DIVISION OF PERSONNEL

FY 2017 BUDGET REPORT

Submitted to

Senator Clifford Graham

Chairman - Committee on Finance

31st Legislature of the United States Virgin Islands

June 16, 2016

Presented by

Milton E. Potter, MS, SHRM-SCP, IPMA-SCP

Good Afternoon Honorable Senator Clifford Graham, Chairman of the Committee on Finance of the 31st Legislature, other distinguished committee members and non-committee members present, members of my senior staff, ladies and gentlemen in the listening and viewing audience. My name is Milton E. Potter and I serve as Director of the Division of Personnel for the Government of the Virgin Islands. I am pleased to appear before you today to offer justification and support for the Division of Personnel's recommended Fiscal Year 2017 budget. The Division of Personnel is by no means a one-man operation. Our success as an agency is dependent on the collective contribution of a team of 40 highly trained professionals, six of whom join me in the well today:

- Averil George, Assistant Director
- Madeline Collens, Deputy Director Training & Employee Development
- Rueben Jennings, Manager, Business & Administrative Services
- Maureen Venzen, Chief Group Health Insurance
- Millicent Aubain, Territorial Administrator of Recruitment & Classification
- Kurell Hodge, Equal Employment Opportunity Administrator & Policy Analyst

I will now provide you with a brief overview of the Division of Personnel's primary functions as outlined in Title 3 of the Virgin Islands Code. Additionally, I will share some of the Division's past accomplishments, and our strategic vision for Fiscal Year 2017 and beyond.

The Division of Personnel's Mandate

As a critical component of the executive office of the Governor, the Division of Personnel functions as the human resource management and consulting arm of the Executive Branch. The Division is responsible for the daily administration of:

- The personnel merit system
- The human resource information system
- Group health, dental, vision and life insurance benefits for all active employees and retirees of all branches
- Records management and archival of all official personnel records
- The GVI's training and employee development program.
- Equal Employment Opportunity compliance program

The Division of Personnel's mandate can be found in the Virgin Islands Code, Title 3, Chapter *25,* Sections 451 through 667, as well as the Personnel Rules and Regulations, sub-chapter 472, § 91 - 103. These mandates empower the Division's Director to establish and maintain a system of personnel administration based on merit principles and scientific methods governing the appointment, promotion, transfer, layoff, removal and discipline of the officers and employees of the Government.

I will now ask the newest member of my executive team, Mr. Rueben Jennings, the Division's Manager of Business & Administrative Services, to provide you with a synopsis of our strategic budget by prime account for FY 2017.

Budget Overview

The Division of Personnel receives its funding through appropriations from the General Fund, the Indirect Cost Fund and Miscellaneous Provisions. The reduction in the level of General Fund appropriations over the years has culminated in the current FY 2016 budget being able to pay little more than Personnel Services and the related Fringe Benefits. In fact, historically, the Division of Personnel has been funded at a level whereby we could do little more than simply tread water.

I am pleased to note, however, that our recommended FY 2017 budget will put the Division in a position to identify new technologies with the aim of providing innovative and practical human resource strategies and solutions that address the GVI's business needs and promote service excellence. Moreover, the modest increase in our budget will enable us to better cover essential costs for basic supplies and software licenses.

I will now provide you with an overview of our budget by Prime Accounts for Fiscal Year 2017.

THE BUDGET BREAKDOWN IS AS FOLLOWS:

GENERAL FUND	FY-2017 REQUEST
Personnel Services	$2,103,300
Capital Outlay/Equipment	$16,672
Fringe Benefits	$865,349
Supplies	$18,408
Other Services & Charges	$381,315
Public Utilities	$128,400
Miscellaneous	-
TOTAL GEN. FUND	**$ 3,513,444**

INDIRECT COST FUND	FY-2017 REQUEST
Personnel Services	$426,287
Capital Outlay/Equipment	-
Fringe Benefits	$182,804
Supplies	$3,000
Other Services & Charges	$10,000
Public Utilities	$10,000
Miscellaneous	-
TOTAL INDIRECT FUND	**$632,091**

TOTAL FY 2017 BUDGET	FY 2017 REQUEST
Personnel Services	$2,529,587
Capital Outlay/Equipment	$16,672
Fringe Benefits	$1,048,153
Supplies	$21,408
Other Services & Charges	$391,315
Public Utilities	$138,400
Miscellaneous	-
GRAND TOTAL	**$4,145,535**

The overall FY 2017 budget that supports the Governor's Recommendation for the Division of Personnel is $4,145,535. An increase of approx. 19% ($669,690) over FY 2016 budget of $3,475,845. Of this amount, $3,513,444 is allocated from the General Fund and $632,091 is allocated from the Indirect Cost Fund. The overall budget provides for an increase in personnel costs due to salary increases, an increase in supplies to cover the costs of our office supplies and other planned initiatives to include the career fair and the public service recognition week activities.

In FY 2017, our personnel services funds salaries for forty- (40) full time employees (FTE). Currently, in the St. Thomas/St. John District we have thirty-one (31) FTEs and one (1) temporary employee. In the St. Croix district, we have (9) FTEs. Noteworthy is that in FY 2004 the Division was funded for 54 positions, our current staffing level reflects a thirty-five percent (35%) reduction in personnel.

Also, we have begun preliminary discussions with GERS in regards to our expired St. Thomas office lease.

Policy Review and Technology Infusion to Transform Human Resources

As we embark on FY 2017, the Division of Personnel will introspectively examine all of our systems and processes. No longer will processes be followed merely because that is the way we have always done it. Processes, policies, procedures and systems must make logical sense and must enhance and not inhibit our objective of delivering quality, efficient HR services to the people of the Virgin Islands. That being said, our Revised Personnel Rules and Regulations document, which also contains a number of best practices with regard to HR policies and procedures, is currently under review at the Solicitor General's Office.

While the implementation of an updated Rules & Regulations document will be critical to the Division's growth and development, equally important will be the implementation of new technology to create greater efficiency in the following areas: Benefits Administration, Recruitment & Classification and Training and Employee Development. It is imperative that we modernize our HR workflow technology in order to reduce the cycle times for processing personnel actions and to streamline decision making.

