The Virgin Islands Consortium

With G.E.R.S.'s Survival In Mind, Bryan's Vacancy Elimination Plan Worries Lawmakers; Clarification Requested On $1 Million Allocation To EDA

VIC News / **Published On June 12, 2019 11:57 AM /**

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Money in an empty nest represents savings for retirement.

How would the Government Employees' Retirement System, already teetering on the verge of collapse, fare if the central government reduced employment and eliminated job vacancies? Not very well. The pension system has almost the same amount of active members as it has retirees, and it continues to pay out much more than what it is taking in.

This, among other concerns, was shared during a Bryan administration budget overview hearing held Tuesday in the Committee on Finance. Senators also requested clarity on $1 million allocated to the Economic Development Authority (E.D.A.) to fund Mr. Bryan's 20-year Economic Development Plan.

The 2019 general fund budget, former Governor Kenneth Mapp's final budget, was roughly $833,850,320. This year, the first under Mr. Bryan, is $817,855,144 -- about $16 million less than last year's. Jenifer O'Neal, Office of Management and Budget Director Designee, touted the reduction as a change of course and "a step in the right direction." She said the reduction was due mostly to elimination of government job vacancies.

Ms. O'Neal could not talk on the administration's plan to stave off collapse of G.E.R.S., but she said a proposal was afoot and the governor intended to learn more about the pension system's issues during an upcoming G.E.R.S. retreat, which will help in shaping the governor's plan. During an interview with The Consortium late last month, Mr. Bryan said with the law allowing the sale of marijuana for medical use now on the books — signed by Mr. Bryan himself — he has been working on a plan to extract tax dollars from the industry, once setup, and use it to help G.E.R.S.

Clarification on $1 million provided to EDA

Senator Alicia Barnes questioned Ms. O'Neal at length about information presented in the fiscal year 2020 executive budget concerning an additional $1 million dollars budgeted to the E.D.A. for marketing purposes. Ms. Barnes asked for the exact figure of the E.D.A.'s marketing budget.

Ms. O'Neal said the E.D.A.'s marketing allocation was labeled as "other services" in the budget and that she did not have an actual figure for just marketing. When questioned further by Ms. Barnes for clarification as to the E.D.A.'s total marketing budget, Ms. O'Neal stated that the $2.1 million slated was not solely marketing, but mostly marketing. She said the E.D.A. was initially given $1.1 million for marketing, but an additional $1 million was granted to assist with marketing aimed at growing the economy, bringing the total to $2.1 million.

Earlier this month The Consortium reported that Governor Albert Bryan had provided the E.D.A. with $1 million to fund a 20-year economic plan called "VI 2040 Vision," an initiative he introduced during his State of the Territory Address.

In the E.D.A.'s board meeting on June 4, Kamal Latham, E.D.A. chief executive officer, said, "The governor designated E.D.A. to lead a multi-agency task force to develop the vision to be deployed on October 1. We have been granted $1 million from the Community Development and Block Grant – Disaster Recovery funds to fund Vision 2040."

Mr. Latham was authorized, during executive sessions, to enter into a contract with Portals, LLC, a Virginia-based consulting firm which describes itself as an entity that works with governments to convert ideas into bankable opportunities attractive to investors. The contract totaled $598,772 to complete the 20-year economic plan by the October 1st deadline, subject to negotiating a satisfactory payment schedule." It remains unclear as to how the remainder of the $1 million will be spent since complete financial terms were not publicly discussed.

Senator Kurt Vialet, Committee of Finance chair, said, “The areas where we want to reflect change, we can. Concerning the $1 million, if we want to allocate it for marketing we can put it in as a line item to E.D.A. for marketing... Lump sums will not be given. An actual breakdown is necessary to identify exactly where the money is going; how it is going to be utilized."

Mr. Vialet assured all present that the discussion would continue to see how the Legislature and the governor’s financial team can best provide a budget that will clearly underline exactly how funds are going to be spent. “There are some additional areas to look at including the Virgin Islands Water and Power Authority, health insurance, excise tax and other areas where we do not have definitive answers thus far. This is a process and we will have it completed by very early September and have a budget that the people of the V.I. can live with," he said.

It is expected that a thorough explanation concerning the $1 million allocated to the E.D.A. to assist with marketing aimed at growing the economy, will be provided when the Committee on Finance resumes the budget hearings later this month.

The governor’s financial team present at the hearing included Joel A. Lee director designee, Bureau of Internal Revenue; Dayna Clendinen, director designee, Division of Personnel; Joss Springette, Esq., chief negotiator designee, Office of Collective Bargaining; Jenifer C. O’Neal, director designee, Office of Management & Budget; Ira Mills, tax assessor, Office of the Lieutenant Governor; Kirk Callwood, Sr. commissioner designee, Department of Finance and executive director, Public Finance Authority.