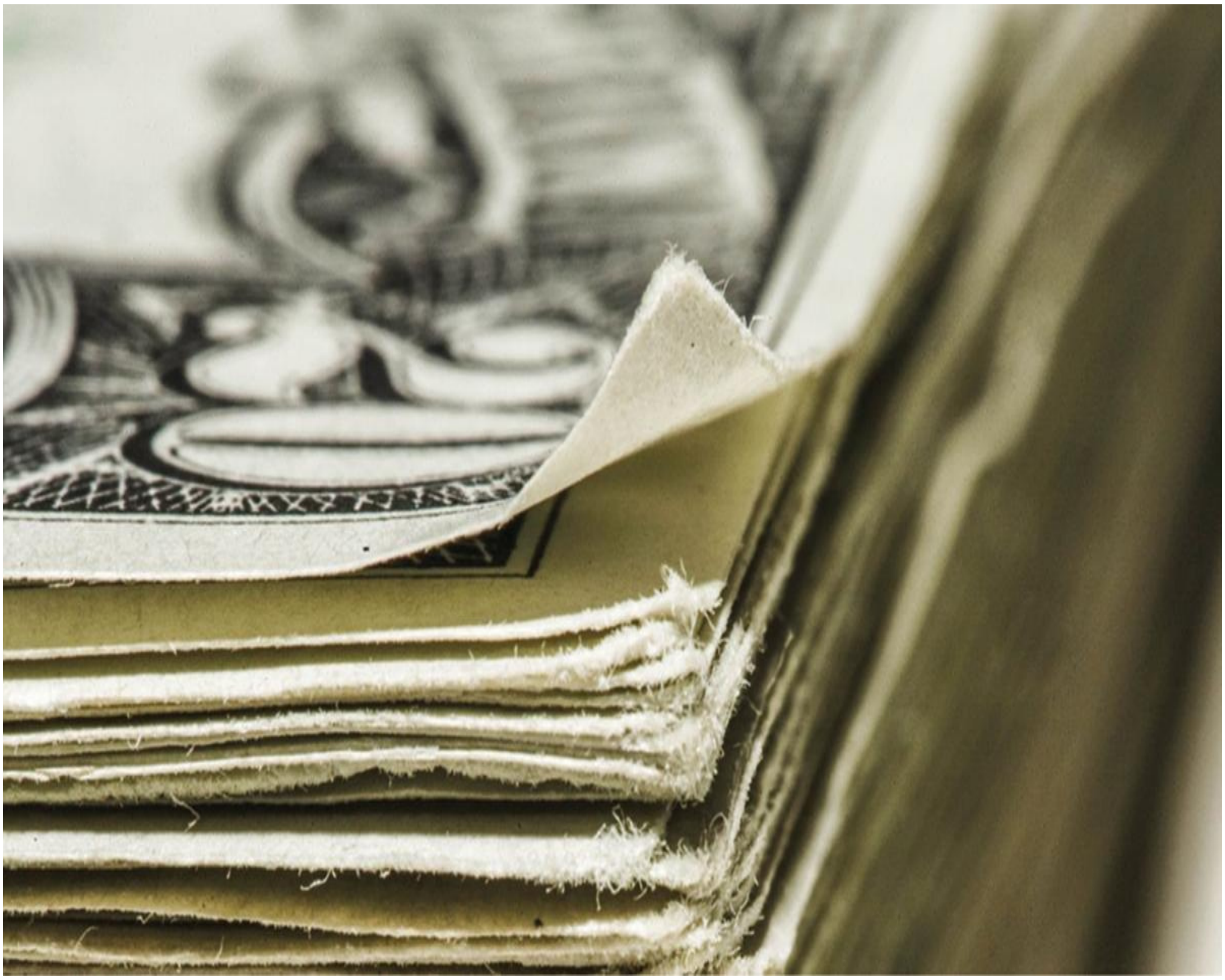
The Virgin Islands Consortium

Territory Continues To Lose Unspent Federal Grants; Human Service's Head Start Program Recently Lost $1.5 Million

VIC News / **Published On July 20, 2018 11:33 AM /**

Ernice Gilbert July 20, 2018



During an Office of Management of Budget budget hearing on Thursday, it was revealed by the Senate's Post Audit Division that of $25 million in federal funding under O.M.B., more than $16 million had yet to be spent. The post audit report also revealed that there were 39 federal grants awarded to the territory between 2017 with an expiration date of 2022, and only four of those grants had been completely exhausted.

Case in point: It was revealed that the Department of Human Services lost $1.5 million in Headstart funding because the funds were not used on time. The grant expired on June

28, and O.M.B. Director Julio Rhymer concurred that a request for extension from the federal government by D.H.S. was most likely not sought. Senator Nereida Rivera-O'Reilly said $1.5 million in Headstart dollars "going back to the federal government is not anything this community can accept." Mr. Rhymer responded by stating, "That's correct."

D.H.S. Commissioner Felicia Blyden did not return a request for comment.

Senator Kurt Vialet, who chairs the Committee on Finance in which budget hearings are held, asked Anita Roberts, deputy director of O.M.B.'s federal grants management unit, what could be done to solve the problem. "We are working on a strategy to see when these funds come into the territory. Currently we have no idea when the funds come into the territory," she said.

Mr. Vialet asked whether O.M.B. knew of the $1.5 million Headstart grant cycle and the amount, to which Ms. Roberts affirmatively responded.

"The bigger question I'm asking is if we know that we get X amount of money to be expended over a two-year period, who's monitoring to make sure that they're doing what they're supposed to do?" Mr. Vialet asked. Mr. Rhymer said two forms of management exist: federal grant managers in some departments and agencies, and O.M.B.

"We write, we do site visits -- we do everything with the process. At times, without the teeth to enforce accountability, it creates a problem," Mr. Rhymer said. Mr. Vialet asked whether employees who cannot perform their work on assuring that the federal dollars are spent should be swapped or sent home.

"Because we're seeing within [the departments of] Health, Labor, Human Services, who fail to expend the money on a regular basis, year in and year out," Mr. Vialet said as he pressed the O.M.B. testifiers for a recommendation of nonperforming employees at the aforementioned departments. "We just lost $1.5 million and you come from Human Services, you can't pay vendors, you can't meet your bills but you're letting money go back, and that $1.5 million is just the start," Mr. Vialet said.

To fix the problem, Mr. Rhymer said O.M.B. needs to once again be the lead in policymaking, whereby the office would set standards that department and agencies would have to follow. "If they don't follow it then there's accountability you have to actually enforce afterwards," Mr. Rhymer said.

Senator Kurt Vialet, in agreement with Mr. Rhymer, said, "My recommendation has been that the grants manager needs to come under your office."

Senator Tregenza Roach asked whether grants managers are involved in the application for grants process, stating that their involvement would be beneficial because of how detailed the process is. "You have to provide so much detail with regard to how you intend to use these funds that if you simply follow that from the onset, you already have a framework for spending," Mr. Roach said. "Because you would have to put so much detail about what you're going to do with the resources. So if the managers are involved in that place in the process, I think that's a head start."

O.M.B.'s 2019 budget request totals $32.7 million, a significant increase from last year as $28.1 million from the miscellaneous budget is added to its regular operating budget in

Fiscal Year 2019.