Over the past five years, the Government of the Virgin Islands has experienced significant budget cuts, lay-offs, and the ever increasing demand to streamline while continuing to deliver vital services. As a government, it is imperative that we prioritize strategic "rightsizing" of departments in light of fiscal conditions, and staffing fluctuations. Our Policy Analyst, Ms. Kurell Hodge, will serve as Project Manager for a multi-year phased classification and compensation study to include the selection and implementation of an applicant tracking system (ATS). This will

set the stage for ushering in the new Division of Human Resource Management. The scope of our initiative is outlined in greater detail below:

Applicant Tracking System (ATS) is the first phase of the project. While we made significant strides last year by making it possible for job seekers to submit job applications on line via our website, it is time to move our HR functionality up a notch to reflect industry best practice. The Division endeavors to transform the GVI's recruitment process, preliminary estimates reflect a 75% reduction in the time it takes to identify and ultimately hire qualified talent leveraging the technology of an ATS.

Workload Analysis/Work Process Analysis is the second phase of the project. The Work Process Analysis will identify and map the steps involved in each business process in order to produce the end product or service. This is vital for our Agencies, as a complete understanding of the current workflow is difficult to determine based on the rapid changes that occurred during the height of the economic downturn. During this phase, the number of full time employees (FTEs) required to accomplish the workload will be calculated and recommendations for streamlining will be implemented.

Classification Re-Design will be the third phase of the project. In this phase, the job families and organizational charts developed in phase one will be used to recommend an efficient classification system that provides the framework for assuring differences in pay, proportionate differences in the type and difficulty of work, level of responsibility, and qualifications required to perform the work. In addition, the development and/or revision of job descriptions that accurately reflects assigned duties and responsibilities for each job in the Executive Branch will be completed. These new job descriptions will include Americans with Disabilities Act and Fair Labor Standards Act considerations.

Compensation Management Re-Design is the fourth phase of the project. During the compensation management phase, compensation plans that establish the framework for assuring equal pay for substantially equal work will be recommended. In addition, to ensure that the newly established compensation plan is in line with market conditions an external market analysis will be conducted to ensure external equity.

- No employee's base salary would be lowered as a result of the study and
- No employee would lose employment within the GVI as a result of the study.

Performance Management Development and Employee Development Planning will comprise the final phases of this project.

GVI Group Health Insurance & Wellness

The group health insurance unit is responsible for the administration of the health, dental, vision and life insurance plans for active employees, retirees and their dependents as negotiated by the Government Employees Services Commission Health Insurance Board (GESC).

One of the on-going and outstanding issues that has resonated in the benefits section has been the lack of ability to ensure accuracy in transmission of eligibility files. Part of the difficulty in resolving the matter was attributed to the inability of the current system which houses the benefits, to interface with the ERP system thus requiring duplication of input and effort and resulting in errors. After approaching other governmental entities who faced similar issues, we discovered that they had support from their carriers in addressing the matter, as it also affected accuracy of their information. We subsequently got the support of our carrier, CIGNA, to assist in sponsorship of a benefits system that would interface with our ERP. Out of the three

companies we explored, we chose Bentek, and have been working with transitioning to the new system effective July 2016.

Besides being able to provide accuracy with eligibility, the new system will allow members to view and make changes to their benefit program on-line.

Currently, there are 14,592 participants, which includes active government employees and retirees from the three branches of government and semi-autonomous and autonomous entities. There are 7,687 active employees and 6,905 retirees enrolled under the plan. When you take into account the dependent population, the plan covers more than 30,000 lives. It is estimated that the FY 2016 medical and dental costs will be approximately $157,500,000.

In FY16, we have paid a total of $93,903,551.90 in healthcare premiums to date. Of this amount, $62,126,589.90 is the Government's portion and $31,776,962 is the Employees/Retiree share.

As we continue to administer the plan, while catastrophic claims have increased slightly, we are seeing initial health improvements with concentration in the areas identified via the HRA and focus given to wellness activities. I am pleased to inform you that last year the GVI obtained a 92% Health Risk Assessment compliance rate. This high rate was achieved by only one other members of similar population demographics. We continue to encourage our plan members to develop a relationship with a (PCP) Primary Care Physician and complete their annual wellness physical. In 2015 only 31% of the primary population did so. It must be noted that the annual wellness exam is not subject to the annual deductible or the insurance copay. In other words, there is no cost to the employee.

Cancer is still the leading catastrophic area of concern, followed by musculoskeletal. We are now looking at addressing gaps in care and encouraging member's

compliance with medication and disease management. We will focus on a campaign to encourage our members to utilize the screenings and preventative care activities that are included in the plan to make healthy lifestyle choices and changes.

Based on our compliance rate we can now focus on improving the overall health of our plan members. FY2016 is specifically focused on increasing physical activity. In this vein, our FY2016 calendar includes items such as: Battle of the Agencies, Recipe Rehab, Fitness Boot-camps, Health and Wellness Expo (5th), Farmer's Market, 10,000 Steps Program, Celebrity Kickball Game, Socarobics, Power Yoga/Body Sculpt, and Water Aerobics. In its 5th year, the Government of the Virgin Islands Wellness Program rivals stateside wellness programs and continues to have a positive influence on health behaviors of the active employee and retiree population. We would like to thank the Virgin Islands Legislature for participating in our first Celebrity Kickball Game and for being a repeat participant in our Annual Battle of the Agencies events. I would be remiss if I did not extend special kudos to Kurell Hodge and Jervon Ottley for their tremendous effort towards ensuring that employee wellness remains a front burner item.

Employee Development and Training

Training

Consistent with the belief that our human capital is our most valuable assets, I am happy to announce that we have increased the number of trained GVI employees by over 46.35% compared to Fiscal Year 2015. I am extremely proud of my Training Unit. They are a dedicated team of two: Training Coordinator Mrs. Dianne Bynoe-Davis and our Employee Development & Training Deputy Director Mrs. Madeline Thomas-Collens.

In addition to providing the traditional New Employee Orientation, Sexual Harassment Prevention and Sexual Harassment Refresher courses, they have developed and executed over 8 customized trainings focusing primarily in the areas of Customer Service and Effective Communication.

For the first time DOP co-designed and executed with the Graduate School a Vision Conference for Cabinet Members. My fellow Cabinet members and I crafted a shared vision that builds upon Governor Mapp's vision to significantly enhance the quality of life and create economic opportunity for the U. S. Virgin Islands. As a result, the Executive team is now participating in a series of quarterly meetings focusing on Transformational Leadership throughout our Government by working more collaboratively.

