



BUDGET

**FY
2024**

AUGUST 28, 2023

JUSTIFICATION

**35TH LEGISLATURE
OF THE U.S. VIRGIN ISLANDS**

SENATE PRESIDENT, HONORABLE NOVELLE E. FRANCIS, JR.



Introduction

Good Afternoon, Sen. Donna Frett-Gregory, Chair of the Committee on Budget, Appropriations and Finance, members of the Committee, my colleagues and the viewing and listening audience. I am Novelle E. Francis, Jr., President of the 35th Legislature of the Virgin Islands.

I am accompanied today by Mrs. Kurell A. Sheridan, JD, Executive Director, and Mr. Michael Benjamin, Acting Director of Business and Financial Management. I appreciate this opportunity to present the Legislature's budget request for Fiscal Year 2024.

The Legislature is one of three co-equal branches of the Government of the Virgin Islands of the United States, with powers delegated by the Revised Organic Act of 1954. The Legislature is comprised of 15 senators, who serve for two-year terms, and of 15 Central Staff Divisions, which serve as non-partisan support staff to all senators.

While the Legislature is a co-equal branch of the government, it is not equal in funding and has not received the budgetary increases afforded to the Executive and Judicial branches. As my team and I will present today, the FY2024 budget represents a modest increase in the Legislature's operating budget. The proposed budget realistically balances the needs of the institution, but also supports key objectives of accountability, digital transformation and transparency.

Madame Chair, I am sure that you and our constituents will be pleased to hear about the measures implemented by the Legislature that support greater accountability and definitively resolve the concerns of the 2011 audit by the Virgin Islands Inspector General's Office.

As an organization, the Legislature strives to be fiscally responsible and does its best to make a dollar out of fifty cents, however, this often comes at the cost of the resources needed for our employees. I commend all of our hardworking employees who do their best to perform at a high level despite limited resources. The transformational outcomes that our community expects from the first branch of government often elude us largely because of these budget shortfalls. In the past year, more of the Legislature's internal processes have come online, which support greater efficiency and contribute to our goal of becoming paperless.

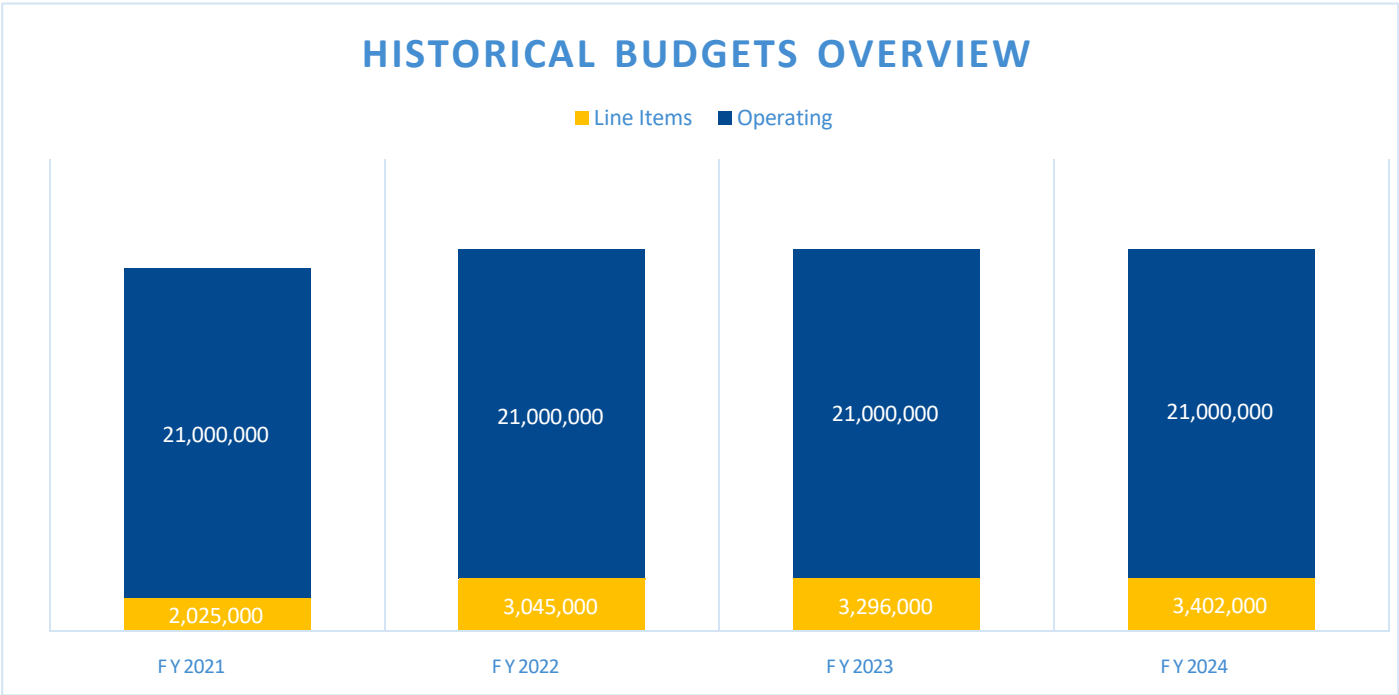
The Legislature has significantly invested in professional development. We have broadened our multimedia reach to online and streaming platforms, so that hearings, town halls and other legislative activity are more widely accessible. Finally, as the first branch of government, we are well on our way to being a leader in digital transformation, as we deploy technology in ways that build organizational efficiency and customer satisfaction for all who interface with the Legislature.

