreign countries to live and work in the U.S. for three years. Previously, D.O.E. utilized a H-1 Visa program that gave a maximum of 6

years. However, the program collapsed because the educators would leave the territory for better opportunities on the mainland, according to Nicole Jacobs, head of HR at D.O.E. during the 2017 school year.

Even with the unfriendly climate, however, D.O.E. has been able to hire 53 new teachers: 25 in the St. Croix district and 28 in the St. Thomas-St. John district, according to Ms. McCollum. She said of the 53 new hires, 16 came for this year's University of the Virgin Islands graduating class. D.O.E. also has a total of 25 applicants from Puerto Rico that were to be interviewed. Over 178 schools in Puerto Rico [have closed](#) since the financial crisis began devastating the commonwealth of over 3 million people. Many of the educators have left to other jurisdictions -- including the USVI -- in search of work.

The outlook for education in the territory goes hand-in-hand with the government's financial health, as D.O.E. -- with the largest of all budgets -- is heavily funded by the government. But without access to the bond market, an anemic economy and a weak middle class, among other pressures, the signs are not encouraging.

Just last week, S&P joined Fitch before it and [downgraded the territory's bonds further into junk status](#), with the firm basing its decision on "fiscal pressures". S&P also gave the territory a negative outlook; the firm's last downgrade of the territory's bonds came [in January](#).

"Although the territory adopted the five-year economic growth plan in March, it has continued to deal with liquidity pressures without access the capital market. Current liquidity levels are about three days' cash, augmented in part by a significant amount of payables which continues to grow, and estimates show the territory could be facing a negative cash balance by the end of August without any additional cash flow management initiatives, which we believe leaves USVI vulnerable to a total depletion of cash before the end of the current fiscal year," said S&P Global Ratings credit analyst Oladunni Ososami.

She added, "The negative outlook reflects our view that the territory's five-year plan to address the current budget pressures is optimistic and remains uncertain as to whether the measures are adequate to address financial pressures without market access," added Ms. Ososami. It also reflects the uncertainty as to whether bond repayments will remain insulated if financial conditions worsen.