We are already seeing results. One recent example is a joint collaboration between DOP/VIPD/BOC/VIDOL and UVICELL. Together we are developing a program to help Law Enforcement Officer applicants improve their skillset in order to increase the number of applicants who become Law Enforcement Officers in the territory.

Professional Development

In order to better serve our community and each other, I strongly believe that we must continuously offer our employees opportunities to learn and share best practices, focus on developing skills that will make them more effective at work and in life. And that is why we also began a series of trainings on Teambuilding for the 40 professionals employed by the Division of Personnel. We strive to be the role models for professionalism in our Government. Every member of the DOP team has recommitted and renewed their passion for serving our community. So far this year our DOP employees have attended Customer Service Training, Teambuilding and

Effective Communication as well as Leadership Development training. We will continue to develop our employees to ensure they are providing our community and each other exceptional customer service.

Learning Management System

In January 2016, we developed a Learning Management System Steering Committee to advise and provide guidance and approve processes as we strive to continue to help develop our employees with the latest innovative training resources available. A learning management system (LMS) is a software application for the administration, documentation, tracking, reporting and delivery of electronic educational technology (also called e-learning) courses or training programs.

The committee members are as follows: Commissioner McCollum of Education, Director of BIT, Rueben Molloy, Commissioner of Human Services Vivian Ebbesen-Fludd, Assistant Director Averil George and myself. This committee has shared and gathered information from our Agency Heads, HR Managers and support staff to determine the top criteria in the areas of technology, functionality and cost. We are poised to commence the RFP process with the Department of Property & Procurement shortly. The Division will have an LMS System identified and purchased by the first quarter FY 2017.

We see the Training unit serving as internal training consultants to all Government Agencies. Our team is committed to analyzing the needs and providing results driven training solutions to the Government of the Virgin Island Employees.

Recruitment & Classification Initiatives

The Division held successful job fairs on all three islands, inviting all government agencies with funded vacancies to participate. Our job fairs will be held annually. Close to 700 candidates submitted applications for a variety of vacant GVI positions.

Also, in conjunction with the Virgin Islands Police Department, and the Bureau of Corrections, the Division of Personnel recently embarked on an initiative that will require all candidates for correction and police officer positions to successfully pass an online pre- screen application process prior to sitting the entrance exam.

This fall, our Recruitment & Classification unit headed by Administrator Millicent Aubain, will institute a territory wide "Know Your Government Fair", which will be geared towards reconnecting the general public with the services that the Virgin Islands Government provide.

Human Resources Information System Unit

Through the efforts of our Human Resources Information System (HRIS) unit, headed by Cordell Rhymer, the Division continues to provide support for all branches of government as they perform many of their HR-related tasks to ensure the integrity of the data maintained in the ERP.

In November, 2015, the HRIS team initiated a project to upgrade or replace all of the information technology resources that have outlived their normal life cycle. As of June 1, 2016, ninety-five percent of all the work stations have been replaced within both districts. During the next phase, which will begin in August, many servers and networking equipment which represent the core of our network will be replaced.

Within the next few weeks, the HRIS Unit and the Office of Management & Budget will start the implementation of the online Position Control Module within the ERP.

This project will streamline what is commonly referred to as the personnel requisition process and will expedite the on-boarding of new employees. Moreover, it will allow the quick reporting or real time analysis of vacant or filled positions throughout the executive branch.

During the past few months, our Records Management unit, under the direction of Adonna Duggins, has been actively involved in processing thousands of salary increases in accordance with Governor Mapp's initiative; this initiative has been strongly supported by the 31st Legislature. The implementation process was labor intensive, time consuming and required significant attention to detail. I would be remiss if I did not extend special kudos to Ms. Duggins and her team for their hard work and commitment to this project. Receipt of those increases has made a positive difference in the lives of many employees.