After years of stagnant funding, that have not kept pace with operational costs, personnel costs or the overall cost of maintaining a first-class organization, we are requesting a modest increase of less than 1%, or \$106,000 over our FY2023 allotment.

Colleagues, this FY2024 increase helps us to bridge the gap to attain the organizational transformation that is within our reach. Our total request of \$24,402,000.00 recognizes and is built on a strong foundation of careful planning, resourcefulness, cost-saving strategies, and the increased use of technology towards a more efficient and forward-thinking organization.

Executive Director Sheridan will now detail the request.

The chart below provides a historical budget overview from FY 2021 to the current request. The chart clearly demonstrates the maintenance of the \$21,000,000 operating budget and small increases to the line-item requests over time.



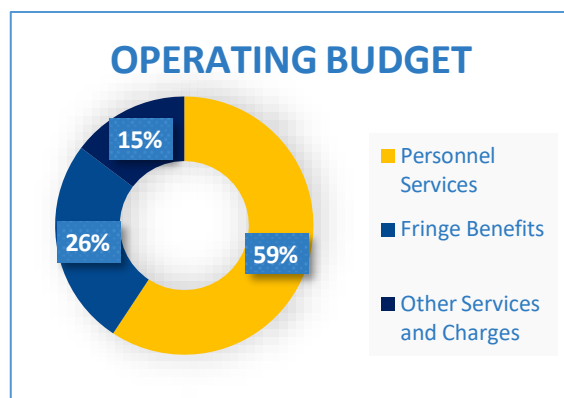
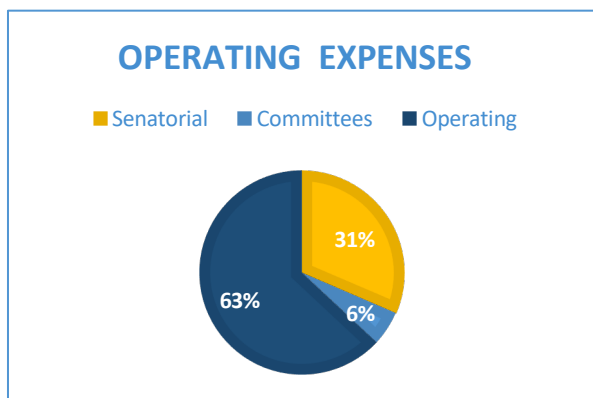
FY-2024 Budget Request

Operations		Requested FY2024
Senatorial Offices		\$6,615,000
Legislative Committees		\$1,160,800
Central Operations		\$13,224,200
Subtotal		\$21,000,000
Line Items		
Legislative Youth Advisory Council		\$5,000
Mandated Observances/Events		\$133,000
Uniform State Laws Commission		\$30,000
Equipment Replacement & Software Renewals		\$517,000
Insurance		\$180,000
Training		\$75,000
Maintenance of Central Staff Raises and Merit System		\$962,000
Capital Projects		\$1,500,000
Subtotal		\$3,402,000
For a total FY2024 request of		\$24,402,000

Operational Expenses

In accordance with Act 6792 of the Virgin Islands Code, funding to sustain senatorial office operations is tied to the operational budget of the Legislature. Therefore, based on an operational budget of \$21,000,000.00 the senatorial share required by law totals \$6,615,000.00, 31% of the operational budget, the committee share totals \$1,160,800.00, 6% of the operational budget, and the remaining balance of \$13,224,200.00, 63% of the operational budget is utilized to sustain operations.

