

**GOVERNMENT OF
THE UNITED STATES VIRGIN ISLANDS**



DEPARTMENT OF FINANCE

**TESTIMONY OF FINANCIAL TEAM
TO THE COMMITTEE ON BUDGET, APPROPRIATIONS AND
FINANCE OF THE 35TH LEGISLATURE OF THE U.S. VIRGIN
ISLANDS
BN 35-0050
HONORABLE DONNA A. FRETT-GREGORY, CHAIR
APRIL 4, 2023, 11:00AM**

Good morning, Chairman Frett-Gregory and members of the Committee on Finance, non-committee members present, the listening and viewing audience, and members of the Department of Education. I am Bosede Bruce, Commissioner of Finance. Thank you for the invitation to offer testimony on BN 35-0050 which seeks to make various appropriations from the Virgin Islands Education Initiative Fund to the renamed "School Construction, Maintenance and Capital Fund".

Title 33, Subtitle 3, Chapter 111, Section 3093 establishes the Virgin Islands Education Initiative Fund and further states that "35% of the proceeds derived from the games under each contract between the Virgin Islands Lottery and private contractor of lottery games, including the proceeds under a contract with a contractor of video lottery games".

Act 7268 amended Title 20, Section 425, increased the motor vehicle rental surcharge to \$3.75. The Act further designates \$2 to the Virgin Islands Education Initiative Fund and \$1.75 to the Department of Public Works to complete a list of capital projects outlined in the Act. After those capital projects are complete the \$1.75 would revert to the "Education Maintenance Fund", created within the Act, which would be renamed by the bill being presented today. As those capital projects are not yet completed there have been no monies deposited to the "Education Maintenance Fund".

As of March 27, 2023, the Virgin Islands Education Initiative Fund has a balance of \$10,313,502.80. The revenues average \$4.4M annually. The Obligations have ranged from lows of \$1M and \$1.8M during the pandemic school closures but we saw a rebound of \$3.8M

obligations in 2022. This fiscal year to date VIDE has obligated \$1.5M and they have advised me that they intend to spend up to \$4M by the end of the fiscal year, including \$170,000 for a special project appropriated in 2021.

My analysis supports that The Virgin Islands Education Initiative Fund can bear the two one-time appropriations of \$2Million outlined in Section 6 and \$5.5Million in Section 7. The fund should have approximately \$3Million after all estimated revenues and estimated expenditures have been realized.

I do want to point out that Line 22 of page 9 states “Virgin Islands Initiative Fund”, but should correctly state “Virgin Islands Education Initiative Fund”. Finally, the Bill Summary on page 10 does not include the appropriation of \$2Million outlined in Section 6.

This concludes my testimony. I, along with the DOE team, remain available to answer any questions that this Body may have.