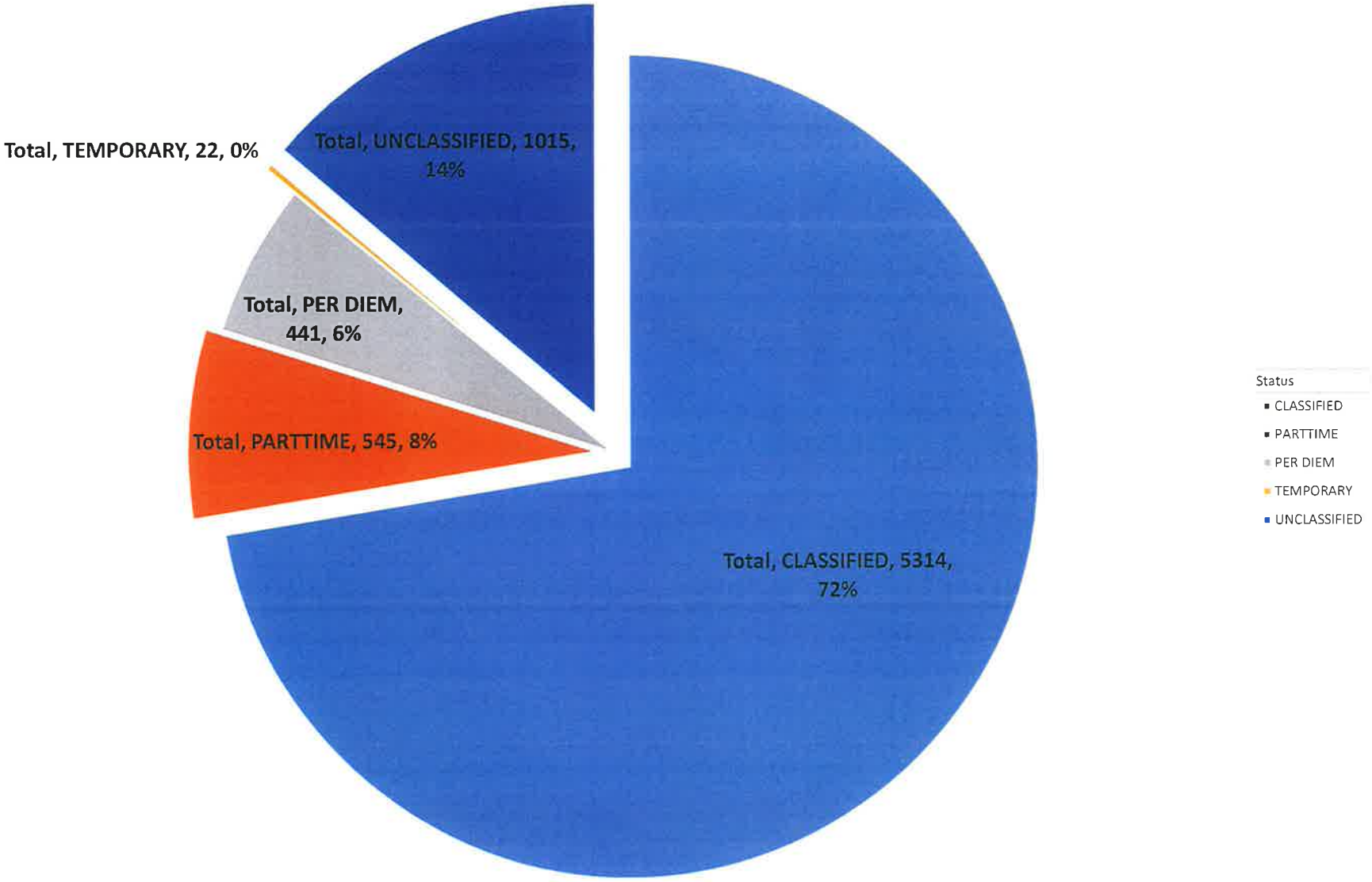
Internship/Apprenticeship Program

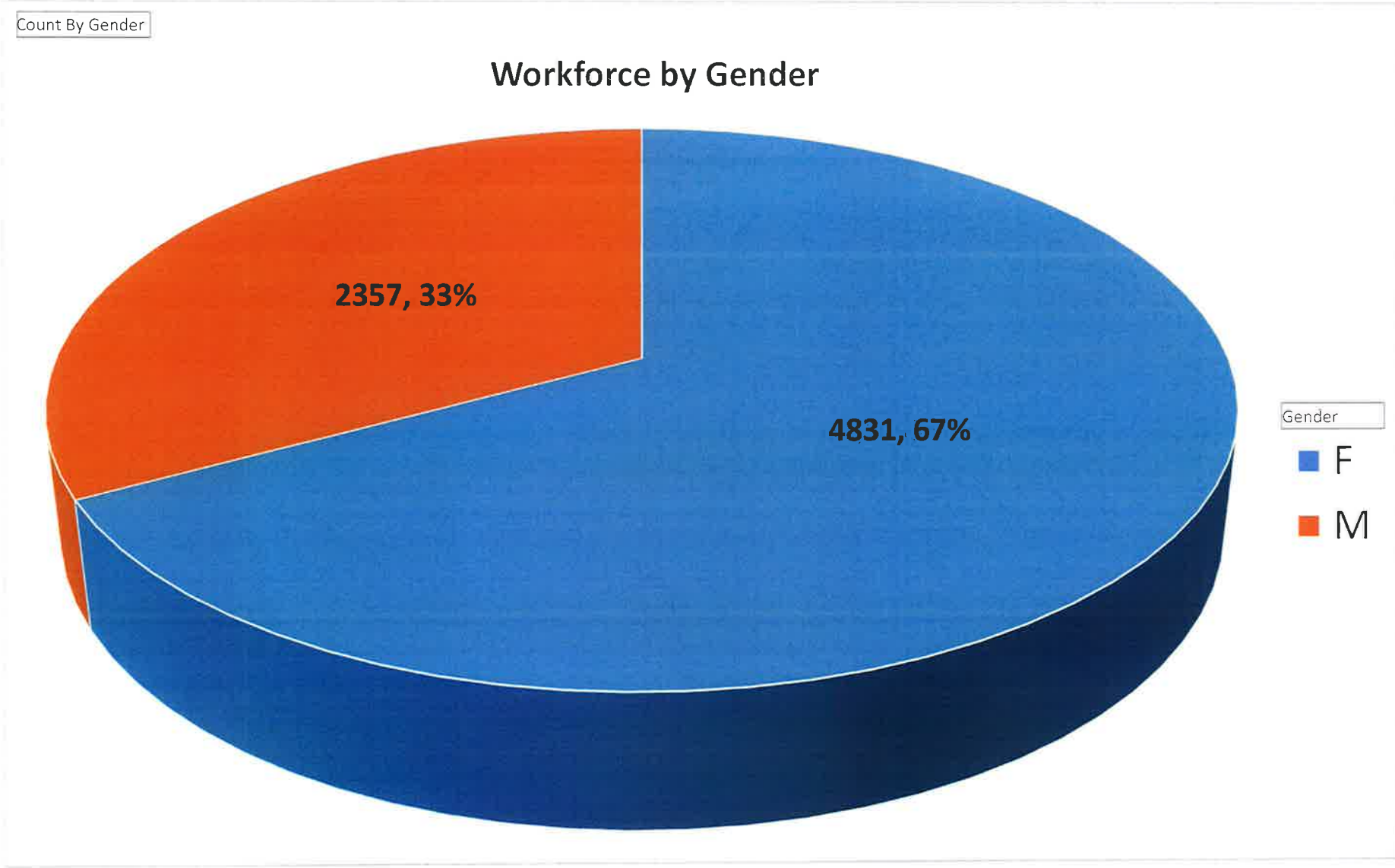
I have tapped my Assistant Director, Averil George to develop and execute an exciting internship/apprenticeship program for our college students. We have finalized a companion policy which outlines the rules and scope of the program and the eligibility criteria. As this will be a partnership with the University of the Virgin Islands, we have transmitted the finalized policy to UVI officials for their review. We anticipate launching the program in the fall of 2016.

In conclusion, let me express my deepest gratitude to you Senator Graham and the members of the Finance Committee for allowing me the opportunity to present the Division of Personnel's FY 2017 budget request. I would be remiss if I did not sincerely thank my staff for their continued support. We are now available to answer your questions.