Broken down by cost center, the \$21,000,000.00 operational budget consists of personnel costs, \$12,450,000.00, 59%, fringe benefits \$5,460,000.00, 26%, and other services and charges, \$3,090,000.00, 15%.



	FY 2024 Request	FY 2023	Variance
Personnel Services	\$12,450,000.00	\$12,400,000.00	\$50,000.00
Fringe Benefits	\$5,460,000.00	\$5,480,000.00	-\$20,000.00
Other Services and Charges	\$3,090,000.00	\$3,120,000.00	-\$30,000.00
Total	\$21,000,000.00	\$21,000,000.00	\$0.00

The FY 2024 request reflects negligible changes projected for all costs from FY 2023. There is an increase in personnel costs, representing the offset from hiring new employees and expected retirements. A decrease to fringe benefits based on more accurate health insurance contribution calculations is expected and other services are also expected to decrease as large cost overruns for line items are no longer expected.

Personnel Services and Fringe Benefits support 83 senatorial staff employees and 139 central staff employees for a total of 222 employees.

	St. Croix	St. Thomas	Totals
Senatorial	36	47	83
Central	48	91	139
Total	84	138	222

Personnel Services

During FY2023, eight positions were assessed when they became vacant and were deleted from the personnel listing. These deletions were made to support divisional reorganization efforts, to reduce redundancy and account for increased use of technology.

DELETED POSITIONS

Qty	District	Division	Title
1	St. Croix	Facilities	Groundskeeper
1	St. Croix	Public Affairs	Writer
1	St. Croix	Journal	Administrative Assistant
1	St. Thomas	Researcher	Legal Counsel
1	St. Thomas	Facilities	Assistant Director, Facilities
1	St. Thomas	Capitol Police	Security Supervisor
1	St. Thomas	Business Office	Director of Procurement
1	St. Thomas	Legislative Reporters	Assistant Chief

Currently there are nine vacancies, in FY2023 seven vacancies are expected to be filled and in FY2024, the remaining two vacancies are expected to be filled, additionally, the anticipated vacancy is expected to be filled in FY2024.

VACANCIES

Qty	District	Division	Title	Salary	Status
1	St. Croix	Legislative Reporters	Reporter	\$65,000.00	Advertised
1	St. Thomas	Legislative Reporters	Reporter	\$65,000.00	Advertised
1	St. Thomas	MIS	Computer Specialist	\$38,000.00	NOPA Pending
3	St. Croix	Capitol Police	Capitol Police Officer	\$50,000.00	1 NOPA Pending
3	St. Thomas	Capitol Police	Capitol Police Officer	\$50,000.00	1 NOPA Pending
1	St. Thomas	Human Resources	Assistant Director	\$80,000.00	Projected Vacancy 11/1/2023

During FY2023 there were 18 senatorial separations and 12 central separations.

SEPARATIONS

	Resignations	Retirements	Dismissals
Senatorial	4	0	14
Central	2	10	0

Other Services and Charges

Other services and charges include supplies, professional services, contracts, membership dues, rent, maintenance, travel, utilities and other operational costs.

Other Services	FY2024 Request	FY 2023
Supplies	\$200,000.00	\$161,783.28
Professional Services & Contracts	\$720,000.00	\$717,175.53
Membership Dues	\$147,800.00	\$147,773.11
Rent	\$256,000.00	\$255,183.04
Security Monitoring	\$174,000.00	\$173,656.11
Communication Costs	\$220,000.00	\$219,942.39
Maintenance Contracts	\$172,200.00	\$172,120.22
Travel Related Costs	\$750,000.00	\$728,169.52
Other Operational Costs	\$450,000.00	\$468,401.23
Total Other Services thru July 2023	\$3,090,000.00	\$3,044,204.43



The Legislative Youth Advisory Council is comprised of sixteen youths, ages 14-23 years of age and four ex-officio Senators. The Council's duties include advising the Legislature on proposed legislation, budget expenditures and policy matters related to youth; consulting with study commissions, committees and task forces regarding issues related to youth; and conducting periodic seminars for its members regarding leadership, civics, government and the Legislature.

