

TESTIMONY ON BILL NO. 31-0176
COMMITTEE ON GOVERNMENT SERVICES
CONSUMER
AND
VETERAN AFFAIRS
31ST LEGISLATURE OF THE VIRGIN ISLANDS

FRIDAY, JANUARY 22, 2016
EARL B. OTTLEY LEGISLATIVE HALL
ST. THOMAS, VIRGIN ISLANDS

9:00 A.M.

BY:

MILTON E. POTTER, DIRECTOR
DIVISION OF PERSONNEL

GOOD MORNING, HONORABLE SENATOR JUSTIN HARRIGAN, SR., CHAIRMAN OF THE COMMITTEE ON GOVERNMENT SERVICES, CONSUMER & VETERAN AFFAIRS, COMMITTEE MEMBERS; OTHER DISTINGUISHED MEMBERS OF THE 31ST LEGISLATURE; LADIES AND GENTLEMEN IN THE VIEWING AND LISTENING AUDIENCE. MY NAME IS MILTON E. POTTER, AND I SERVE AS PERSONNEL DIRECTOR FOR THE GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS.

LET ME BEGIN BY THANKING YOU SENATOR HARRIGAN FOR YOUR LETTER OF INVITATION TO PROVIDE TESTIMONY ON BILL NO. 31-0176, LEGISLATION WHICH WOULD AMEND TITLE 3 CHAPTER 25 OF THE VIRGIN ISLANDS CODE BY ADDING SUBCHAPTER 5A, TO CREATE THE VIRGIN ISLANDS PUBLIC OFFICIALS COMPENSATION ACT. THE ACT WOULD ESTABLISH A NINE-MEMBER PUBLIC OFFICIALS COMPENSATION COMMISSION APPOINTED TO DETERMINE THE SALARIES AND BENEFIT PACKAGES FOR GOVERNMENT OFFICIALS.

I MUST APPLAUD SENATOR TERRENCE "POSITIVE" NELSON, THE BILL'S PRIME SPONSOR, FOR THE TIME AND EFFORT THAT WAS CLEARLY PUT INTO CRAFTING THIS BILL. HOWEVER, THAT BEING SAID, I CANNOT SUPPORT THE BILL IN ITS CURRENT FORM FOR THE FOLLOWING REASONS.

1. AS A MATTER OF PRINCIPLE, I BELIEVE THAT THE GOVERNOR OF THE VIRGIN ISLANDS SHOULD HAVE THE RIGHT TO DETERMINE SALARIES FOR THE MEMBERS OF HIS CABINET. BY LIMITING SALARIES TO THE AMOUNT PRESCRIBED BY THE COMMISSION, THE BILL PLACES SERIOUS RESTRICTIONS ON THE GOVERNOR'S ABILITY TO NEGOTIATE WITH, AND ULTIMATELY RECRUIT AND RETAIN THE TYPE OF LEADERS NEEDED TO EXECUTE HIS VISION AND TO ENSURE THAT THE GOVERNMENT

THRIVES. MOREOVER, IT LIMITS HIM FROM ADJUSTING CABINET MEMBERS SALARIES AS HE DEEMS NECESSARY.