Classification

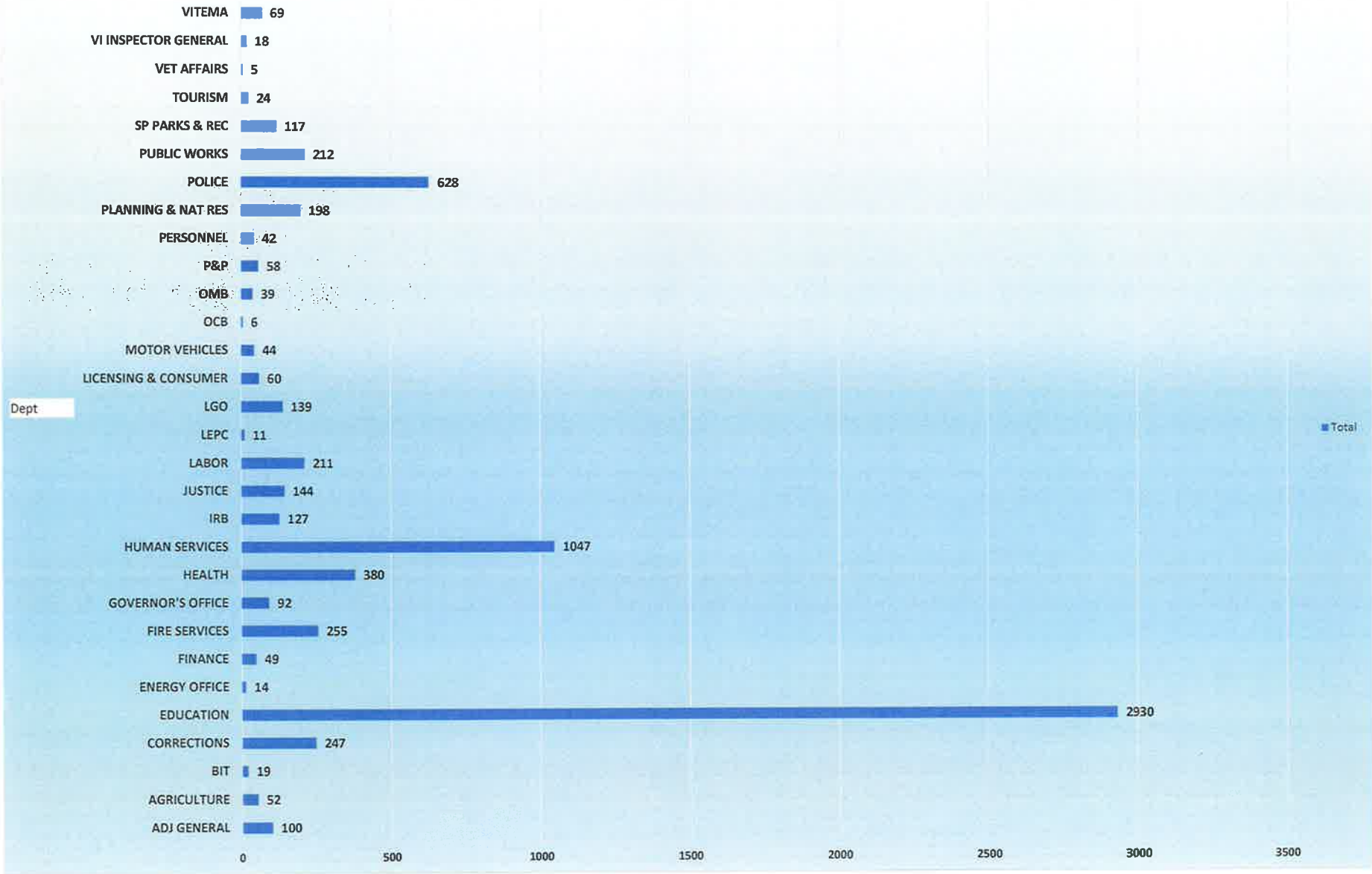
WORKFORCE BY CLASSIFICATION

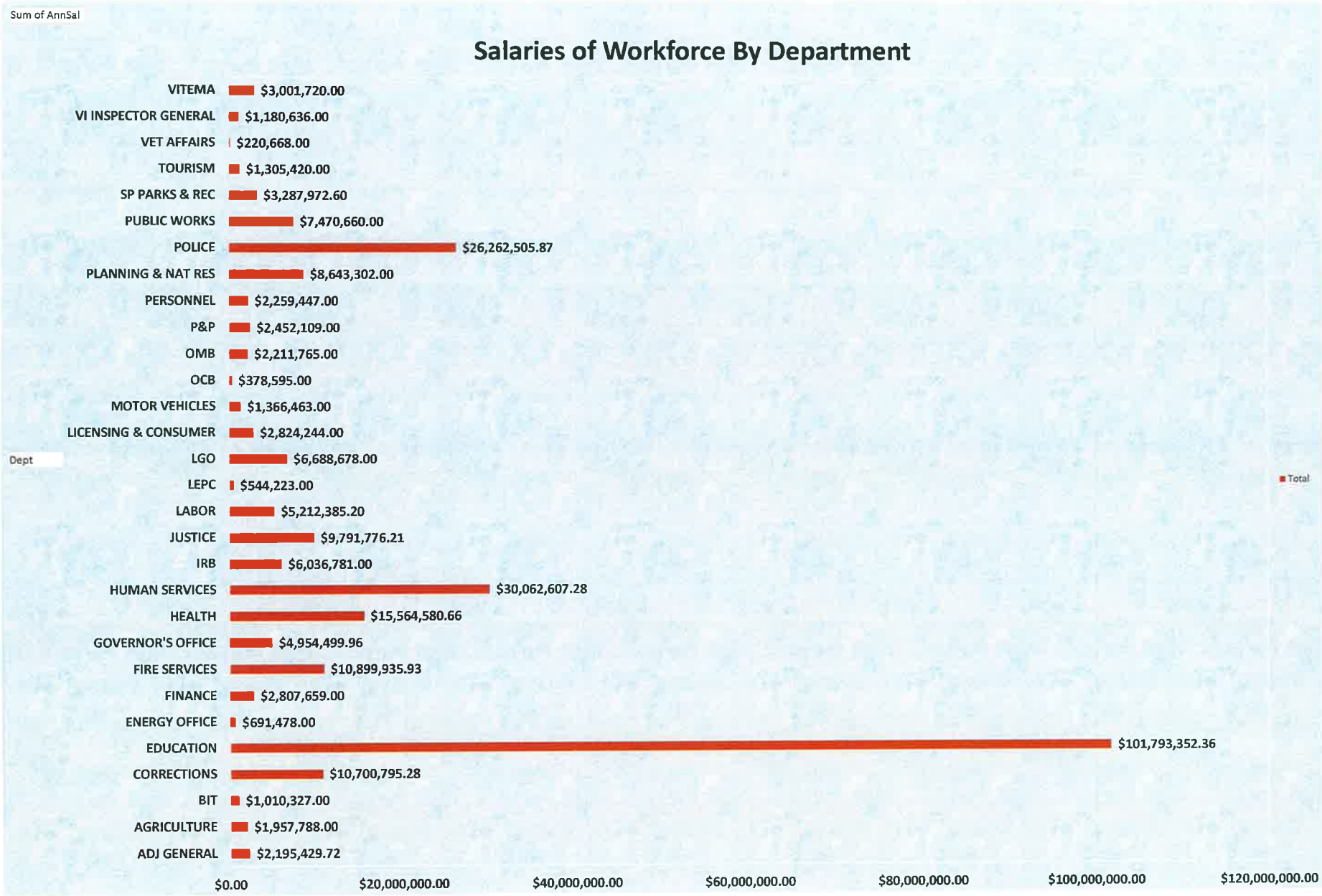


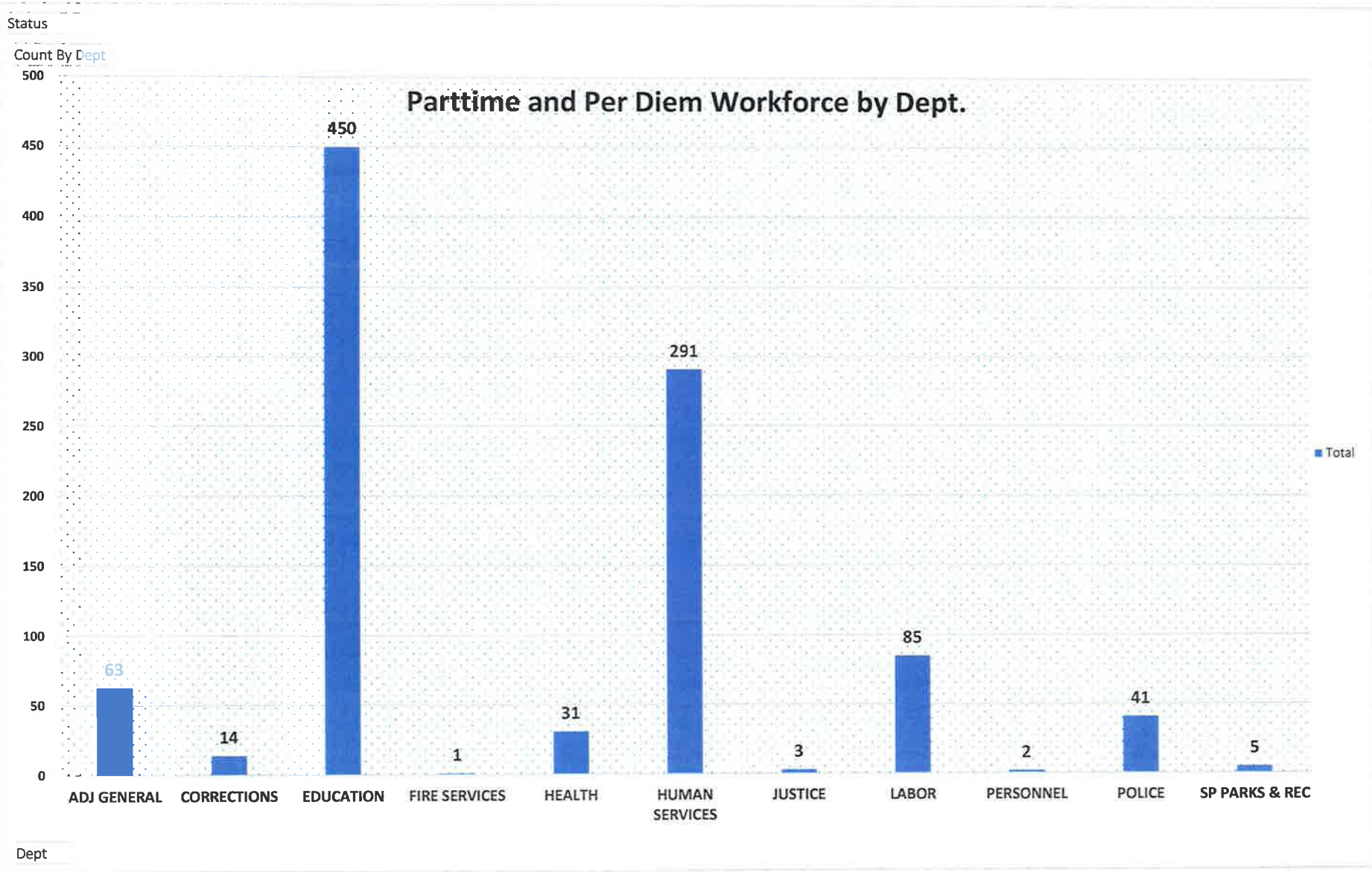

Count By Gender
Workforce by Gender
2357, 33%
4831, 67%
Gender
F
M

Count of Employees

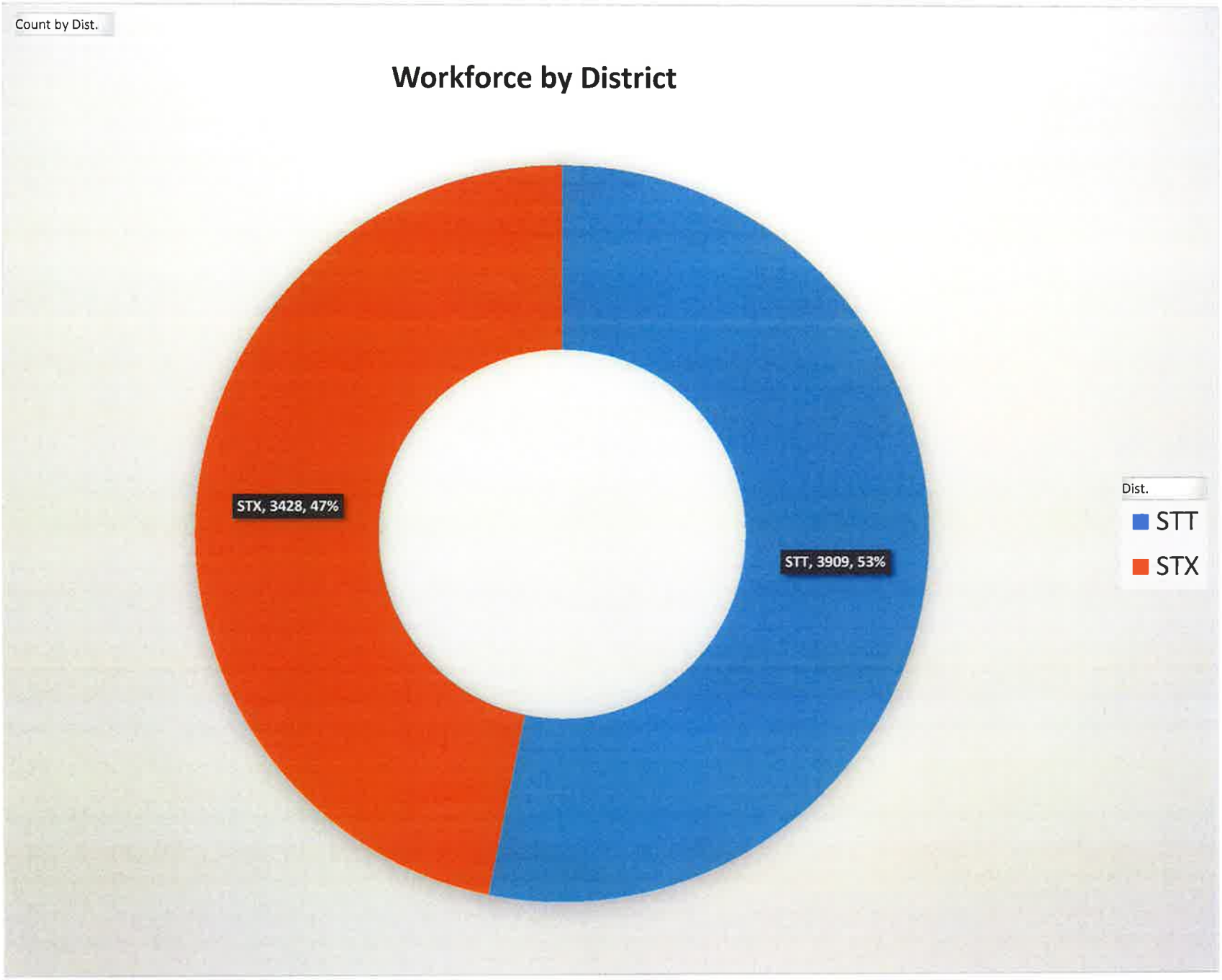
Employee Workforce By Department




Sum of AnnSal
Salaries of Workforce By Department
VITEMA $3,001,720.00
VI INSPECTOR GENERAL $1,180,636.00
VET AFFAIRS $220,668.00
TOURISM $1,305,420.00