The Legislature Youth Advisory Council has not expended any funds to date but is expected to expend monies once the council re-convenes for the 35th term. The request for FY2024 has been reduced to \$5,000.00 as the council will only replace members unavailable to serve, thereby reducing startup costs.

Legislature Youth Advisory Council

<i>Funding FY23</i>	<i>Expended to Date</i>	<i>Projected Expenditures</i>	<i>Projected Balance</i>
\$15,000.00	\$0.00	\$2,500.00	\$12,500.00

Mandated Observances and Events

According to the Virgin Islands Code, the Legislature of the Virgin Islands must host a number of observances and ceremonies in support of legislation. These events include the swearing in ceremony and related events, Pre-Legislative Conference/Orientation, African Liberation Day, Flag Day, Transfer Day, Perma Plaques Ceremonies, Lay in State, funeral wreaths and other events in support of the Legislature and its employees such as employee appreciation activities. The Legislature fully complies with all legally required observances and actively participates in group activities organized by third parties, such as relay for life, the governmental softball league, battle of the agencies and employee of the year to name a few. Additionally, the Legislature plans and hosts in-house, several employee events.

The FY2024 budget request for mandated observances and events has been increased to \$133,000.00 to more accurately cover all costs related to mandated observances and events. Over the years, the number of mandated observances has increased, and number of mandated observances officially observed has increased. Some of these required events were historically funded from operations, for example in FY2023, we have approximately \$66,550 of expenses that should have been absorbed in this line item but were covered by royalties received from the publishing of the VI Code. The FY2024 request will ensure that all event and observance related costs are paid from this line item.

<i>Funding FY23</i>	<i>Expended to Date</i>	<i>Projected Expenditures</i>	<i>Projected Balances</i>
\$75,000.00	\$75,000.00	\$0.00	\$0.00



Uniform State Laws Commission

The Commission on Uniform State Laws is comprised of three members of the VI Bar Association. One Commissioner recommended by the Governor, one by the President of the Legislature and one by the President of the VI Bar Association. Commissioner's duties include attending the National Conference of Commissioners on Uniform State Laws and promoting uniformity in state and territorial laws with model legislation. Uniform law commissioners from across the country convene each summer to review draft acts and approve new uniform laws. The 2024 annual meeting will be held in Boston, Massachusetts in July. The Legislature's funding allocation covers the cost of membership and conference attendance. Additional funding for a total request of \$30,000.00 is requested to allow additional attorneys to attend the annual conference.

<i>Funding FY23</i>	<i>Expended to Date</i>	<i>Projected Expenditures</i>	<i>Projected Balances</i>
\$25,000.00	\$25,000.00	\$0.00	\$0.00

Equipment Replacement & Software Renewals

The Legislature supports on average 280 employee's Office 365 suite access, internet, phone, WIFI, backup servers and Xerox machine rentals. Of note, in FY2023, a reduced Xerox machine rental costs by \$4,000 per month was negotiated and the Office 365 subscription suite is anticipated to be reduced by approximately \$30,000 by adjusting the product mix, thus allowing a reduction to \$517,000 in the requested budget to account for the \$74,000 cost savings.

<i>Funding FY23</i>	<i>Expended to Date</i>	<i>Projected Expenditures</i>	<i>Projected Balances</i>
\$591,000.00	\$582,170.00	\$8,830.00	\$0.00

Insurance

Currently, the Legislature carries liability insurance as required by our landlords for the Legislative Annexes on St. Thomas and St. John. Additionally, the Legislature has insured the structure for the St. Croix Golden Rock Complex, however, it is recommended that the Legislature increase its current coverage to adequately reflect building replacement and contents cost. The additional premium amount for St. Croix explains the insurance line-item increase to \$180,000.