2. WHILE I AM FUNDAMENTALLY OPPOSED TO THE BILL BECAUSE OF THE LIMITATION IT PLACES ON THE GOVERNOR'S ABILITY TO RECRUIT AND RETAIN COMPETENT STAFF, IN ADDITION, BILL NO. 31-0176 WOULD PLACE A SIGNIFICANT ADMINISTRATIVE BURDEN ON THE DIVISION OF PERSONNEL. THE BILL REQUIRES THE DIVISION TO PROVIDE THE COMPENSATION COMMISSION WITH STAFF TO PERFORM ITS FUNCTIONS AND TO PROVIDE RECORD-KEEPING FACILITIES AND OTHER FACILITIES AS NEEDED. HOWEVER, WHAT THE BILL DOES NOT DO IS PROVIDE THE ADDITIONAL FUNDING NECESSARY TO UNDERTAKE THESE NEW RESPONSIBILITIES.
3. PRESENTLY, IN ADDITION TO PERFORMING OUR LEGALLY MANDATED FUNCTIONS, THE DIVISION OF PERSONNEL PERFORMS ADMINISTRATIVE FUNCTIONS FOR THE GESC HEALTH INSURANCE BOARD, TO INCLUDE ADMINISTERING A FULL-FLEDGED WELLNESS PROGRAM. FURTHERMORE, THE VIRGIN ISLANDS LEGISLATURE TRANSFERRED THE DONATED LEAVE PROGRAM FROM UNDER THE AUSPICES OF THE DEPARTMENT OF FINANCE TO THE ADMINISTRATIVE CONTROL OF THE DIVISION OF PERSONNEL. PERSONNEL'S ADMINISTRATIVE RESPONSIBILITIES EXTEND TO THE LEGISLATIVE AND JUDICIAL BRANCHES AS WELL AS TO THE SEMI-AUTONOMOUS INSTRUMENTALITIES. AGAIN LIMITED PERSONNEL CURRENTLY PERFORM THESE SIGNIFICANT FUNCTIONS WITH NO PROPORTIONATE ADDITIONAL FUNDING PROVIDED TO SUPPORT THE ADDED RESPONSIBILITIES.
4. FURTHERMORE, THE COMPENSATION COMMISSION WOULD BE REQUIRED TO HIRE A CREDIBLE COMPENSATION CONSULTING FIRM, TO PROVIDE SIGNIFICANT GUIDANCE IN COMPLETING THEIR MANDATE. THE BILL IS SILENT AS TO WHERE THIS FUNDING WOULD COME FROM.

5. IN THE ALTERNATIVE, PRIORITY SHOULD BE GIVEN TOWARD FULLY FUNDING AND IMPLEMENTING A COMPREHENSIVE COMPENSATION AND CLASSIFICATION STUDY FOR BOTH RANK AND FILE AND EXECUTIVE LEVEL GVI POSITIONS. THIS SHOULD BE DONE WHILE SIMULTANEOUSLY PROVIDING THE DIVISION OF PERSONNEL WITH THE NECESSARY FUNDING TO HIRE TWO TRAINED COMPENSATION ANALYSTS TO WORK SIDE-BY-SIDE WITH THE PAID CONSULTANTS, THE AIM BEING BUILDING IN-HOUSE CAPACITY. THE DIVISION WOULD THEN HAVE THE EXPERTISE TO CONDUCT FOLLOW-UP COMPENSATION STUDIES EVERY THREE TO FOUR YEARS, PROVIDING BROAD SALARY GUIDELINES FOR BOTH CLASSIFIED AND CABINET LEVEL POSITIONS. IN 2011, A CONSULTANT WAS HIRED BY THE FORMER DIRECTOR TO CONDUCT A COMPREHENSIVE CLASSIFICATION AND COMPENSATION STUDY, WHICH WAS NEVER COMPLETED DUE TO FUNDING LIMITATIONS. A CLASSIFICATION & COMPENSATION STUDY IS PRIMARILY DESIGNED TO FOCUS ON INTERNAL AND EXTERNAL EQUITY FOR BOTH THE STRUCTURE BY WHICH EMPLOYEES ARE COMPENSATED AS WELL AS THE WAY POSITIONS RELATE AND COMPARE TO ONE ANOTHER ACROSS THE ORGANIZATION.

IN CONCLUSION, MR. CHAIRMAN, LET ME ONCE AGAIN THANK YOU FOR THE OPPORTUNITY TO PROVIDE TESTIMONY ON BILL NO. 31-0176, LEGISLATION WHICH WOULD CREATE THE VIRGIN ISLANDS PUBLIC OFFICIALS COMPENSATION ACT. I SINCERELY RESPECT SENATOR NELSON'S ATTEMPT TO BRING COMPENSATION MATTERS TO THE FOREFRONT. HOWEVER, IN ITS PRESENT FORM, I CANNOT SUPPORT THE BILL. I HOPE THAT THIS CAN BE A CATALYST FOR GIVING CONSIDERATION TOWARD FUNDING A COMPREHENSIVE CLASSIFICATION AND COMPENSATION STUDY FOR THE GOVERNMENT OF THE VIRGIN ISLANDS. I AM AVAILABLE TO RESPOND TO ANY QUESTIONS YOU OR YOUR COLLEAGUES MIGHT HAVE WITH RESPECT TO THE AMENDMENT UNDER CONSIDERATION. THANK YOU.