SP PARKS & REC $3,287,972.60
PUBLIC WORKS $7,470,660.00
POLICE $26,262,505.87
PLANNING & NAT RES $8,643,302.00
PERSONNEL $2,259,447.00
P&P $2,452,109.00
OMB $2,211,765.00
OCB $378,595.00
MOTOR VEHICLES $1,366,463.00
LICENSING & CONSUMER $2,824,244.00
LGO $6,688,678.00
LEPC $544,223.00
LABOR $5,212,385.20
JUSTICE $9,791,776.21
IRB $6,036,781.00
HUMAN SERVICES $30,062,607.28
HEALTH $15,564,580.66
GOVERNOR'S OFFICE $4,954,499.96
FIRE SERVICES $10,899,935.93
FINANCE $2,807,659.00
ENERGY OFFICE $691,478.00
EDUCATION $101,793,352.36
CORRECTIONS $10,700,795.28
BIT $1,010,327.00
AGRICULTURE $1,957,788.00
ADJ GENERAL $2,195,429.72
Dept
Total
$0.00
$20,000,000.00
$40,000,000.00
$60,000,000.00
$80,000,000.00
$100,000,000.00
$120,000,000.00


Status
Count By Dept
Parttime and Per Diem Workforce by Dept.
500
450
400
350
300
250
200
150
100
50
0
63
14
450
1
31
291
3
85
2
41
5
Total
ADJ GENERAL
CORRECTIONS
EDUCATION
FIRE SERVICES
HEALTH
HUMAN SERVICES
JUSTICE
LABOR
PERSONNEL
POLICE
SP PARKS & REC
Dept