<i>Funding FY23</i>	<i>Expended to Date</i>	<i>Projected Expenditures</i>	<i>Projected Balances</i>
\$40,000.00	\$40,000.00	\$0.00	\$0.00

Training

Technology, employee engagement, learning and development are key strategies employed by the 35th Legislature to enhance employee performance, boost employee productivity, and improve morale. The Legislature is pleased to share that 100% of divisions within the central staff have had at least one employee attend or is scheduled to attend training in 2023.

The current budget request includes an increase in the training line item for a total request of \$75,000. These additional dollars are to increase training opportunities within the central staff to provide opportunities for employees to explore new topics, refine their skills, expand their knowledge, and make key networking contacts. The Virgin Islands Legislature's central staff has historically had low representation at the National Council of State Legislatures (NCSL) section summits, meetings, and conferences, disconnecting the Virgin Islands Legislature from valuable and relevant benchmarking, cutting-edge strategies and initiatives from our national legislative counterparts. We seek to permanently change this, and we hope to support the establishment of our Division Heads as national committee leaders. Planned 2024 trainings include law enforcement officer dignitary protection training, Human Resources training and NCSL section meeting attendance.

<i>Funding FY23</i>	<i>Expended to Date</i>	<i>Projected Expenditures</i>	<i>Projected Balances</i>
\$40,000.00	\$40,000.00	\$0.00	\$0.00

Employee Trainings FY2023

- Financial Software & Accounting Training
- New Supervisor Training
- Clerks and Secretaries NCSL Section Conference
- Protocol Training
- NCSL Annual Conference
- Hazardous Chemicals Training
- HR Workplace Investigators Training
- ADA/FMLA Training
- National Court Reporters Conference
- Cyber Security Training
- Writing Workshop
- NOBEL Police Leadership Conference
- POST Training
- Firearm Certification Trainer
- NCSL Section Conferences (scheduled)
- CPR (Scheduled)