Row Labels	CLASSIFIED	PARTTIME	PER DIEM	TEMPORARY	UNCLASSIFIED	Grand Total
ADJ GENERAL	$1,099,066.00	$694,424.72		$31,733.00	$370,206.00	$2,195,429.72
AGRICULTURE	$928,451.00			$31,045.00	$998,292.00	$1,957,788.00
BIT	$501,327.00				$509,000.00	$1,010,327.00
CORRECTIONS	$8,079,455.08	$720,237.20			$1,901,103.00	$10,700,795.28
EDUCATION	$91,780,367.00	$442,564.20	$1,139,923.20		$8,430,497.96	$101,793,352.36
ENERGY OFFICE	$103,478.00				$588,000.00	$691,478.00
FINANCE	$1,743,781.00			$9,378.00	$1,054,500.00	$2,807,659.00
FIRE SERVICES	$10,022,933.93	$10,002.00			$867,000.00	$10,899,935.93
GOVERNOR'S OFFICE					$4,954,499.96	$4,954,499.96
HEALTH	$11,813,425.30	$583,352.16	$64,933.00	$31,100.00	$3,071,770.20	$15,564,580.66
HUMAN SERVICES	$22,896,669.20	$2,849,538.08			$4,316,400.00	$30,062,607.28
IRB	$5,022,281.00				$1,014,500.00	$6,036,781.00
JUSTICE	$4,332,578.00	$107,690.01	$24,003.20		$5,327,505.00	$9,791,776.21
LABOR	$3,061,968.00	$198,739.20	$84,160.00	$225,091.00	$1,642,427.00	$5,212,385.20
LEPC	$98,223.00				$446,000.00	$544,223.00
LGO	$3,369,668.00				$3,319,010.00	$6,688,678.00
LICENSING & CONSUMER	$1,195,794.00				$1,628,450.00	$2,824,244.00
MOTOR VEHICLES	$1,044,463.00				$322,000.00	$1,366,463.00
OCB	$219,595.00				$159,000.00	$378,595.00
OMB	$1,080,265.00				$1,131,500.00	$2,211,765.00
P&P	$1,237,109.00				$1,215,000.00	$2,452,109.00
PERSONNEL	$1,433,847.00	$20,800.00	$20,800.00		$784,000.00	$2,259,447.00
PLANNING & NAT RES	$5,329,293.00			$154,549.00	$3,159,460.00	$8,643,302.00
POLICE	$20,473,993.25	$970,202.22	$15,912.00	$121,308.00	$4,681,090.40	$26,262,505.87
PUBLIC WORKS	$4,676,675.00				$2,793,985.00	$7,470,660.00
SP PARKS & REC	$2,249,334.00	$54,903.60		$60,735.00	$923,000.00	$3,287,972.60
TOURISM	$170,420.00				$1,135,000.00	$1,305,420.00
VET AFFAIRS	$135,668.00				$85,000.00	$220,668.00
VI INSPECTOR GENERAL	$719,036.00				$461,600.00	$1,180,636.00
VITEMA	$1,456,811.00				$1,544,909.00	$3,001,720.00
Grand Total	**$206,275,974.76**	**$6,652,453.39**	**$1,349,731.40**	**$664,939.00**	**$58,834,705.52**	**$273,777,804.07**


Count by Dist.
Workforce by District
STX, 3428, 47%
STT, 3909, 53%
Dist.
STT
STX

BOARD MEMBERS

Exhibit II displays a listing of the Health Insurance board members.

Exhibit II

Name	Title	Term
Beverly Joseph	Chairperson	5/27/15 – 5/27/17
Lori Anderson	Elected Retiree Member	5/27/15 – 5/27/17
Adelbert Bryan	Elected Retiree Member	5/27/15 – 5/27/17
Gilbert K. Comissiong	MD Elected Member	5/27/15 – 5/27/17
Clemmie Moses	Appointed Member	3/10/00 – 3/9/02 (expired)

ORGANIZATIONAL CHART

Exhibit III displays DOP's organizational chart as of 6/6/16.

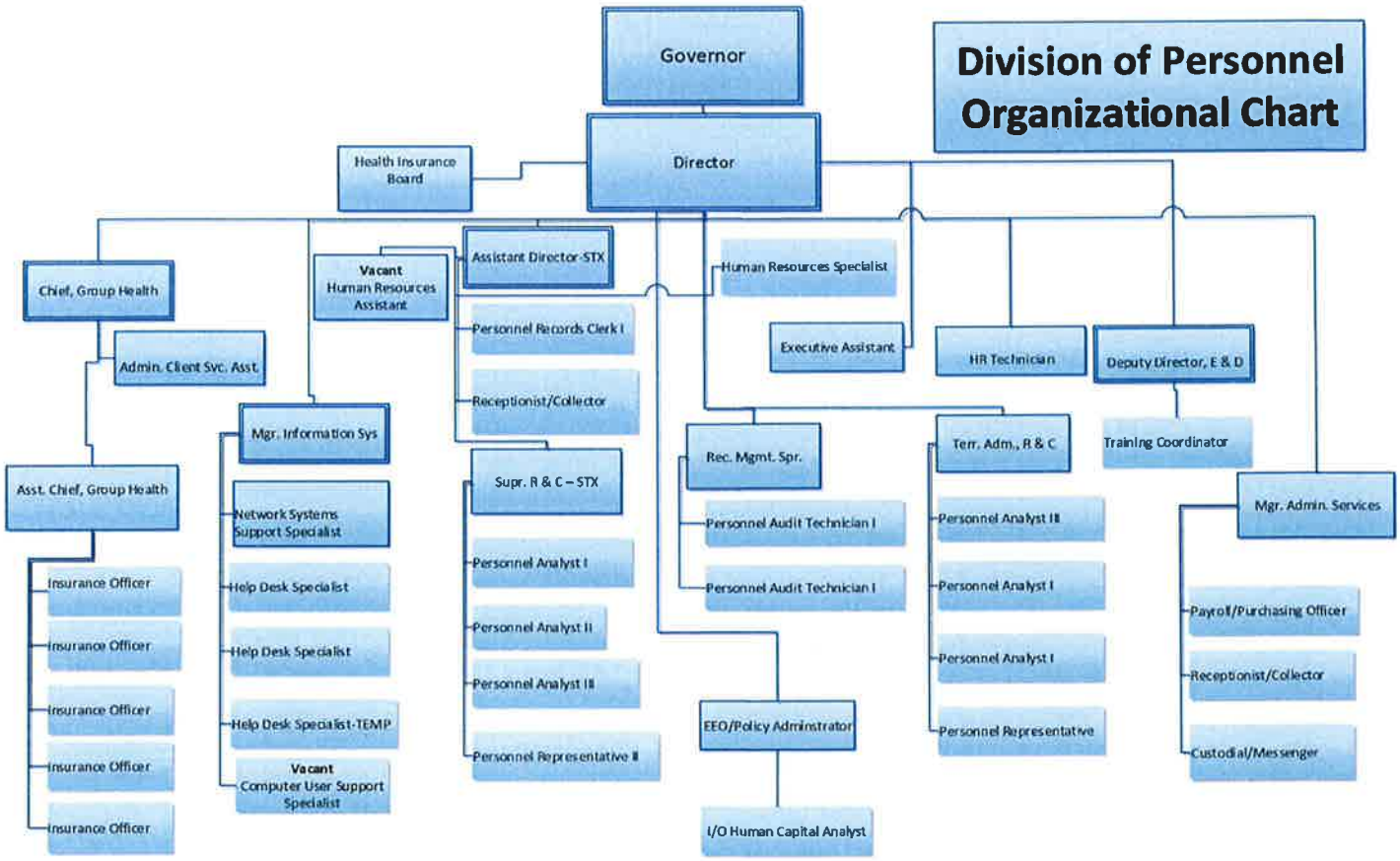



Exhibit III