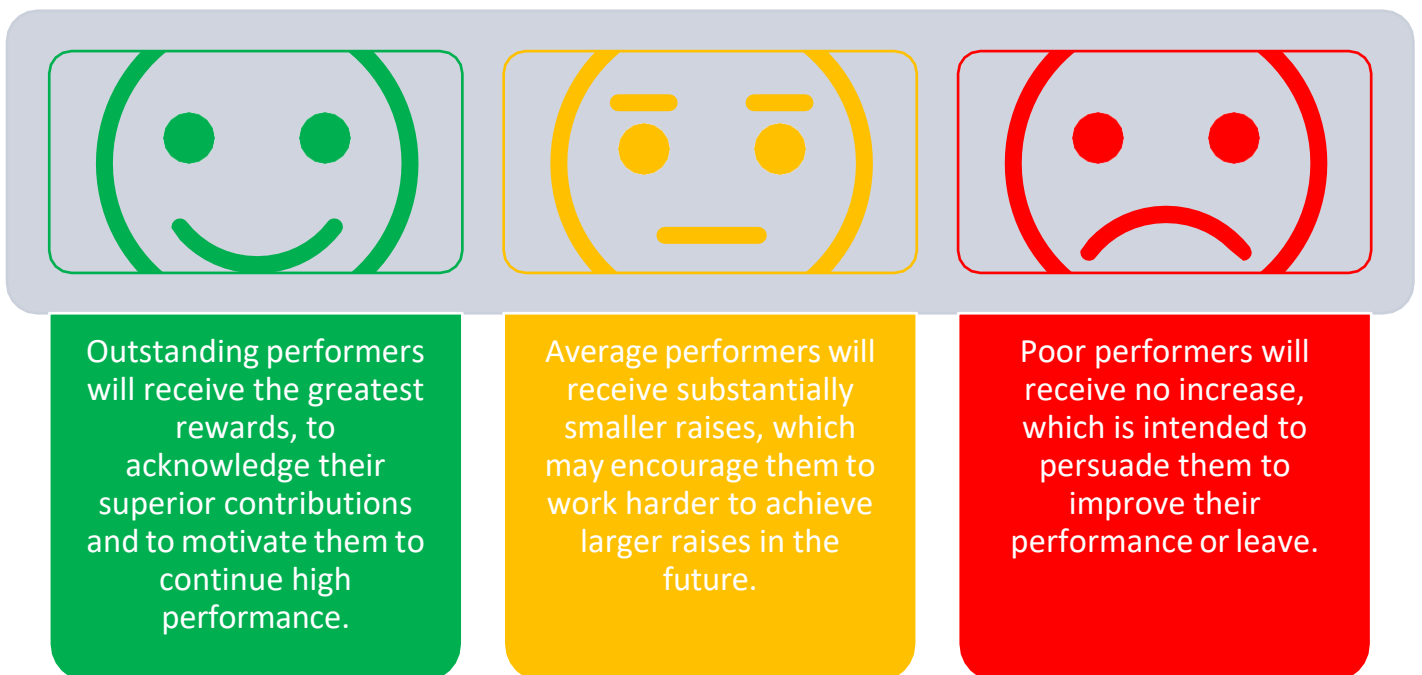


Maintenance of Central Staff Raises and Merit System Implementation

Annually, this body asks the question “What is the morale in your organization?”. However, year after year very few departments score above 7. The Legislature is no different as high levels of morale are attributed to significant investments in infrastructure, merit systems and leadership. Additionally, many times the idea of rewarding workers for a job well done has also been a consistent ask of this body. The Legislature is improving the physical spaces employees occupy, is investing in employee training and desires to implement a pay for performance-based merit increase system as a multi layered plan to improve the employee experience.

What exactly is pay for performance? The term “pay for performance” refers to a pay strategy where evaluations of individual and/or organizational performance have significant influence on the amount of pay increases given to each employee. This Legislature is uniquely positioned to implement a pay for performance structure in a two-year period.

When a pay for performance system functions properly:



Coupled with a learning management system, poor performers will be placed on a learning and development plan to improve their skills. It is in this vein, that the Legislature asks for \$25,000 to implement a learning and performance management software. The additional funds will maintain the current salary levels and support a request for a 3% across the board salary increase for the first year of pay for performance implementation. The software selected will also include leadership evaluation and rewards training. In future years, the ask will not include across the board increased but rather merit based increases from zero to seven percent.

Funding FY23	Expended to Date	Projected Expenditures	Projected Balances
\$650,000.00	\$575,000.00	\$75,000.00	\$0.00

Capital Projects

Projects planned for FY2024 are as follows:

ProxiGuard **Swipe Access Control System** **Air Conditioning Replacement** **10% FEMA Match** **Fire Suppression System** **Electronic Gate Vehicles** **Roof Replacement** **Landscaping** **Elevator Upgrade** **Smithsonian Book Return** **New Flagpoles**

Improving the safety and security of the Legislature is a focus in the 35th Legislature. For the last three Legislatures, the foundation has been laid to transition the Legislature's Security Division to a Capitol Police Division. Significant strides have been made towards this goal, such as the implementation of a police academy requirement within 12 months of hire for all new security guards, ensuring bag and body scanners are fully functional, and improving our surveillance camera technology. Further, we increased recruitment efforts to attract and retain sworn personnel.

In that vein, monies from the capital projects request will be used to invest in RFID (Proximity) guard tour systems on all three islands, upgrade access control electronic and physical key systems, install a fire suppression system on St. Thomas and upgrade our elevator on St. John. Additionally, the capital funds will be used to provide the 10% FEMA match as we complete our two existing projects on St. Thomas and St. John.

<i>Funding FY23</i>	<i>Expended to Date</i>	<i>Projected Expenditures</i>	<i>Projected Balances</i>
\$1,750,000.00	\$1,661,027.00	\$88,973.00	\$0.00

Conclusion

In closing, we present to this body our budget request of \$24,402,000 which includes funding for the Legislative Youth Advisory Council, the cost of mandated observances and events, membership and travel for the Uniform State Laws Commission, equipment rental and software renewals, insurance, training, maintenance of central staff raises and implementation of a merit system, capital projects, senatorial, committee and central operations. We respectfully request your thoughtful consideration and approval.

Thank you for providing the opportunity to testify in support of our budget request. Before we close, we thank all our dedicated, hard-working, and exceptional leadership team and their employees who maintain the central staff operations Legislature after Legislature in support of the people of the Virgin Islands. We hope that you, our employees are proud of the budget provided. It is a reflection of the level of appreciation we have for you and your efforts and attempts to ensure you have sufficient resources to do your jobs well and are compensated fairly for your role in the success of the Legislature.

Thank you.